



# Annual Report



**Indiana Early Learning**  
Advisory Committee

# ACKNOWLEDGMENTS

The Indiana Early Learning Advisory Committee (ELAC) would like to thank several organizations for their assistance in the development of this report. The following organizations were critical partners in providing data: Early Learning Indiana, Indiana Association for the Education of Young Children, Indiana Department of Education, Indiana Department of Workforce Development, Indiana Family and Social Services Administration (FSSA) Office of Early Childhood and Out-of-School Learning, First Steps, as well as the Indiana State Department of Health.

The members of the ELAC Data Coordination and System Integration Workgroup contributed significantly to the development of this report: Co-Chair Charlie Geier, Indiana Youth Institute; Co-Chair Kim Hodge, Early Learning Indiana; Sara Abdalla, Indiana State Department of Health; Chris Baker, Family and Social Services Administration; Lori Frame, Area Five Agency Head Start; Amber Johnson, Southeastern Indiana Economic Opportunity Corporation; Kristi Linson, Indiana State Department of Health; Eric McKeown, Ice Miller; Brandon Myers, Indiana Department of Education; Cheryl Miller, Indiana Head Start Association; John Peirce, Peirce Consulting; Ann Puckett-Harpold, M.A. Rooney Foundation; Maggie McCall, First Steps.

The ELAC Workforce and Professional Development Workgroup also contributed to gathering and incorporating data specifically about the early childhood education workforce.

The report was written and designed by the team at Transform Consulting Group: Sara Anderson, Amanda Lopez, Amanda Schortgen, Lora Stephens, and Melissa Wall.

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# INTRODUCTION



The Indiana Early Learning Advisory Committee (ELAC) was created by the Indiana General Assembly in 2013, and its members are appointed by the Governor. ELAC is tasked with assessing the availability, affordability, and quality of early childhood education programs statewide; improving coordination and collaboration among early childhood education programs, including the agencies that administer them; and assessing the capacity of higher education institutions to support the development of the early childhood education workforce.

## *ELAC's Vision*

*ELAC is working to ensure that children ages birth to 8 years and their families have access to affordable, high-quality early childhood education programs that keep children healthy, safe, and learning.*

Annually, ELAC conducts a comprehensive needs assessment on the availability, affordability, and quality of early childhood education programs statewide. This report is a summary of the needs assessment and includes recommendations for ELAC, the Governor's Office, and the Indiana Legislative Council on ways to address the identified needs.

Each section of the report (Young Children & Families, Accessibility, High Quality, and Affordability) includes its own set of key takeaways, and there is a complementary dashboard with additional data visualizations for each section as well (<https://public.tableau.com/profile/elac#!/vizhome/DRAFT2019AnnualReportInteractiveDashboard/InteractiveDashboard>). New to this year's report is multi-year trend data examining early childhood education since ELAC was created. Also added this year are sections on data methodology and its limitations, as well as a system-building scorecard, to be transparent about the state of Indiana's early childhood data systems and the complex process necessary to create this needs assessment report.

## **ELAC Appointed Members**

Lacey Kottkamp, Interim Chair  
Director, Indiana Head Start State Collaboration Office  
Office of Early Childhood and Out-of-School Learning, FSSA

Nicole Norvell,  
Director, Office of Early Childhood and Out-of-School Learning, FSSA

Connie Sherman  
Executive Director, St. Mary's Child Center

Christopher Stokes  
Sr Director of Sales – West, Lilly USA



# EXECUTIVE SUMMARY



The Indiana Early Learning Advisory Committee (ELAC) has now been in existence for 5 years, and the 2019 ELAC Annual Report is the sixth needs assessment conducted. For this report, there are some new elements. With multiple years of data, where possible, the report examines how Indiana is doing now compared to how the state was doing when ELAC formed and even before then. Also, where data was available, the report examines early childhood education through the lens of racial equity.

## REPORT HIGHLIGHTS

Indiana's population of young children remains steady at **just over 500,000 children ages 0-5 with nearly two thirds needing care** because all parents are working (both if a two-parent household, one if a single-parent household). A push in 2014 and 2015 increased the number of children enrolled in known early childhood education programs to 130,000 where Indiana remains today. **Only a third of children who need care are enrolled in known care.** Children who are not enrolled in a known program are likely receiving informal care from a friend or family member in a setting that may not be meeting their developmental needs.

**Since 2014, Indiana has increased the number of top-rated Level 3 and Level 4 early childhood education programs by 60%.** Year over year, Indiana continues to increase the number of programs participating in its four-level quality rating and improvement system, Paths to QUALITY™ (PTQ), as well as increase programs considered high quality (Level 3 and Level 4). Currently 55% of all known early childhood education programs participate, and more than 400 have been added since 2014. Even as total participants have increased, the percentage of high-quality programs has also increased from one third to nearly half.

Children enrolled in known programs and high-quality programs are disproportionately preschool-age, highlighting the need for more investment in infant and toddler care where tuition costs are higher and seats are fewer. In general, **the cost of tuition for early childhood education averages \$7,903 a year** with high-quality programs averaging about \$1,100 more per year, **nearly equal to a year of in-state tuition at an Indiana college or university.** These tuition costs are considered unaffordable for many low- and middle-income Hoosier families. The U.S. Department of Health and Human Services recommends spending seven percent of income on early childhood education, and an Indiana household making the median income would need to spend more than twice that (Child Care Aware of America, 2017).

### QUICK FACTS

**500,000**

Children ages 0-5

**323,799**

Need care because all parents work

**130,517**

Children who need care are enrolled in known care

**438**

More high-quality early childhood programs in the past 5 years

**\$7,903**

Cost of tuition for early childhood education

**\$1.8 billion**

Amount employers lose due to unstable early childhood education

While salaries make up the majority of early childhood education tuition costs, **early childhood professionals make less than the average hourly wage of all U.S. occupations.** In some settings, it is significantly less. Indiana's early childhood education workforce is projected to grow slightly over the next ten years, and with its current turnover rate, will need to explore how to get more people into the profession while striving to retain its current employees in order to meet demand.

Some children cannot attend early childhood education programs, possibly due to a lack of seats because there are not enough teachers to staff classrooms or due to the unaffordable cost of care. When this occurs, Indiana and its employers are negatively impacted. **A new study found that employers lose \$1.8 billion a year, and the state loses \$118 million in tax revenue when employees have difficulty securing care for their young children** (Littlepage, 2018).

## RECOMMENDATIONS

The recommendations in this year's report focus on system building in order to improve the coordination and collaboration of early childhood education programs for Hoosier children and families. If Indiana is able to improve in these areas, then young children, their parents, employers, and communities will benefit. In addition, the state will improve its ability to complete this needs assessment more efficiently and use data to drive decision-making.

After reviewing the data collected for this year's needs assessment, ELAC recommends the following:

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### 1. EXPAND OPPORTUNITY FOR THE MOST VULNERABLE.

The state currently prioritizes funding and investment for impoverished children. However, the unmet need is still great, and there is insufficient data to determine if Indiana is adequately serving other children among the most vulnerable (e.g., children in foster care, children experiencing homelessness, children affected by the opioid epidemic, children with incarcerated parents, etc.). In order to develop supports for vulnerable populations most in need, Indiana should invest in a coordinated early childhood data system.

### 2. EXPAND HIGH-QUALITY EARLY CHILDHOOD EDUCATION.

Indiana should continue to increase the number of programs participating in PTQ and achieving high-quality designations. To achieve this, the state needs to make targeted investments to address barriers to participation and lack of incentives.

### 3. INCREASE EARLY CHILDHOOD EDUCATION FOR INFANTS AND TODDLERS.

Indiana is not meeting the needs of families with infants and toddlers as well as it meets the needs of preschool-age children. Program capacity for infants and toddlers is insufficient and costly. There is an opportunity for Indiana to determine how to better provide early childhood education for its youngest citizens. This is especially critical because research shows the importance of prioritizing the healthy development of children from birth to age 3, as this is the single most critical period of brain development (ReadyNation, n.d.).

Early childhood education in Indiana over the last 5 years has improved in some areas and stagnated in others. While more early childhood education programs are improving quality and current subsidy programs are expanding to other counties, there is still a great unmet need. Through the work of ELAC and other organizations, more people are learning about these unmet needs, and more people are coming to the table to discuss what can be done. Through engagement of these diverse voices, Indiana is poised to make important gains in investment in a system that will provide more early childhood education services more efficiently and more effectively.

# YOUNG CHILDREN & FAMILIES



## KEY INDICATORS

Total Young Children Ages 0-5	Young Children Living in Poverty	Single-Parent Households with Children Ages 0-5	Young Children With Parents Who Are in the Workforce
506,257	25%	33%	64%

## WHAT IS THE MAKEUP OF THE POPULATION OF YOUNG HOOSIERS?

Indiana's birth rate remains consistent with an average of 84,000 births each year, resulting in slightly more than 500,000 young children ages 0-5 living in Indiana.

According to the U.S. Census Bureau, infants include children who are birth to 12 months old, making up 16% of total children ages 0-5. Toddlers include children who are 1 and 2 years old, comprising 33% of total young children. Preschoolers are ages 3, 4, and 5, meaning they are 50% of all young children ages 0-5.

Figure 1: How many infants, toddlers, and preschoolers make up the total 0-5 population?<sup>1</sup>



1. Due to rounding, percentages may not appear to equal 100%.

### INDIANA'S YOUNG CHILDREN

Infants **82,829**

1-Year-Olds **83,680**

2-Year-Olds **85,118**

3-Year-Olds **84,649**

4-Year-Olds **85,231**

5-Year-Olds **85,081**

Total Children  
Ages 0-5 **506,257**

In Indiana, the majority of children ages 0-5 are White (82%). Fourteen percent of young children are Black. Only 11% are Hispanic.

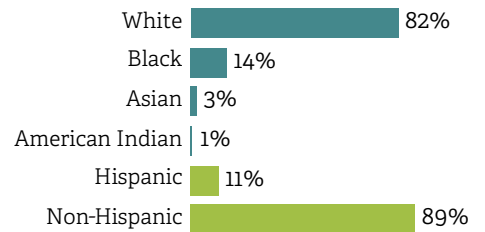
## WHO ARE INDIANA'S VULNERABLE POPULATIONS?

According to the Indiana Department of Child Services, at the end of the 2017 state fiscal year (SFY), there were 31,042 Hoosier children ages 0-17 in foster care and more than a third of those children (37%) were ages 0-4.

According to data from the U.S. Administration for Children & Families, there were 18,386 children ages 0-5 in Indiana who experienced homelessness in 2015. Seven percent of those children received early childhood education services from Head Start/Early Head Start (1,122 children) or a McKinney-Vento-funded program (183 children).<sup>2</sup> ELAC is unsure what percentage of the remaining 17,000 children who were reported to be homeless were served by other early child education programs.

According to the U.S. Census Bureau, one in four Hoosier children ages 0-5 lives in poverty (below 100% Federal Poverty Level [FPL]).<sup>3</sup> Another 25% are considered low-income (100-200% FPL). Additional FPL detail is provided in the chart as a reference for differing income eligibility thresholds of public programs (e.g. Indiana's state-funded pre-K program called On My Way Pre-K [OMW Pre-K] and Head Start).

Figure 2: What is the race and ethnicity of young children?



Source: Puzzanchera, C., Sladky, A. and Kang, W. (2018). Easy Access to Juvenile Populations: 1990-2017. Online.

Figure 3: How many children in foster care are ages 0-4?

31,042 Total Children in Foster Care

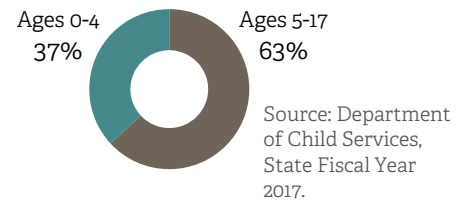
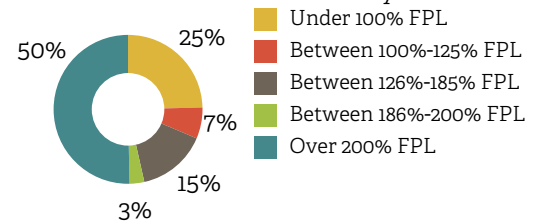


Figure 4: What percentage of young children fall within the Federal Poverty Levels?



Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table B17024.

Figure 5: What are the income levels of the Federal Poverty Guidelines?

For a Family of 2		For a Family of 3	
100% FPL	\$16,460	100% FPL	\$20,780
125% FPL	\$20,575	125% FPL	\$25,975
150% FPL	\$24,690	150% FPL	\$31,170
185% FPL	\$30,451	185% FPL	\$38,443
200% FPL	\$32,920	200% FPL	\$41,560

Source: 2018 Federal Poverty Guidelines, Department of Health and Human Services, January 18, 2018.



2. [https://www.acf.hhs.gov/sites/default/files/ece/epfp\\_50\\_state\\_profiles\\_6\\_15\\_17\\_508.pdf](https://www.acf.hhs.gov/sites/default/files/ece/epfp_50_state_profiles_6_15_17_508.pdf)

3. 100% FPL is equal to an individual income limit of \$12,140 plus \$4,320 for each additional family member. Other FPL percentages are calculated based on their respective percentage above 100%.



Poverty disproportionately affects Hoosier children of color. Nearly half (47%) of Black children ages 0-5 live in poverty, as well as almost a third of Hispanic children (31%). Asian and White children are less likely to live in poverty at six percent and 17% respectively.

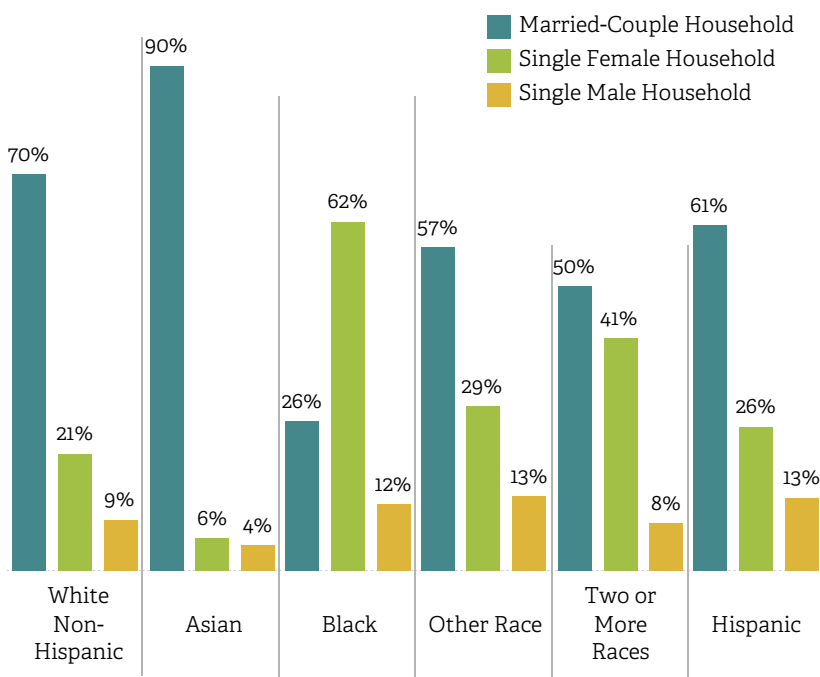
## WHAT IS THE STRUCTURE OF INDIANA HOUSEHOLDS?

According to the U.S. Census Bureau, the majority (67%) of Indiana households with children under 6 years old are two-parent households (married couple). A quarter of households (24%) are led by a single female family member, and nine percent are led by a single male family member. In some households, that family member may be a grandparent.

In Indiana, 49,146 children ages 0-5 live with grandparents. For slightly more than half of those grandchildren, the grandparent is responsible for the basic needs of the grandchild. Only 5,279 grandchildren live with a grandparent with no parent present in the household.

While family structure may have changed over several decades, data over the past 8 years shows relatively little difference in household structure. Married-couple households have dropped three percent and single-parent households have increased one to two percent, all of which lies within the margin of error for this data.

Figure 8: How does the household structure vary by race?

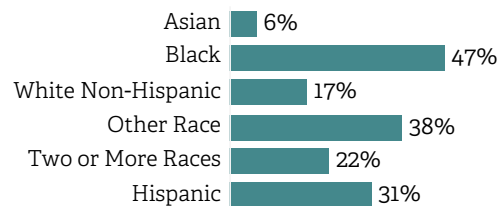


Source: U.S. Census Bureau, 2012-2016 ACS 5-Year Estimates, Table B17010A.

4. Percentage calculated based on the 0-5 population by the race/ethnicity.

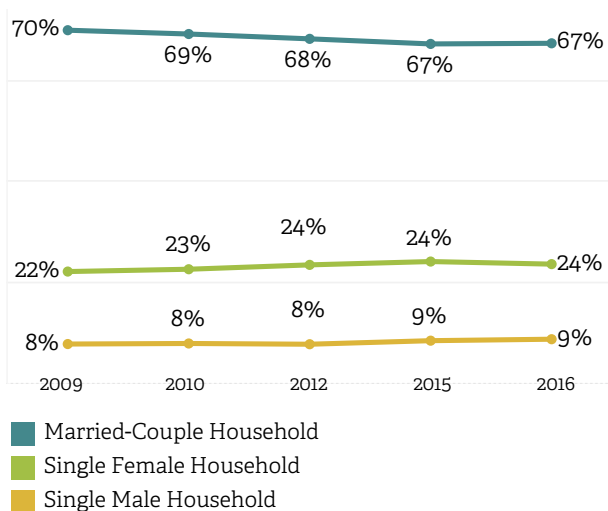
5. The totals for children under 6 years had to be calculated based on percentages from the table. The subtotal of married and single families have a margin of error due to rounding in the calculations.

Figure 6: How many young children in each racial group are living in poverty?<sup>4</sup>



Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates, Table B17020.

Figure 7: What is the family structure of households with own children under 6 years old?<sup>5</sup>



Source: U.S. Census Bureau, 2005-2016 American Community Survey 5-Year Estimates, Table S1101.

The structure of families differs by race and ethnicity. In Indiana, the percentage of married-couple families with children under 5 years of age is greatest among Asian families (90%), followed by White families (70%), then Hispanic families (61%). Black families are comprised of just 24% married couples. Married-couple households and poverty appear to be inversely correlated, meaning children with married parents are least likely to live in poverty. Asian children are least likely to live in poverty and most likely to live in a married-couple household. This seems unsurprising given the potential access to a second income in a married-couple household.



## KEY TAKEAWAYS ABOUT CHILDREN AND FAMILIES

- ❑ Indiana has half a million young children, and the birth rate has been steady.
- ❑ A quarter of young children live in poverty. An additional 25% are low-income, meaning that half of Hoosier families with young children struggle to afford early childhood education.
- ❑ Children living in single-parent households are more likely to live in poverty, and racial and ethnic disparities are evident.
- ❑ On average, two thirds of young children need care statewide, but that number ranges from 22% to 81% depending on the county.





## KEY INDICATORS

<p>Young Children Who Are Likely in Need of Care</p> <p>323,799</p>	<p>Young Children Enrolled in Known Early Childhood Education Programs</p> <p>130,517</p>	<p>Known Early Childhood Education Programs</p> <p>5,184</p>	<p>Young Children Who Need Care Enrolled in Known Early Childhood Education Programs</p> <p>40%</p>	<p>Individuals Employed in the Early Childhood Education Workforce</p> <p>30,888</p>
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## HOW MANY YOUNG CHILDREN WHO NEED CARE ARE ENROLLED IN A KNOWN PROGRAM?

Figure 11: How many children live in households where all parents work?



The majority (64%) of children ages 0-5 in Indiana live in households where all parents are working. An estimated 323,799 young children either have two parents who are both in the workforce or a single working parent. This means that all these children need care provided to them by someone other than their parents.

Of those children who need care, only 130,517 are enrolled in a known early childhood education program. Known programs are those that are either required to be licensed or have chosen to register with the state. Indiana only requires licenses for child care centers that operate full-day programs or family child care programs that enroll six or more unrelated children. Ministries, most school-based programs, and smaller home-based settings are not required to be licensed, but they may choose to become licensed or to register with the state.

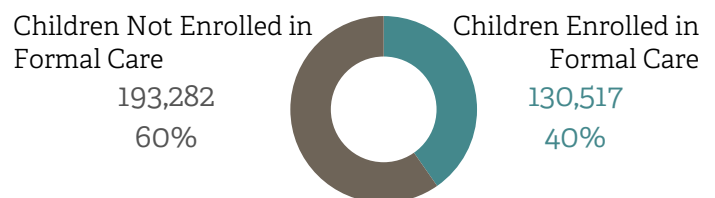
most school-based programs, and smaller home-based settings are not required to be licensed, but they may choose to become licensed or to register with the state.

**Most young children (60%) receive care in an informal setting through a relative, neighbor, or family friend where the quality of care is unknown.**

ELAC does not have data on these children. Because these informal care settings are not regulated, the providers do not report information to the state about their arrangements. Some of these children are receiving care from family members, such as grandparents. Others are cared for by neighbors or friends. If parents in a household work different shifts, then those children may be cared for by their own parents even though both are in the workforce.

The enrollment rates of children who need care are not uniform across the state. Most counties have between 25% and 50% of young children who need care enrolled in a known program. Only five counties are meeting at least 60% of the need, and seven counties are meeting less than one fifth (20%) of the need.

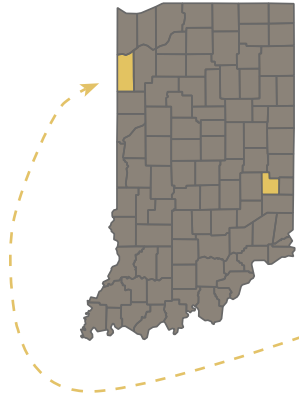
Figure 12: How many young children who need care are enrolled in a formal program?



Source: Early Learning Indiana, 2017; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table B23008.



# COMMUNITY SPOTLIGHT



Two counties in particular have seen success increasing the number of programs operating in their communities! Fayette County has added two programs since last year and is now up to 19 known programs. Their known program enrollment increased from 407 children to 568. They have the highest percentage of children who need care enrolled in a known program.

In addition, Newton County doubled their number of programs to four from two. Previously, they only had 37 children enrolled in known programs, and now they are up to 77 children accessing early childhood education.

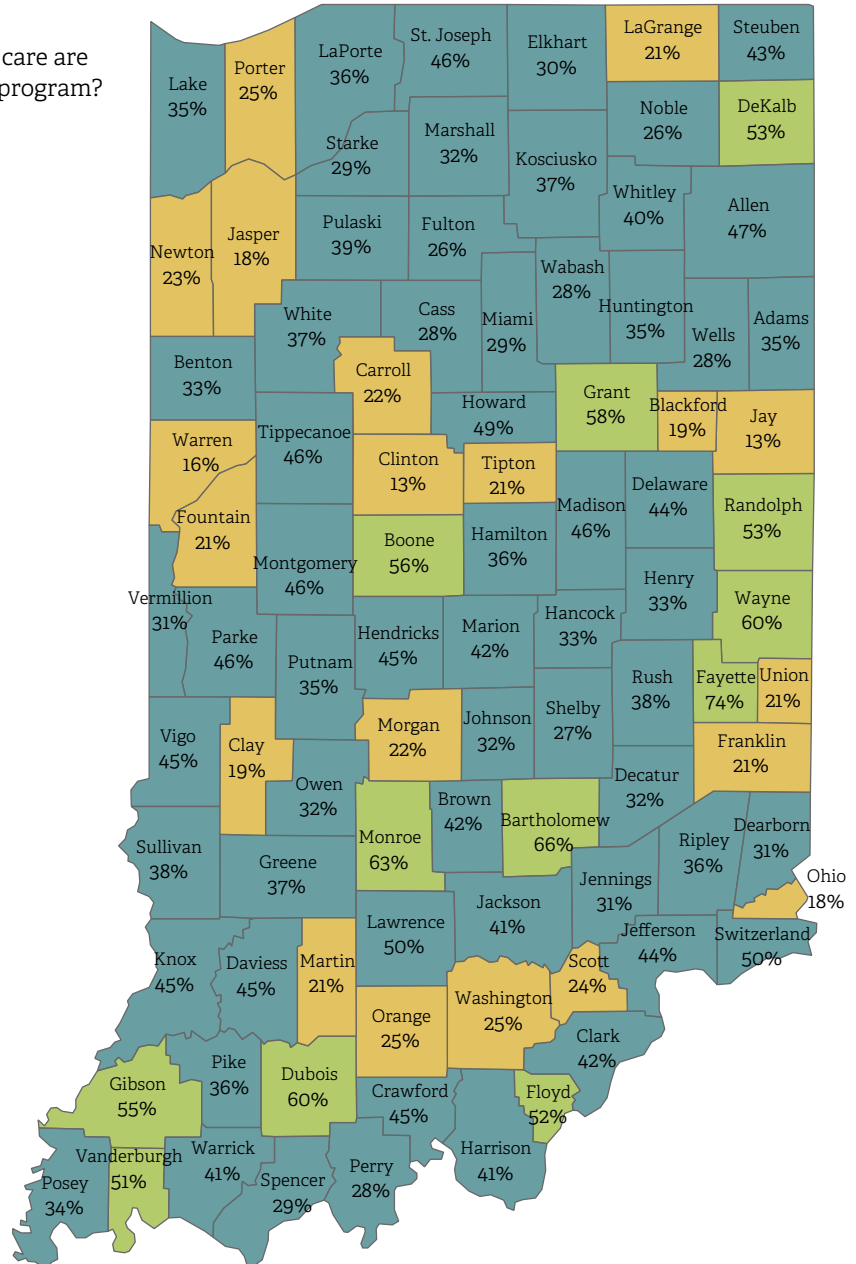
This kind of positive change requires a dedicated team effort! Existing unlicensed or unregistered programs may need to learn about the pathways to licensure and registration. Informal peer mentorship is one effective way that informal programs can learn the steps to take. Support from the state and local resource organizations can also provide needed support. If new programs have recently opened, then they also have to work hard to put all the pieces together to successfully launch their programming. In Fayette and Newton counties, this hard work is paying off, and more children and families are able to access the care they need.

Figure 13: How many young children who need care are enrolled in a known early childhood education program?

Indiana Total: 40%  
There are 130,517 young children enrolled in a known program in Indiana.

- 10% to 25% Enrolled
- 26% to 50% Enrolled
- Over 50% Enrolled

Source: Early Learning Indiana, 2018; FSSA Office of Early Childhood and Out-of-School Learning, 2017; Indiana Department of Education, 2017-18; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table B23008.



# WHAT TYPES OF EARLY CHILDHOOD EDUCATION PROGRAMS EXIST IN INDIANA?

Indiana has different early childhood education program options for families. These known programs are ones that care for and educate young children and are either required to be licensed by the state or have chosen to register with the state. There are a total of 5,184 of these known programs that enroll more than 130,000 young children.

More than half (55%) are family child care programs. Due to the small capacity of family child care programs, they only serve 17% of children ages 0-5. There are fairly even numbers of child care centers, school-based programs, and registered ministries. Child care centers serve the largest number of children, more than one third (39%). For more information about the different types of early childhood education programs, see Appendix B.

Figure 14: Indiana's Formal Early Childhood Education



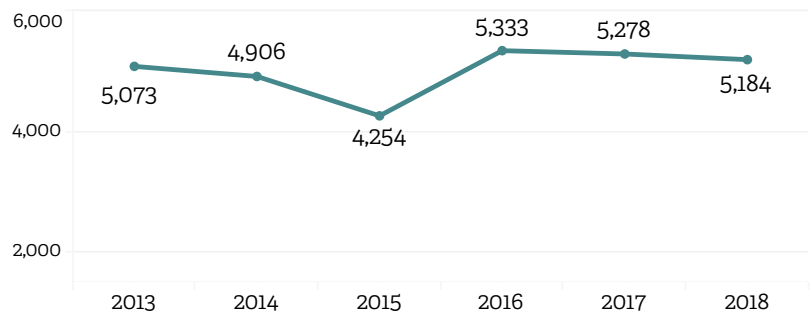
Source: Early Learning Indiana, 2018; FSSA Office of Early Childhood and Out-of-School Learning, 2017; Indiana Department of Education, 2017-18.

# HAS INDIANA INCREASED ITS NUMBER OF EARLY CHILDHOOD EDUCATION PROGRAMS?

Since ELAC has collected data for its annual needs assessments over multiple years, it can now look at trends in that data. The total number of programs in Indiana has remained somewhat close to 5,000 over the past 6 years. There was a dip in 2015 with only approximately 4,200 programs, which may be attributed to changes in data collection methodology during that year due to agency transition. In 2016, the number peaked around 5,300. The current number of 5,184 is just slightly higher than the number of programs in 2013.



Figure 15: How has the number of total known programs in Indiana changed over time?



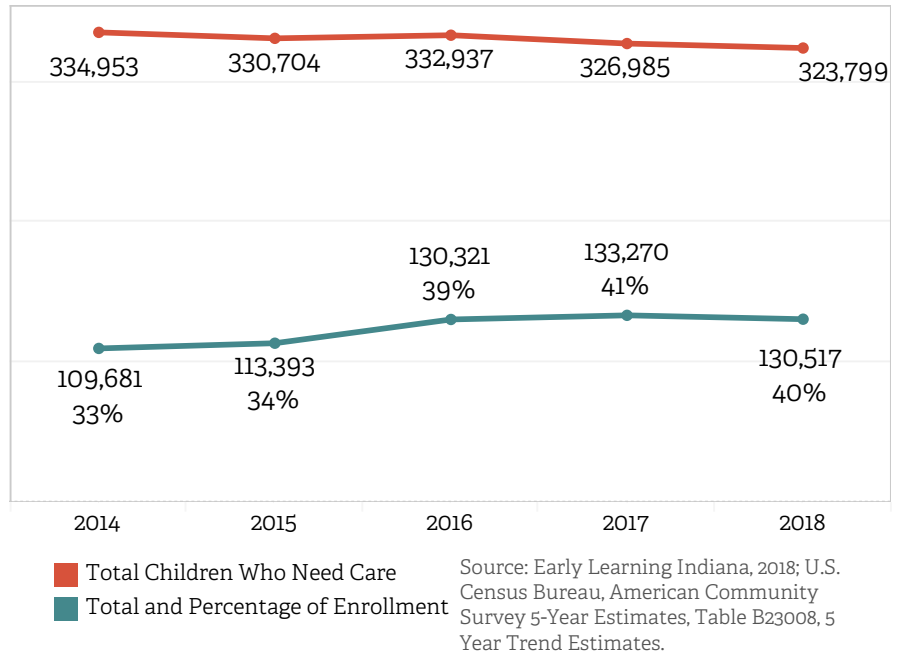
Source: Early Learning Indiana, 2018; FSSA Office of Early Childhood and Out-of-School Learning, 2017; Indiana Department of Education, 2017-18; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.

# HAS ENROLLMENT IN KNOWN PROGRAMS CHANGED OVER TIME?

The enrollment data collected for this year's report and previous reports is the child enrollment at that particular point in time. This point-in-time data provides only a limited picture of enrollment in early childhood education across the state. Looking at the enrollment trends over time creates a more comprehensive picture of the number of children enrolled in known programs in Indiana.

**Indiana has made progress by enrolling more of the children who need care in known programs.**

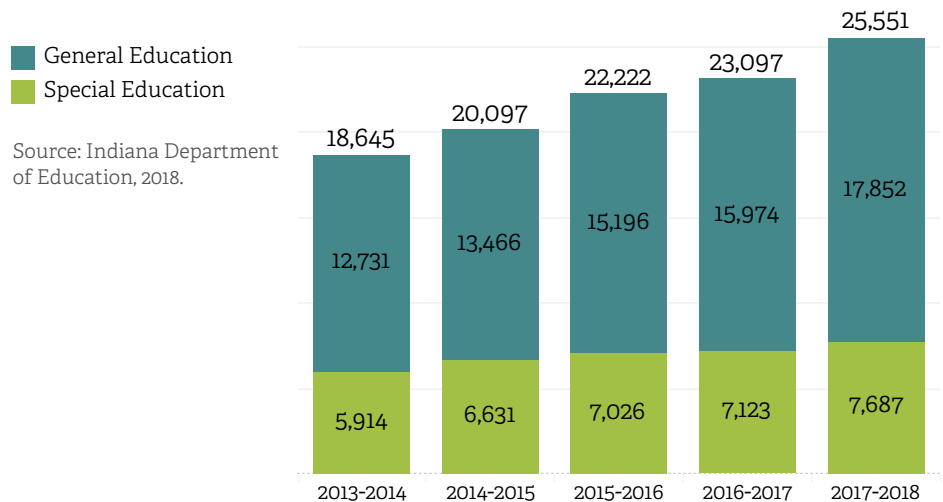
Figure 16: How do children who need care compare to children enrolled in known early childhood education?



Looking at the trend over 5 years, there was a large increase in enrollment between 2014 and 2016. Since then, enrollment has remained rather stagnant. Part of this increase could be attributed to the introduction of state-funded pre-K in Indiana. The state first introduced the Early Education Matching Grant (EEMG) program, which began enrolling students in 2014-2015. Shortly after EEMG started, OMW Pre-K was launched, began enrolling students in January 2015, and was operating in all five original pilot counties by August 2015.

Indiana's state-funded pre-K initiatives came with capacity-building funding, which helped early childhood education programs across the state increase their capacity to serve preschool students. Data from the Indiana Department of Education (IDOE) show that public school preschool enrollment has also been increasing during the last 5 years, especially among their general education students. The overall increase from 2014 to 2018—which was seven percent—in enrollment of children who need care could be attributed to both an increase in the number enrolled and a slight decline in the number of children who need care.

Figure 17: How has IDOE's prekindergarten enrollment changed over time?



## HOW DOES ENROLLMENT COMPARE FOR INFANTS, TODDLERS, AND PRESCHOOLERS?

ELAC knows relatively less about the early childhood education that infants and toddlers receive.

While infants make up 16% of all young children ages 0-5, they are only seven percent of young children enrolled in known programs. Although toddlers are 33% of children ages 0-5, they are only 23% of those enrolled in known programs. Preschool-age children are overrepresented in known early childhood education programs.

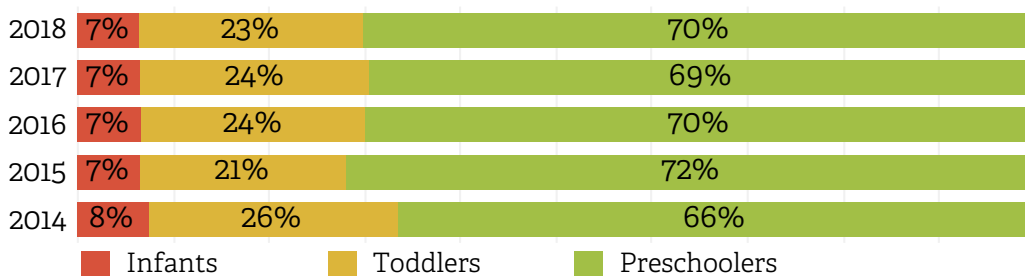
Families with infants and toddlers have fewer options, as unlicensed school-based programs are not permitted to enroll children who are that young. Toddlers are overrepresented in family child care programs. However, in all other settings, there are fewer infants and toddlers enrolled compared to their proportion of the population.

Figure 18: How many young children are enrolled in known early childhood education programs?

	Child Care Centers	Family Child Care	Registered Ministries	School-Based	Total
Infants	3,260	2,699	2,408	157	8,524
Toddlers	12,566	8,613	8,601	675	30,455
Preschoolers	34,854	10,246	16,039	30,399	91,538
Total	50,680	21,558	27,048	31,231	130,517

Source: Early Learning Indiana, 2018; FSSA Office of Early Childhood and Out-of-School Learning, 2017; Indiana Department of Education, 2017-18.

Figure 19: How has enrollment by age group changed over time?



Due to rounding, percentages may not appear to equal 100%.  
Source: Early Learning Indiana, 2018; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.

The trend of having more preschoolers enrolled in known programs compared to infants and toddlers has been consistent over the past 5 years.

This is a possible indication that the statewide early childhood education system is not meeting the needs of families with infants and toddlers as well as it meets the needs of preschool-age children. Since there is no recent trend of increasing enrollment for infants and toddlers, this is an opportunity for Indiana to determine how to better provide for the early childhood education of its youngest citizens. This is especially critical because research shows the importance of prioritizing the healthy development of children from birth to age 3, as this is the single most critical period of brain development (ReadyNation, n.d.).

## DO VULNERABLE POPULATIONS HAVE ACCESS TO EARLY CHILDHOOD EDUCATION?

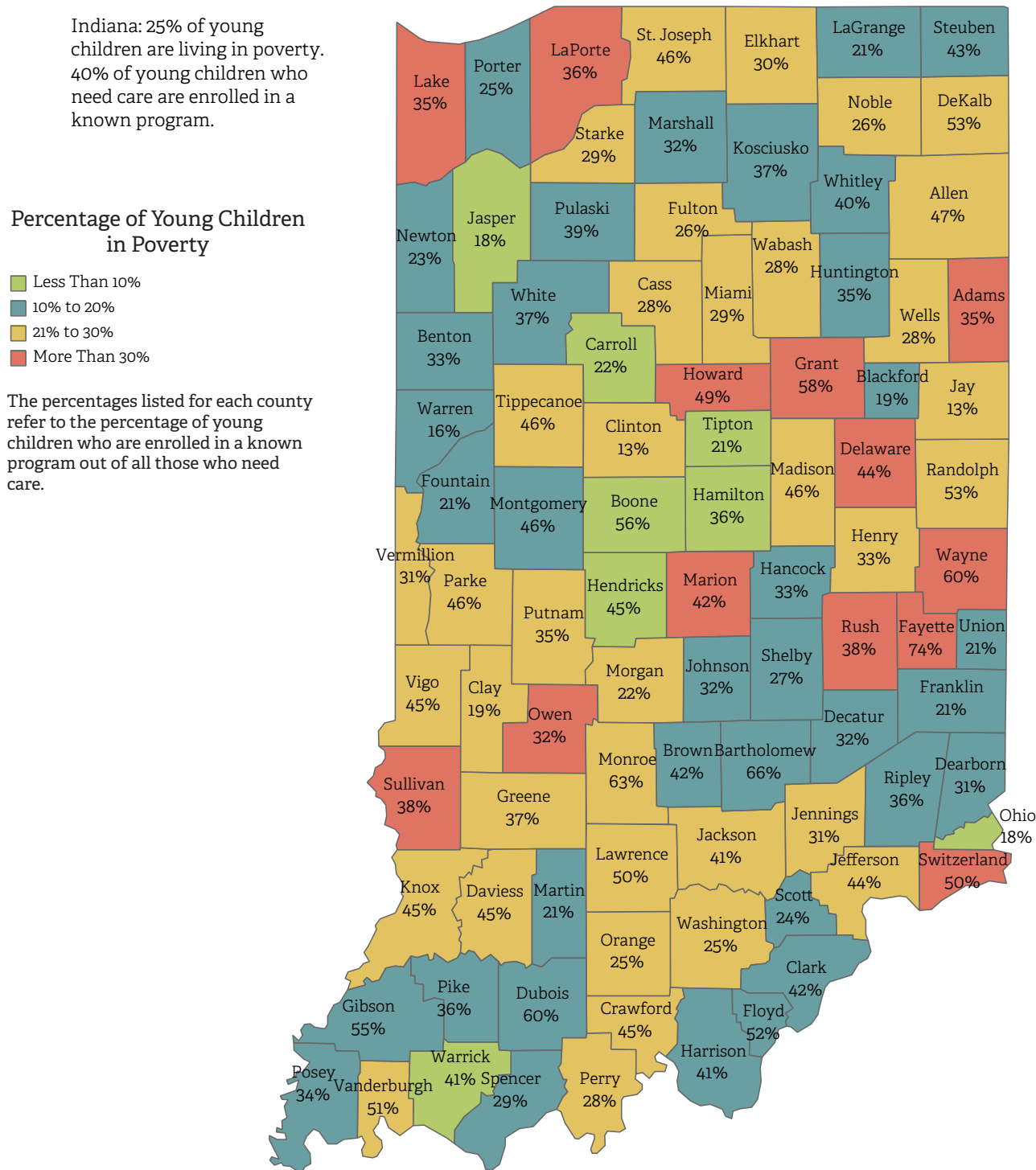
ELAC's state partners do not collect comprehensive data on the demographics of young children who are enrolled in known programs. Therefore, ELAC does not know whether there are disparities in access among vulnerable populations, such as children of color, children from low-income families, foster children, homeless children, or children with disabilities.



Children living in poverty are considered to be part of a vulnerable population. Looking at the county map of the percentage of young children in poverty overlaid with the percentage of children who need care that are enrolled, there is no strong relationship between the variables of poverty and enrollment.

Fayette County has one of the highest poverty rates in the state, and they have 74% of children who need care enrolled in a known program. This is the highest current enrollment and a large increase from last year. Wayne and Adams counties have the highest percentage of children living in poverty (39%). Wayne County has 60% of children in need of care enrolled in a program, while Adams County only has 35% of children in need of care enrolled.

Figure 20: How many young children are being served in known programs in counties where children are living in poverty?<sup>6</sup>



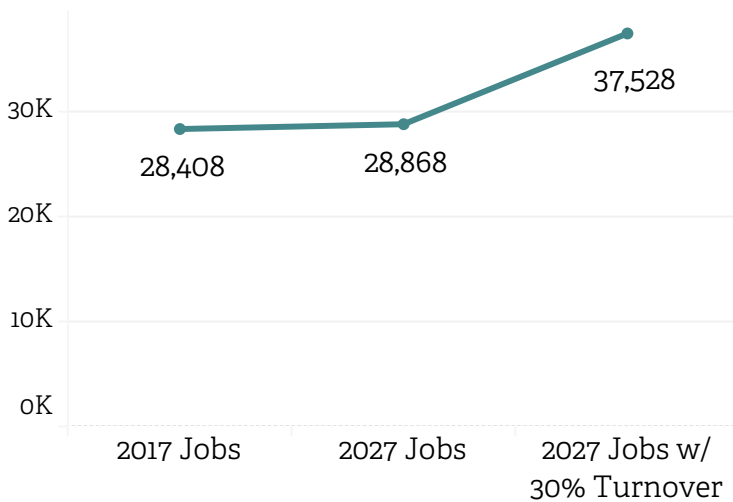
# DOES INDIANA HAVE THE CAPACITY TO MEET THE NEED?

Determining capacity of the early childhood education system to serve more children is difficult. Several factors have to be in place before programs can serve additional children, such as the necessary physical space, enough qualified teachers, and sufficient funding. A program may not have the capacity to meet the existing demand for a variety of reasons. For instance, they may have an empty classroom and sufficient funding but are unable to recruit a qualified teacher.

ELAC does have the data to show that the early childhood education system serves proportionally fewer infants and toddlers than preschool-age children. This is a likely indicator that the system does not have the capacity to meet the demand for Indiana’s youngest children ages 0-3.

## WHAT ARE THE CHARACTERISTICS OF THE EARLY CHILDHOOD EDUCATION WORKFORCE?

Figure 21: Will the supply of early childhood education teachers meet the demand?



Source: Indiana Department of Workforce Development, 2018.

Access to early childhood education for all children is dependent on a large enough workforce to meet the demand. The workforce for early childhood education included 30,888 individuals in 2017 according to data from Indiana’s Family and Social Services Administration (FSSA) and IDOE. This data is in line with the Indiana Department of Workforce Development (DWD), which reports a workforce in 2017 of 28,408 preschool teachers and child care workers.

In 10 years, the workforce is projected to grow slightly to 28,868. However, with an estimated 30% turnover rate, the projected need of the workforce will be 37,528. The current turnover rate of the early childhood education workforce in Indiana is unknown, but the national rate is 30%. The need for 37,528 workers is a conservative estimate when

considering DWD’s projection only takes into account preschool teachers and child care workers—not other staff who work in the field.

**There will be a projected shortfall of**

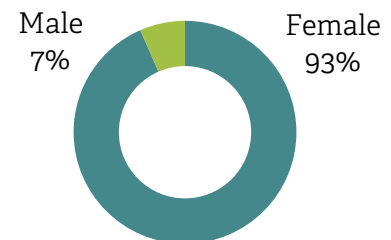
**9,120**

**child care workers and preschool teachers by**

**2027**

Indiana’s early childhood education workforce is predominantly female and young. More than nine in 10 workers are women, and two thirds were born before 1981 (under age 37).

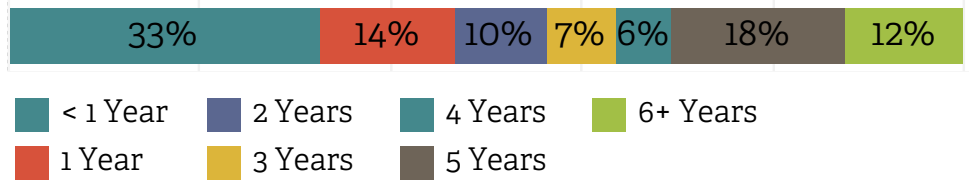
Figure 22: What is the gender makeup of the early childhood education workforce?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

Nearly half (47%) have 1 year or less of work experience in early childhood education. Nationally, early childhood education teachers and caregivers have more work experience with only 23% of center-based and 16% of home-based professionals having 1 year or less of work experience.<sup>7</sup>

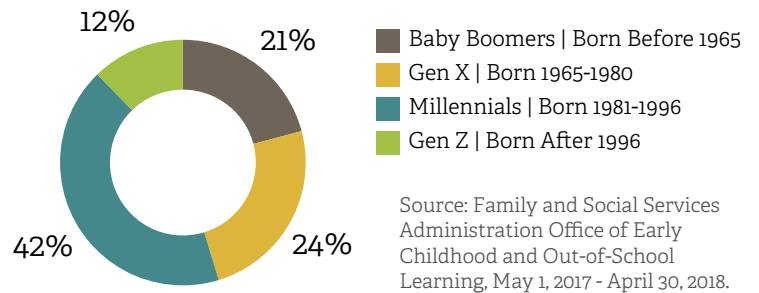
Figure 23: How long have staff been in the early childhood education workforce?<sup>8</sup>



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

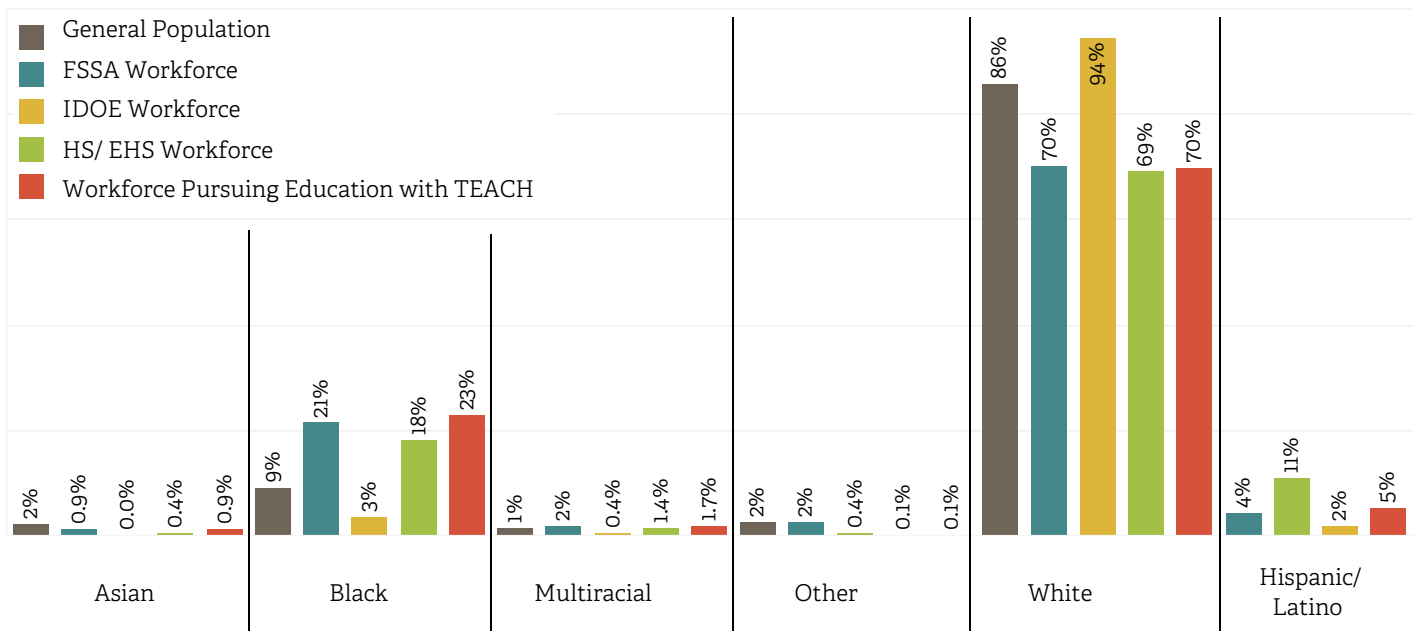
As younger generations become more diverse, it is important to consider how educators and caregivers reflect that population. The early childhood education workforce, as reported by FSSA and Head Start, has a higher percentage of Black employees than there are young Black children (21%, 18%, and 14% respectively). However, the workforce is lacking Hispanic representation. Head Start's Hispanic workforce is equal to that of the young child population at 11%, but FSSA and IDOE fall short at under five percent for each. IDOE has the least diverse early childhood workforce across ELAC's partners.

Figure 24: What is the age makeup of the early childhood education workforce?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

Figure 25: How diverse is the early childhood education workforce by organization?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017-April 30, 2018; Head Start PIR Reports, Pulled 2018; Indiana Department of Education, 2018; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table S2301.

6. [https://www.acf.hhs.gov/sites/default/files/opre/nsece\\_wf\\_brief\\_102913\\_0.pdf](https://www.acf.hhs.gov/sites/default/files/opre/nsece_wf_brief_102913_0.pdf)

7. Length of time in the workforce is calculated based on the time between the first record entered into FSSA's database and 4/30/2018.

## Compared to teachers in grades K-12 in Indiana and nationally,<sup>9</sup> the Indiana early childhood education workforce is more diverse but less experienced.

There is a common misconception that teachers of the youngest children do not need to be as experienced or qualified as teachers of older children. This is not true, based on a growing body of research that shows how critical the time is from birth to 5 years old for children's healthy brain development. Young children are building brain architecture that will impact their well-being into adulthood (National Scientific Council on the Developing Child, 2007).



Nationally, there is not much data collected on the composition of the early childhood education workforce. The 2012 National Survey of Early Care and Education (NSECE) is the most recent and most comprehensive source of national data that provides some insight into aspects of the early childhood education workforce. In addition, there is no nationally collected data that compares the workforce in each state. In contrast, a large data set is regularly collected about the workforce that educates older children (Whitebook, McLean, Austin, & Edwards, 2018). The most recent National Teacher and Principal Survey (NTPS) was completed in 2015-2016.

Indiana is currently one of only 15 states that link some early childhood education programs with workforce data (King et al., 2018). The FSSA Office of Early Childhood and Out-of-School Learning is in the process of implementing a workforce tracking database, which early childhood education professionals will be able to choose whether or not to utilize. Indiana has an opportunity to build on the progress it has already made to create a complete picture of the landscape of the early childhood education workforce.

## WHY DO SOME EARLY CHILDHOOD EDUCATION PROFESSIONALS STAY IN THE FIELD WHILE OTHERS LEAVE?

The ELAC Workforce and Professional Development Workgroup recently conducted a qualitative study to investigate why individuals enter the early childhood education field and why they choose to stay or leave. The Workgroup found that people generally enter the early childhood education field and stay because of personal values and their passion to help families and young children. While wages might lead some to leave the field, others stay because of the added benefits of personal and professional development received while in the early childhood education field.

*My passion [for] working with families and other professionals [has kept me in the early childhood education field]. Making sure children are getting what they need to grow healthy and be ready for school...I see that every day and I enjoy it. I don't see myself anywhere else. I have grown as a professional starting with a high school diploma and ended up with my bachelor's. I did it because I believe in what I am doing. -Director*

Investments that increase the size of the workforce will also increase the number of seats for children who need high-quality early childhood education. This means that more parents will be able to participate in and be productive members of the workforce. This would have a positive impact on individual employers and the overall economy.

8. <https://nces.ed.gov/pubs2017/2017072rev.pdf>



## KEY TAKEAWAYS ABOUT ACCESSIBILITY

- ❑ Two thirds of children need care because their parents are working. Forty percent of those children are enrolled in known programs.
- ❑ Indiana has increased enrollment from 2014 to 2016, but the last 3 years have seen relatively little change in early childhood education enrollment.
- ❑ The number of programs has remained relatively flat since 2013.
- ❑ Two thirds of enrolled children are preschoolers while preschoolers only account for 50% of children ages 0-5. There is a lack of seats for infants and toddlers.
- ❑ ELAC does not know whether there are disparities in access among vulnerable populations due to a lack of data.
- ❑ Indiana's early childhood education workforce is more diverse than the K-12 workforce but not as experienced.



# HIGH QUALITY

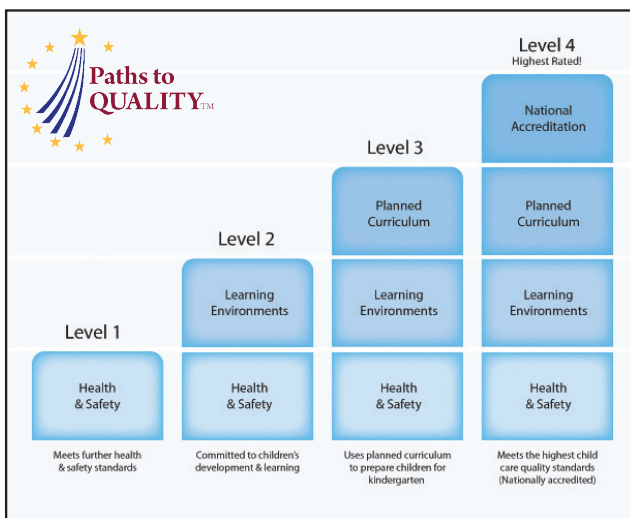


## KEY INDICATORS

High-Quality Early Childhood Education Programs	Known Programs that are High Quality	Enrollment in High-Quality Early Childhood Education Programs	Young Children Who Need Care Enrolled in High-Quality Early Childhood Education Programs	Counties With No High-Quality Early Childhood Education Program
1,334	25%	50,613	16%	5

## WHAT CONSTITUTES A HIGH-QUALITY PROGRAM?

ELAC defines a high-quality program as meeting Level 3 or Level 4 on Indiana's voluntary quality rating and improvement system, Paths to QUALITY™ (PTQ), or being nationally accredited by an approved accrediting body. The standards outlined by both PTQ and the accrediting bodies are aligned to best practices that are grounded in research on positive child outcomes (Elicker, 2007). Up-to-date lists of PTQ programs in local communities can be found at <http://childcareindiana.org/rated-programs/>.



### Programs that are rated high quality have these key components:

1. Implement an age-appropriate educational curriculum throughout the year
2. Hire teachers who are trained and receive ongoing professional development each year
3. Employ teachers who observe children to assess their strengths and weaknesses, as they continuously interact with children to develop their skills in all areas
4. Meet the other requirements in PTQ Level 2 and Level 1

## WHY IS HIGH-QUALITY EARLY CHILDHOOD EDUCATION IMPORTANT?

Young children ages 0-5 experience the most rapid and important period of brain development. Whether children are at home or with another caregiver, their environment needs to support their cognitive, social, and emotional well-being. The brains of young children are building brain architecture that will have lifelong effects on their development and success in both school and life (National Scientific Council on the Developing Child, 2007). Because early brain development is so important, it is critical for all parents to be aware of this. All parents, whether they work outside the home or care for their young children full-time, can set up home environments that allow children to thrive. In addition, parents who are choosing care for their young children can learn the characteristics to look for in an early childhood education program.

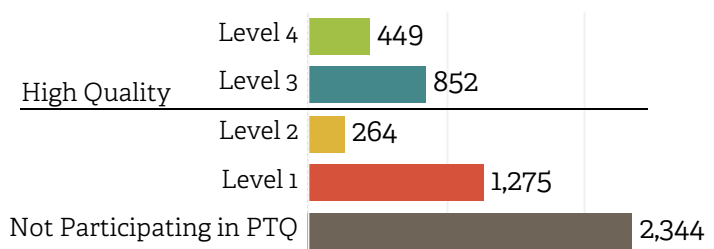
A study took a close look at gender differences in child outcomes after children were in various types of child care and early childhood education settings.

The researchers concluded that high-quality early childhood education results in positive outcomes for both boys and girls. Conversely, low-quality settings can actually harm children, especially boys.

This conclusion further emphasizes the importance of all children being in high-quality early childhood education settings (Garcia, Heckman, & Ziff, 2017).

## HOW MANY PROGRAMS PARTICIPATE IN PATHS TO QUALITY™?

Figure 26: How many known programs are participating in Paths to QUALITY™?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

Only a quarter (25%) of known programs in Indiana are rated high quality. Slightly more than half (55%) of known programs are participating in PTQ.

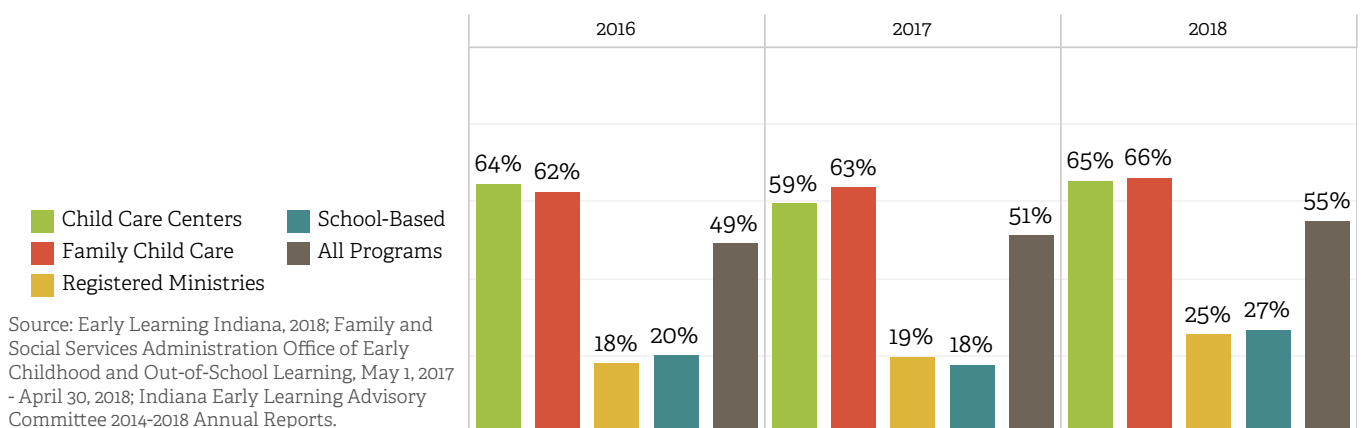
However, the largest group of participating programs (45%) is at Level 1 on PTQ.

(66%) participate in PTQ. Conversely, only about one fourth of registered ministries (25%) and school-based programs (27%) participate.

Approximately two thirds of child care centers (65%) and family child care programs

This difference in program participation rates is likely explained by differences in program licensing requirements. Child care centers are required to be licensed, as are many family child care programs. Licensing requirements are essentially the same as those for PTQ Level 1, making it quite easy for licensed programs to quickly become Level 1 on PTQ. On the other hand, ministries and most school-based programs are not required to be licensed, so they must choose to become registered or licensed before they are eligible to participate in PTQ. Therefore, those programs have to take additional voluntary action before becoming eligible for PTQ participation.

Figure 27: Which program types have higher Paths to QUALITY™ participation rates?



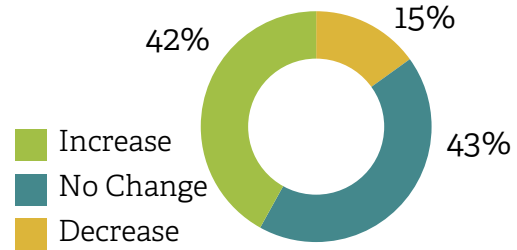
Source: Early Learning Indiana, 2018; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.



The overall percentage of known programs that participate in PTQ has risen by six percent over the last 3 years. Some types of programs—child care centers and school-based programs—saw a slight dip in program participation in 2017. The largest increases in participation rates were achieved by both registered ministries and school-based programs. This is notable due to these two types of programs completing multiple voluntary processes—first licensing or registration then enrolling in PTQ. These two program types—registered ministries and school-based programs—still have the lowest overall participation rates in PTQ.

Indiana as a whole saw an overall increase in high-quality programs this year. The map on the next page shows the number of high-quality programs operating in each county. This year, there are only five counties with no high-quality programs, which is an improvement from the last few years when Indiana still had nine counties with no programs of high quality.

Figure 28: How many counties had an increase, a decrease, or no change in the number of high-quality programs in 2018 compared to 2017?



Source: Early Learning Indiana, 2017, 2018; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, 2017, May 1, 2017 - April 30, 2018.

### More communities are increasing their number of high-quality rated early childhood education programs.

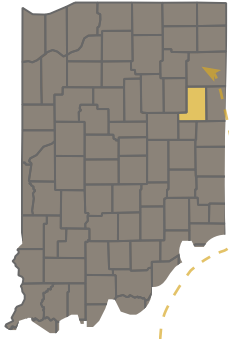
This year, 38 of Indiana’s counties (42%) increased their number of high-quality programs, and only 14 counties (15%) saw a decrease.





# COMMUNITY SPOTLIGHT

Wells County is an example of a community making progress toward having enough high-quality seats for its children who need care. For the past 2 years, Wells has had no high-quality programs. This year, it has two programs that have earned a high-quality designation with a total of 50 children enrolled in those programs.



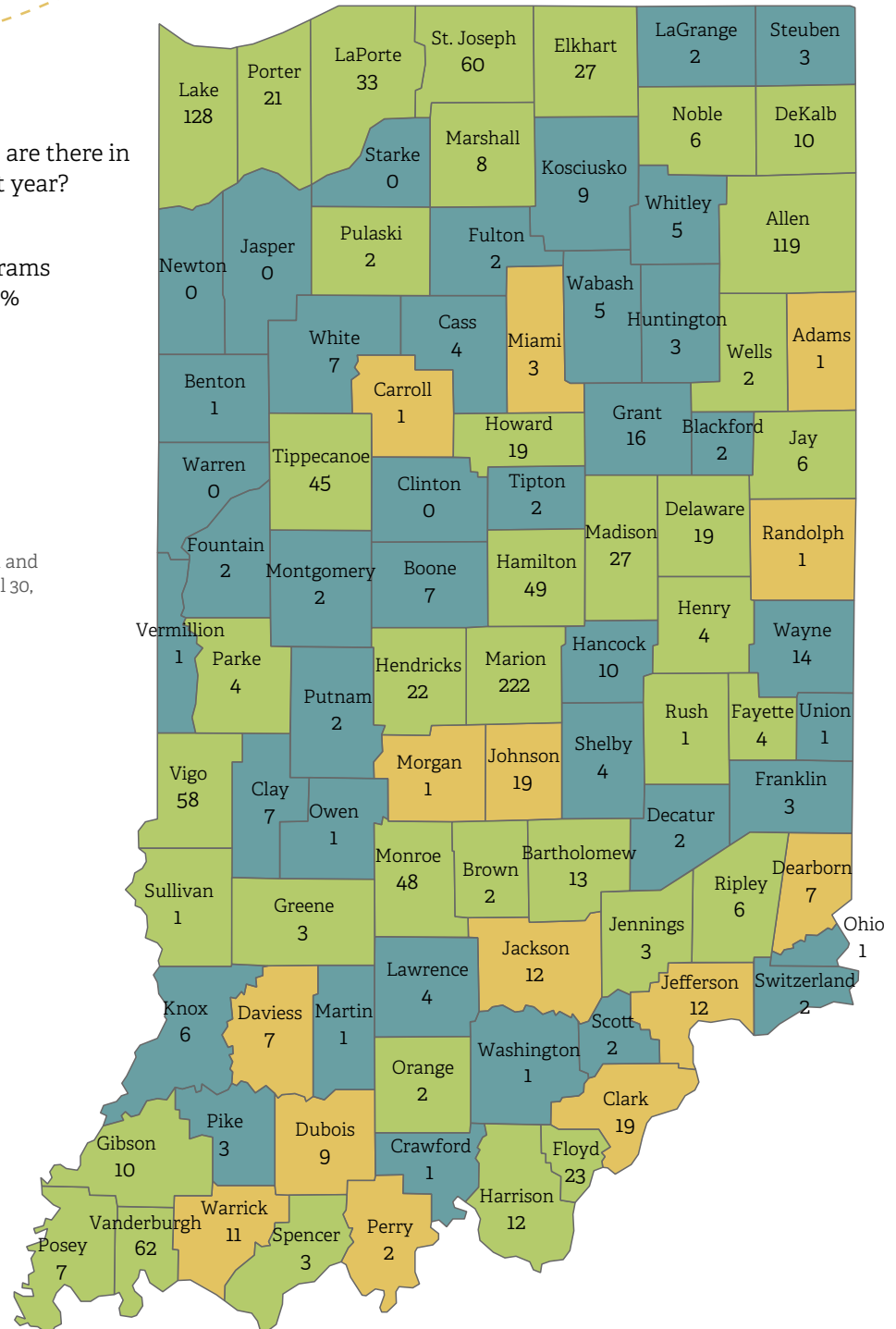
While Wells County still has a long way to go—as do other counties—this is a big step in the right direction. They had been stagnant for several years without getting their first high-quality program. Now that they have two high-quality programs, parents and other early childhood education leadership can see firsthand the benefits of PTQ. With additional investment of time and resources, more Wells County young children will receive the benefits of high-quality early childhood education!

Figure 29: How many high-quality programs are there in Indiana? How does this compare to last year?

There are 1,334 high-quality programs in Indiana. This is more than a 10% increase from last year.

- Increase
- No Change
- Decrease

Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.



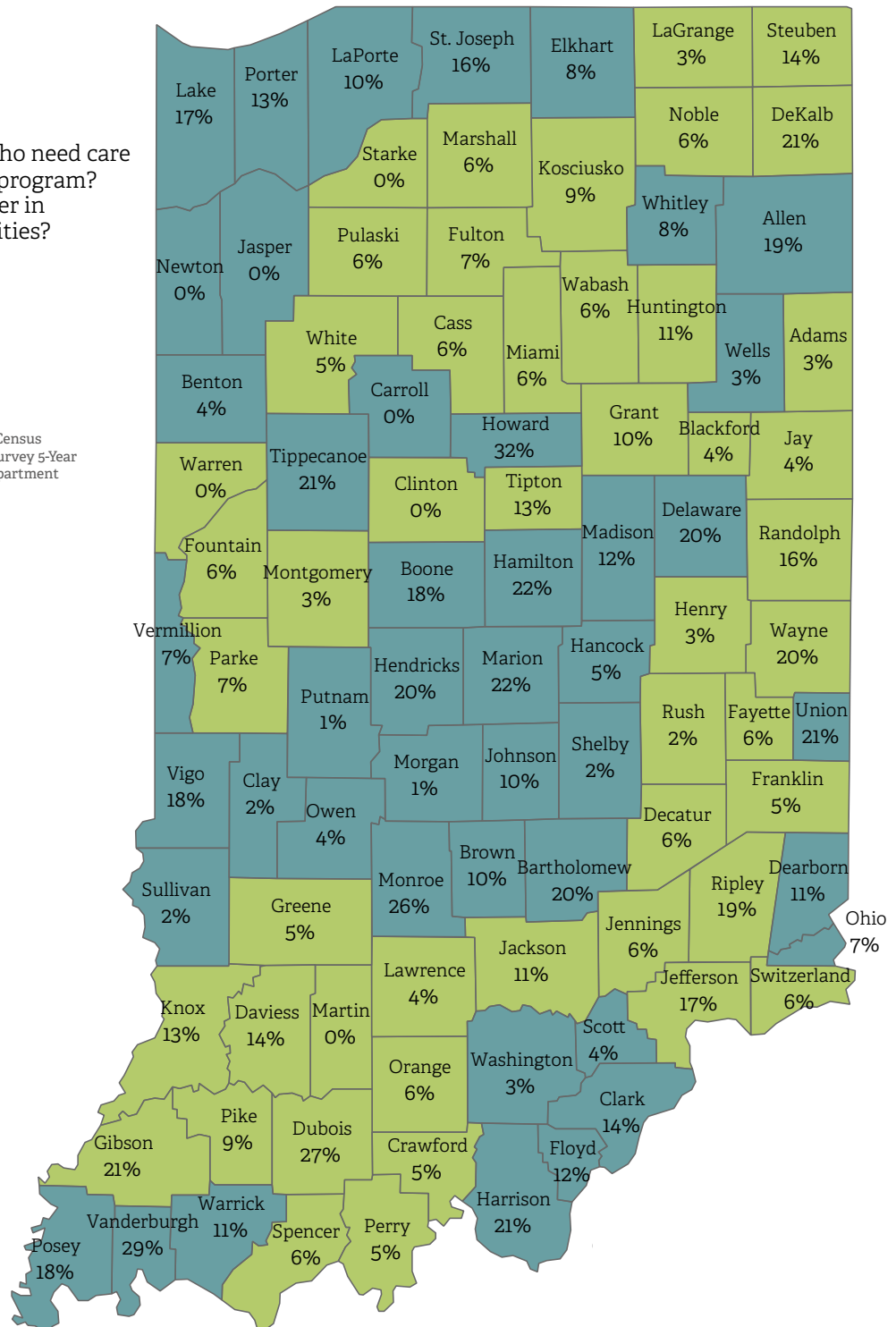
# DOES LOCATION LIMIT ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION?

Children living in urban areas of Indiana do not necessarily have better access to high-quality programs than children living in rural areas. Counties in the map below are labeled metro (urban) or nonmetro (rural) according to the U.S. Department of Agriculture (USDA) definitions, and the percentages listed indicate the percentage of children who are in need of care and are enrolled in a high-quality program. Even though the previous map showed many counties with few programs, and 88% of children who are enrolled in a high-quality program live in a metro county, the ratio of high-quality programs available to children in need of care are similarly low for each group. There are approximately four high-quality programs per 1,000 children in metro counties and three high-quality programs per 1,000 children in nonmetro counties.

Figure 30: How many children who need care are enrolled in a high-quality program? Do enrollment rates differ in urban and rural communities?

Area Type  
■ Metro (Urban)  
■ Nonmetro (Rural)

Source: Early Learning Indiana, 2018; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table B23008; United States Department of Agriculture (USDA). Available: [www.ers.usda.gov/data-products/](http://www.ers.usda.gov/data-products/)



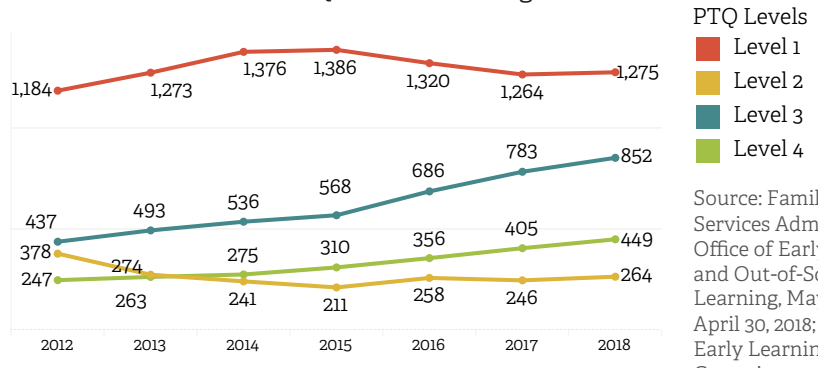
# HOW HAS THE NUMBER OF PROGRAMS AT EACH LEVEL ON PATHS TO QUALITY™ CHANGED?

When looking at the number of programs at various PTQ levels over the last 6 years, there are some encouraging trends. The number of programs at Level 1 has remained stagnant, which could be a positive indicator. Indiana does not want to see the number of Level 1 programs continue to grow. Since Level 1 is lowest rating, the goal is to get programs to advance beyond Level 1 to Level 3 or Level 4. In addition, the state has seen a slight decrease in Level 2 programs—also likely a positive indicator meaning that programs are progressing to higher levels.

Over the past 6 years, the number of Level 3 programs has increased by 73%, which is great progress toward ELAC’s goal. Similarly, Level 4 programs have seen a 71% increase during this time period. The overall

increase in participating programs coupled with the sharp increases in high-quality programs indicate that PTQ is helping to improve the quality of early childhood education in the state.

Figure 31: How has the number of programs at different levels on Paths to QUALITY™ changed?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.

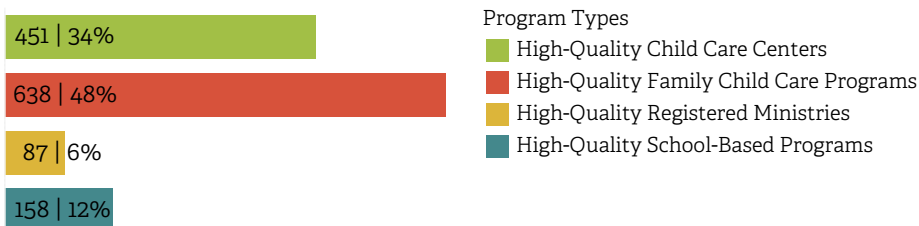
This could also potentially be attributed to the expansion of state-funded pre-K, which started enrolling children in 2014. In order for programs to be eligible, they had to be rated as high quality. This may have been an incentive for more programs across the state to achieve this designation.

## WHICH PROGRAMS ARE HIGH QUALITY? WHICH CHILDREN ARE ENROLLED IN HIGH-QUALITY PROGRAMS?

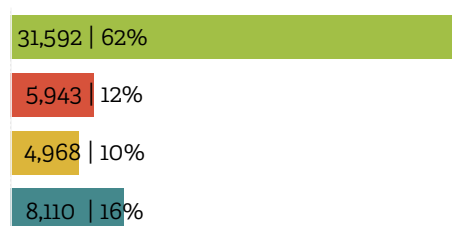
All of Indiana’s early childhood education program types have increased the number of high-quality programs, compared to last year. There are an additional 23 high-quality child care centers. Family child care programs added 57 high-quality programs. Now there are 10 more high-quality registered ministries and 46 additional high-quality school-based programs. These increases provide families with more opportunities for their children to receive the benefits of being in a high-quality early childhood education setting.

Figure 32: Indiana's Formal High-Quality Early Childhood Education

1,334 Total High-Quality Programs



50,613 Total High-Quality Enrollment

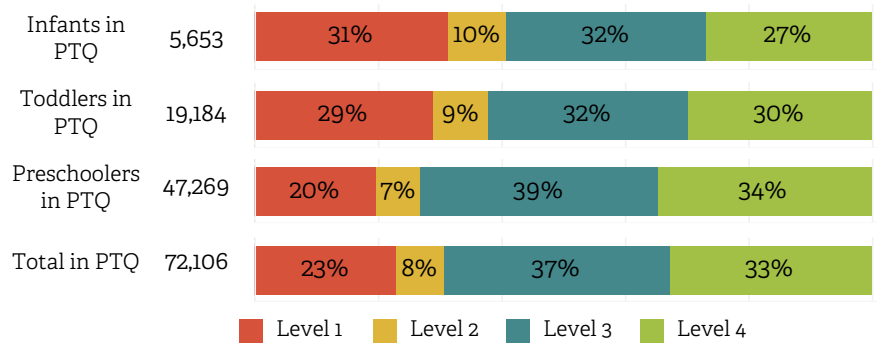


Source: Early Learning Indiana, 2018; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

Source: Early Learning Indiana, 2018.

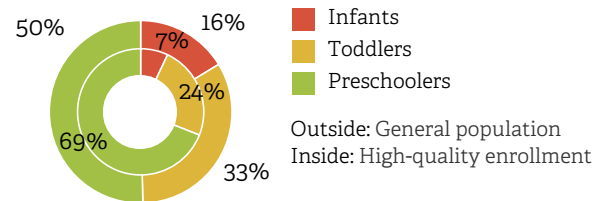
As discussed, infants are defined as children who are birth to 12 months old, making up 16% of the total children ages 0-5. Infants make up 16% of young children, yet they are only seven percent of young children enrolled in high-quality programs. Toddlers include children who are 1 and 2 years old, comprising 33% of total young children. While toddlers are 33% of children ages 0-5, they are only 24% of those enrolled in high-quality programs. Preschool-age children are 3, 4, and 5, meaning they are 50% of all young children ages 0-5. Preschool-age children make up a higher percentage of enrollment in high-quality early childhood education programs than they do in the general population. This means that fewer very young children ages 0-3 have access to high-quality learning environments that will support them during this time of most rapid brain development.

Figure 33: How many infants, toddlers, and preschoolers are participating in Paths to QUALITY™ by level?



Source: Early Learning Indiana, 2018; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018

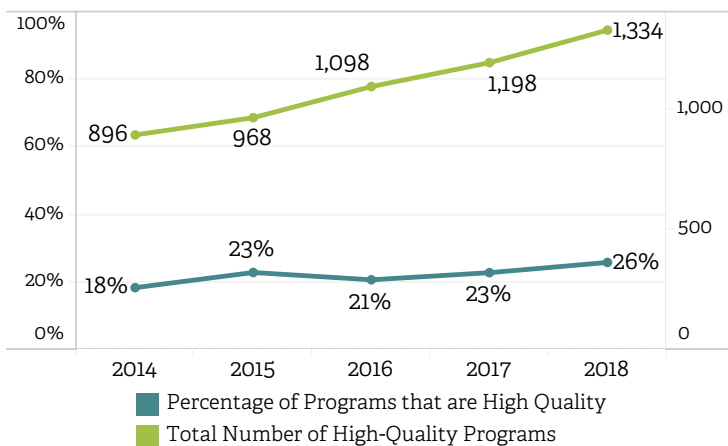
Figure 34: What is the makeup of high-quality enrollment by age group compared to the makeup of the general population?



Source: Early Learning Indiana, 2018; Puzanzhera, C., Sladky, A. and Kang, W. (2018). Easy Access to Juvenile Populations: 1990-2017.

## HOW HAS HIGH-QUALITY EARLY CHILDHOOD EDUCATION PROGRESSED UNDER PATHS TO QUALITY™?

Figure 35: What are the trends in high-quality early childhood education programs?



Source: Early Learning Indiana, 2018; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Early Learning Advisory Committee 2014-2018 Annual Reports.

Indiana is currently one of 49 states that have some kind of quality rating and improvement system. Some local Indiana communities piloted PTQ before the quality rating and improvement system was implemented statewide in 2008. PTQ is a voluntary system; programs choose whether or not to participate. Participating programs also choose whether to seek a high-quality designation of either Level 3 or Level 4. Due to these factors, Indiana has had to work hard toward ELAC's goal of early childhood education aligning around best practices in all communities.

Indiana's hard work has paid off in that it has very high participation rates compared to other states. Hoosier child care centers are fifth in the country with their participation rate, and Indiana's family child care programs are ninth among the states (Workman, 2017, May 11).





# IS THE EARLY CHILDHOOD EDUCATION WORKFORCE HIGHLY QUALIFIED?

Researchers have found evidence of a link between early childhood education teachers who hold bachelor's degrees and positive child outcomes. This research is a driving force in the push to require these teachers to earn bachelor's degrees in order to work in the field. However, there is additional research that suggests that these improved child outcomes may be found in settings with other contributing factors. Another important consideration in the debate about bachelor's degrees is that adding this requirement may have the consequence of reducing diversity in the workforce (Whitebook & Ryan, 2011). As discussed, early childhood education currently benefits from a racially diverse workforce. The early learning system will need intentional policy changes and supports in order to maintain this diversity.

Some early childhood education programs have educational requirements for teachers and caregivers while others do not. Head Start requires at least half of its teachers nationally to hold a bachelor's degree in early childhood education or a related major. Early Head Start teachers are required to have a Child Development Associate (CDA) credential. For programs participating in PTQ, each level has different educational requirements, mainly involving training hours and credentials, for each educational setting (licensed homes, licensed centers, unlicensed registered ministries).

## WHAT ARE THE QUALIFICATIONS OF THE CURRENT EARLY CHILDHOOD EDUCATION WORKFORCE?

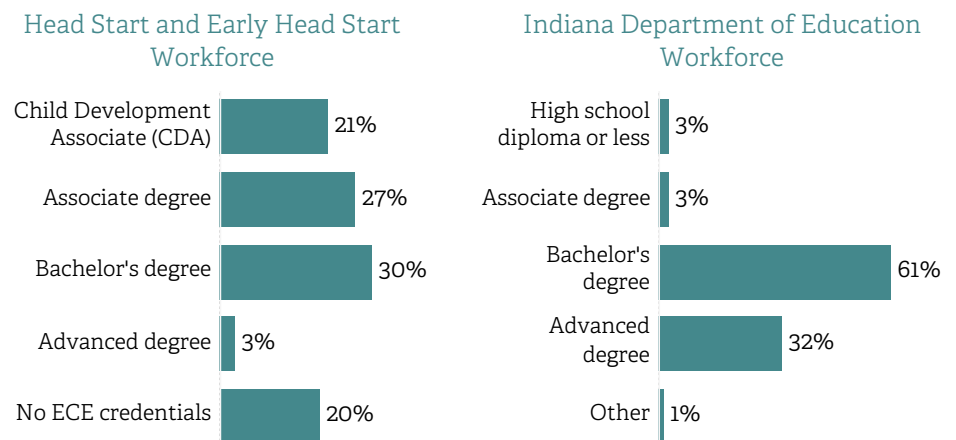
The current workforce has over 30,000 individuals with nearly half employed by high-quality programs. Data on educational attainment was not readily available for all individuals in the workforce since this is not currently tracked by all data partners.

Head Start and IDOE each have educational requirements for staff, and they collect data on their staffs' educational attainment. The Head Start and Early Head Start workforce have 33% with a bachelor's degree or higher, 27% with an associate degree, and 21% with a CDA credential. Of those teachers and assistant teachers that do not have early childhood education credentials, just over half (51%) are currently enrolled in a higher education program.

Most school-based programs require at least a bachelor's degree for their early childhood teachers, and thus 92% of IDOE's workforce holds a bachelor's degree or higher.

Nationally, 36% of center-based teachers and caregivers and 16% of home-based teachers and caregivers hold a bachelor's degree or higher. Two thirds of home-based teachers and caregivers report only some college or just a high school degree.<sup>10</sup> Although IDOE, Head Start, and Early Head Start rate above these national benchmarks, those programs make up less than 10% of Indiana's early childhood education workforce. ELAC is unable to determine how the entire state compares nationally.

Figure 37: What is the educational attainment of the early childhood education workforce?

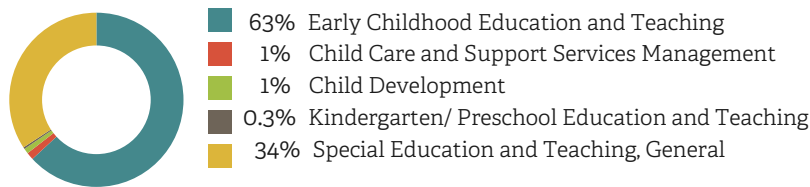


Source: Indiana Department of Education, 2017-18 school-year; Indiana Head Start State Collaboration Office (IHSSCO), HS/EHS Program Information Report (PIR) 2016-17 program year, Received 6/2018.

9. [https://www.acf.hhs.gov/sites/default/files/opre/nsece\\_wf\\_brief\\_102913\\_0.pdf](https://www.acf.hhs.gov/sites/default/files/opre/nsece_wf_brief_102913_0.pdf)

# WHAT TYPES OF DEGREES AND CERTIFICATES DO EARLY CHILDHOOD EDUCATION PROFESSIONALS EARN?

Figure 38: What early childhood education majors are the workforce pursuing at Indiana colleges?



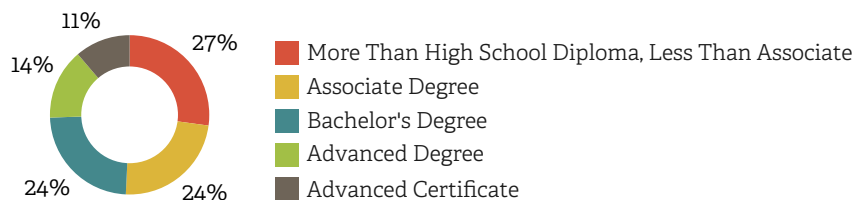
Source: National Center for Education Statistics, 2016, Online.  
Available: <https://nces.ed.gov/ipeds/>.

According to the National Center for Education Statistics, in 2016, Indiana colleges awarded 1,237 certificates and/or degrees in six majors related to early childhood education from 74 programs at 28 institutions (including satellite campuses) across the state.<sup>11,12</sup> A little more than a third (38%) were bachelor's degrees or higher; 24% were associate degrees; 27% were certificates or certifications below an associate degree; and the remaining awards

(11%) were certificates above a bachelor's degree. Just five percent were awarded to males. By race, the certificates and degrees reflected the general population with 80% awarded to White students and nine percent to Black students.

To assist students in pursuit of a degree or certificate in early childhood education and to improve the quality of Indiana's early childhood education workforce, Indiana offers the T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood® scholarship program. It is administered by the Indiana Association for the Education of Young Children, Inc. through funding from the Child Care and Development Fund (CCDF).

Figure 39: What type of degrees are the early childhood education workforce pursuing at Indiana Colleges?

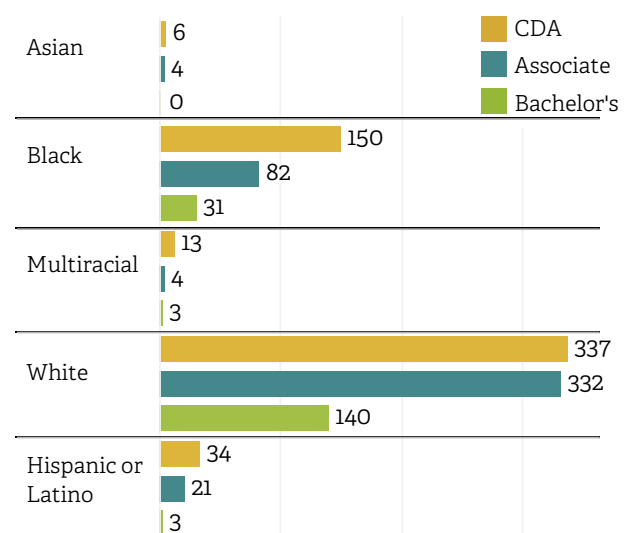


Source: National Center for Education Statistics, 2016, Online.  
Available: <https://nces.ed.gov/ipeds/>.

In 2017, T.E.A.C.H. scholarships supported 1,238 early childhood professionals to attain a degree or certificate in early childhood education, which is on par with the number of scholarships awarded annually over the past 3 years. Scholarship awardees must currently be working in a licensed child care center, licensed family child care program, registered ministry, or certified facility. T.E.A.C.H. scholarships also support vocational high school students who agree to work at least 6 months or enroll in a 2- or 4-year early childhood education degree program upon award of the CDA credential.

Nearly a third (30%) of T.E.A.C.H. scholarships in 2017 were awarded to early childhood education professionals of color.

Figure 40: How are T.E.A.C.H. Early Childhood INDIANA Scholarships awarded by degree and race?



Source: Indiana Association for the Education of Young Children, T.E.A.C.H. Early Childhood INDIANA, 2018.

10. <https://nces.ed.gov/ipeds/>

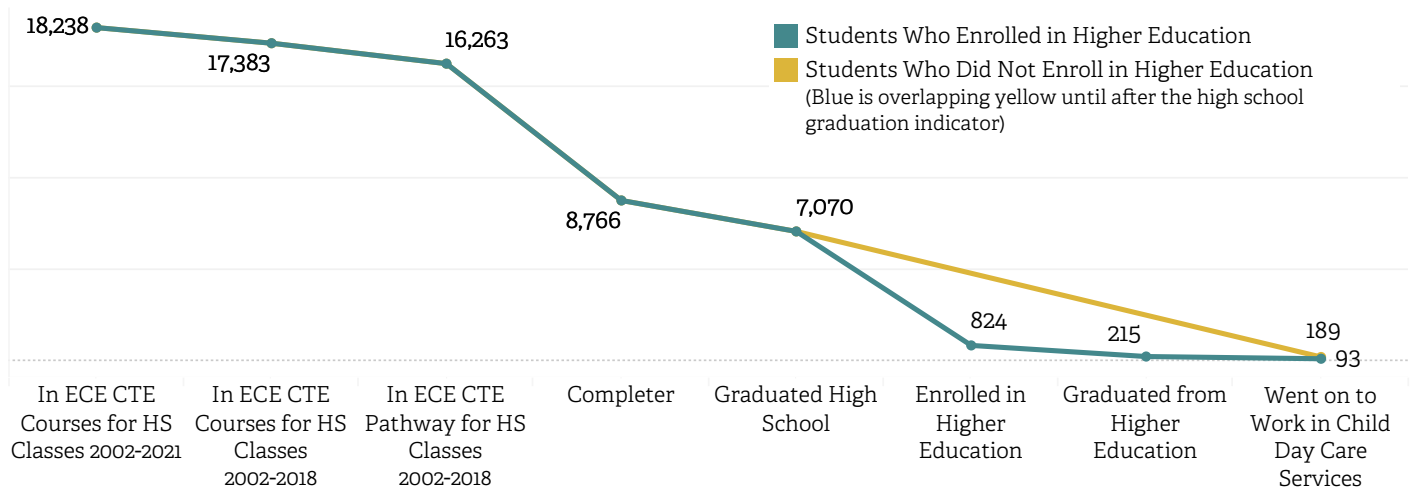
11. Majors considered to be early childhood education or related to early childhood education within the Integrated Postsecondary Education Data System (IPEDS) data sets: child care and support services management, child development, early childhood education and teaching, kindergarten/preschool education and teaching, special education and teaching, and teacher assistant/aide.

Another pipeline for early childhood education professionals begins in high school. Through a data request to the Indiana Management Performance Hub (MPH), the ELAC Workforce and Professional Development Workgroup was able to examine the education and workforce pipeline of students beginning with enrollment in early childhood education courses offered in career and technical education (CTE) programs. From here, the records show if students completed the CTE courses, graduated high school, enrolled in and completed higher education, and what sector(s) of the workforce they moved into.

From 2000-2018, 18,238 high school students took at least one early childhood education course. The majority of those students (16,263) enrolled in the early childhood education pathway and about half of the students (8,766) successfully completed it.

Some CTE students went directly into the early childhood education workforce after high school, while 13% of all students who took an early childhood education course went on to enroll in a postsecondary program in early childhood or elementary teaching. According to DWD records, of the students who have graduated high school (13,172), eight percent went on to work in the field, and seven percent entered elementary education.<sup>13</sup>

Figure 41: How many students who took an early childhood education CTE course went on to work in the field?



Source: Management Performance Hub, 2018 (Includes Indiana Department of Education, The Indiana Commission for Higher Education, Indiana Department of Workforce Development).

## KEY TAKEAWAYS ABOUT HIGH QUALITY

- ❑ The number of high-quality programs is steadily increasing.
- ❑ Only a quarter of known programs are enrolled in PTQ, but that number is continuing to grow.
- ❑ High-quality enrollment mirrors general enrollment with nearly three quarters of slots going to preschoolers.
- ❑ Programs of different types and different quality ratings have varying requirements for the educational attainment of their early childhood education staff.
- ❑ Over 1,200 certificates and degrees in majors related to early childhood education were awarded by Indiana higher education institutions in 2016.

12. These percentages potentially underestimate outcomes given that some students may still be pursuing higher education.



# AFFORDABILITY



## KEY INDICATORS






Average Annual Tuition Cost of Early Childhood Education	Average Annual Tuition Cost of High-Quality Early Childhood Education	Percentage of Income a Single Parent with One Child in Poverty Pays for High-Quality Early Childhood Education	Percentage of Income a Low-Income Single Parent with One Child Pays for High-Quality Early Childhood Education	Number of Subsidized Programs Available to Help Families Pay for Early Childhood Education
\$7,903	\$9,156	56%	28%	7

For working families who are in poverty or have low incomes, the cost of child care is a big concern. With high-quality early childhood education average annual tuition costs of more than \$9,000 for just one child, many families struggle to afford a safe place where their children can learn and grow. The high cost of a high-quality program may cause a family to choose a program of low or unknown quality. However, that can still be a burden on families, as the average tuition cost of all early childhood education is almost \$8,000 per year.

## HOW MUCH DOES HIGH-QUALITY EARLY CHILDHOOD EDUCATION COST?

Typically, families have to pay more for early childhood education when their children are younger. Infant care is usually more costly to provide than care for preschool-age children. Programs often have to pass this higher cost on to families in the form of higher tuition rates for younger children.

Figure 42: What are the tuition costs for high-quality early childhood education?

	Infant	Toddler	Preschooler	Average: Ages 0-5
 Child Care Center	\$13,045	\$11,678	\$9,864	<b>\$11,094</b>
 Registered Ministry	\$11,888	\$10,419	\$8,784	<b>\$9,938</b>
 Family Child Care	\$7,781	\$7,325	\$6,803	<b>\$7,197</b>
 School-Based	N/A	N/A	\$8,239	<b>\$8,239</b>
 State Average	<b>\$11,795</b>	<b>\$10,708</b>	<b>\$8,315</b>	<b>\$9,156</b>

Different types of early childhood education programs typically charge different tuition rates, and there are various reasons for this. One factor is that family child care programs often have less overhead and fewer administrative expenses, enabling those programs to offer lower rates to families. Another reason for cost differences across program types is the structure of school-based programs and their budgets. Schools often cover facility costs out of their school- or district-wide budget. They typically pay higher wages to early childhood education staff and are able to use general funds and Title I funding to support their early childhood education programming, making the tuition costs lower for families. Child care centers typically have higher facility costs and more stringent standards to meet, which drives up their costs. Registered ministries can have similarly high facility costs, and only some of these programs receive financial support from their associated church or ministry.

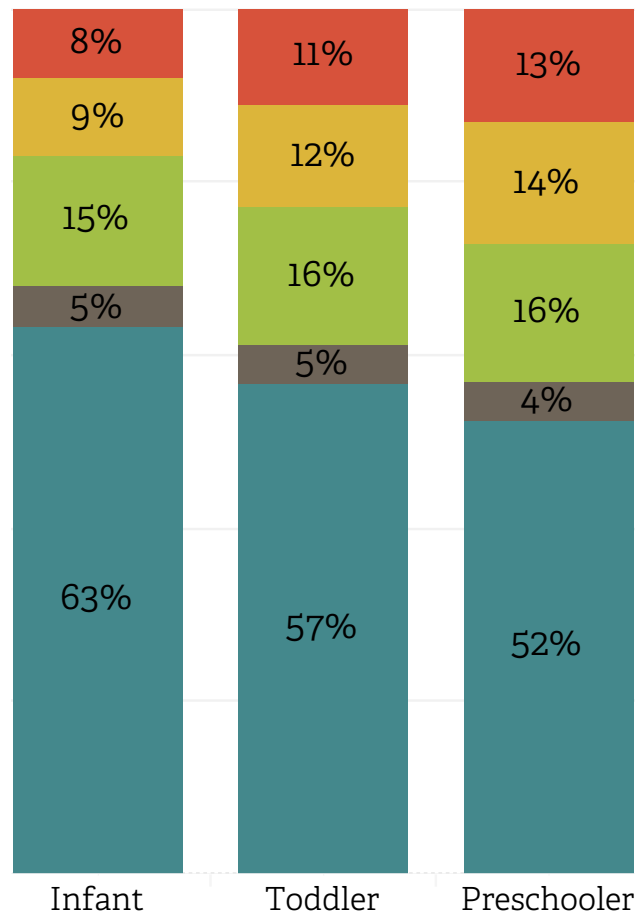
## WHY IS THE COST OF EARLY CHILDHOOD EDUCATION SO HIGH?

The data in this report indicates that early childhood education is unaffordable for many families, and it is important to understand why that is the case. Education for children of all ages is expensive. Public schools have a large public investment. Some private schools also receive public funding supports. In addition, many private schools are subsidized by philanthropic funding, meaning parents do not have to pay the full cost that schools incur.

Early childhood education for children ages 0-5 is even more expensive than elementary education due to the need for low adult-to-child ratios. A fourth grade classroom with one teacher and 20 children has the potential to be a safe and high-quality learning environment for that age group. Classrooms with infants, toddlers, and preschoolers require more qualified teachers per student to ensure safety and healthy development for children.

Because early childhood education is very labor intensive, teacher and staff compensation is the largest portion of a program's budget, ranging from 60% to 80% across the country. The other portion of the budget consists of occupancy, office and administrative expenses, and classroom expenses (Workman, 2018).

Figure 43: Nationally, how much do early childhood education programs spend on personnel?



This material [Where Does Your Child Care Dollar Go? by Simon Workman] was created by the Center for American Progress ([www.americanprogress.org](http://www.americanprogress.org)).

Distribution of child care program expenses for an infant, toddler, and preschooler in a child care center meeting basic state licensing standards and paying current average wages, based on United States averages.

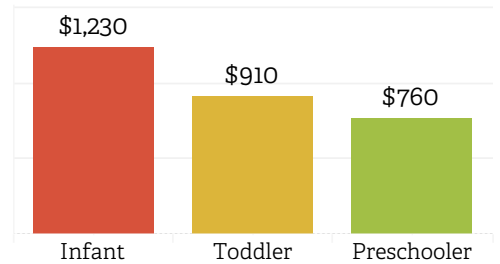
- Expense Type
- Classroom Materials and Food
- Occupancy
- Office and Administration
- Benefits
- Salaries

Within early childhood education programs, it is more expensive to care for younger children. Infants require more expenditures than 4-year-olds do because infants require lower adult-to-child ratios than the older children in the program. Most early childhood education programs manage to afford providing care for infants because they balance their budget by also caring for older children, such as preschoolers.

## HOW WELL IS THE EARLY CHILDHOOD EDUCATION WORKFORCE COMPENSATED?

While families struggle with unaffordable tuition and directors struggle to keep their budgets balanced, the early childhood education workforce struggles with low wages. The Early Childhood Workforce Index 2018 pulled the following hourly wages from the Bureau of Labor Statistics to show that low wages for the early childhood education workforce are a problem nationally—with the average wage falling below the average wage for all occupations (Whitebook, McLean, Austin, & Edwards, 2018). In Indiana, the average hourly wage for child care workers is \$8.62, and it is \$12.53 for preschool teachers.<sup>14</sup>

Figure 44: Nationally, how much do early childhood education costs decrease as children get older?



Costs have been rounded to the nearest \$10 for simplicity.

This material [Where Does Your Child Care Dollar Go? by Simon Workman] was created by the Center for American Progress ([www.americanprogress.org](http://www.americanprogress.org)).

The average monthly cost of child care for an infant, toddler, and preschooler in a child care center meeting basic state licensing standards and paying current average wages, based on United States averages.

Figure 45: What is the average hourly wage for early childhood education workers?



Source: Whitebook, M., McLean, C., Austin, L.J.E., & Edwards, B. (2018). Early childhood workforce index 2018. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <http://csce.berkeley.edu/topic/early-childhood-workforce-index/2018/>

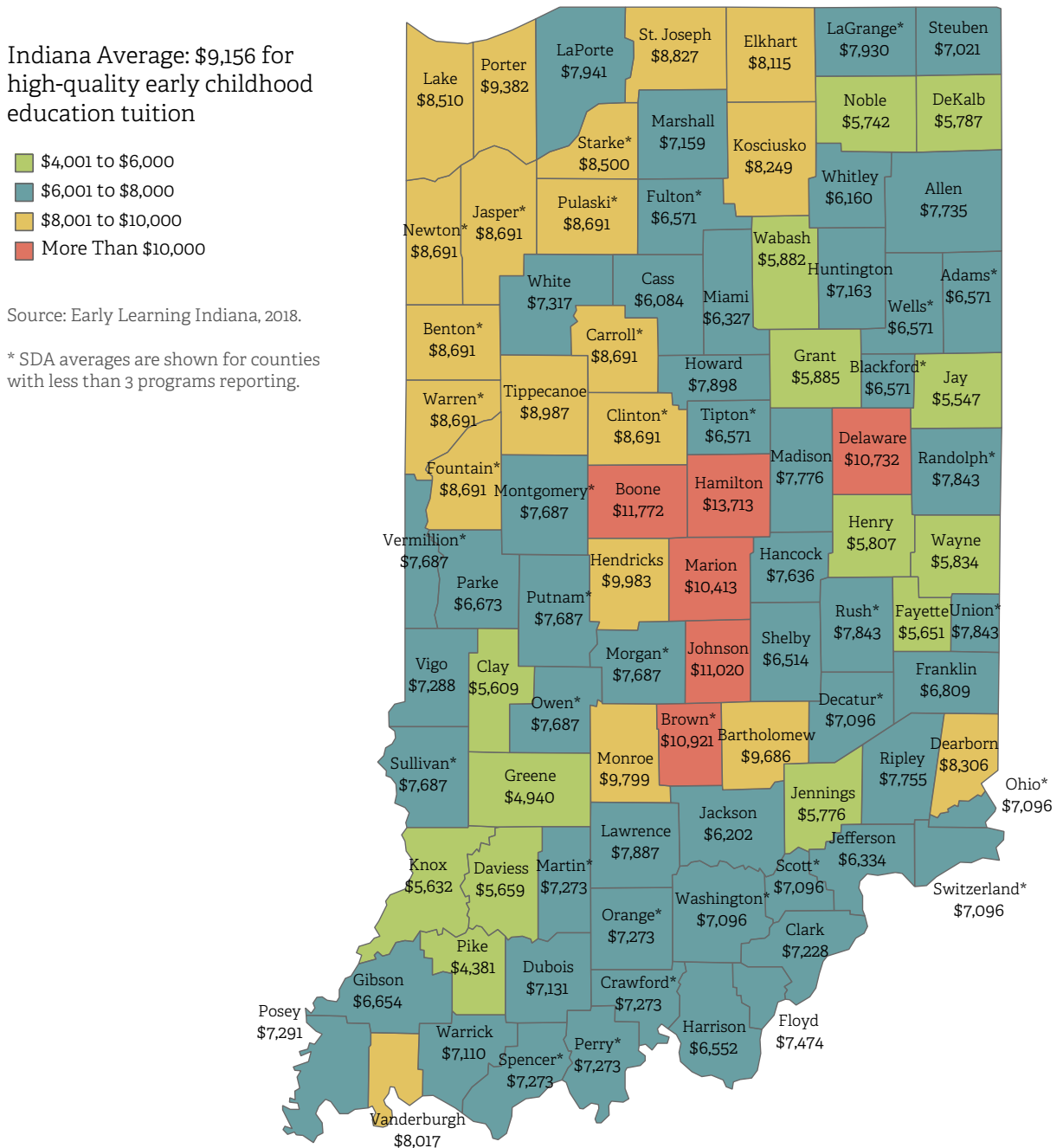
13. Indiana wage information provided by DWD.

# HOW DOES THE TUITION COST OF HIGH-QUALITY EARLY CHILDHOOD EDUCATION VARY BY LOCATION?

The tuition cost of high-quality early childhood education varies from county to county. Tuition costs are often higher in urban areas and other areas with higher median incomes.

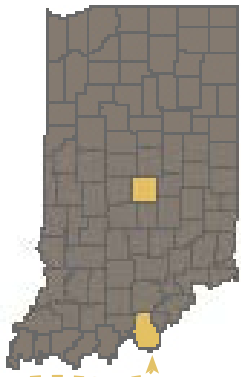
As displayed in the map in the High Quality section, Indiana has many counties with few high-quality programs. This creates some complications related to understanding the tuition cost of high-quality early childhood education in individual counties. If a county has fewer than three programs with a high-quality designation, then a true average cost of tuition for high-quality early childhood education cannot be determined. Indiana currently has 35 such counties with zero, one, or two high-quality programs. For these counties, the tuition cost noted on the map is the average cost of care in the multi-county Service Delivery Area (SDA) associated with that region's Child Care Resource & Referral (CCR&R) agency.

Figure 46: What is the average annual tuition cost for high-quality early childhood education in each county?





# COMMUNITY SPOTLIGHT



Indianapolis is one example of a city coming together in order to leverage as many funding streams as possible to make the cost of early childhood education more affordable for low-income families. Like the rest of the state, Indianapolis accesses funding streams, such as Child Care and Development Fund (CCDF) child care vouchers, Head Start, and Special Education (SPED). In addition, the city brought diverse stakeholders together to launch the Indianapolis Preschool Scholarship Program (Indy PSP). The United Way of Central Indiana administers the program, which receives funding from the City of Indianapolis, as well as corporate and philanthropic partners. Indy PSP provides scholarships for low-income 3- and 4-year-olds to receive high-quality pre-K, and the program works in conjunction with OMW Pre-K.

Another community leveraging multiple funding streams is Harrison County. When their initial application to become an OMW Pre-K county was denied, the Harrison County Community Foundation created their Jump Start program to provide low-income children access to high-quality pre-K programs. Harrison County was approved to become an OMW Pre-K county in 2017, but the Community Foundation is continuing their Jump Start program to serve children who are not eligible for OMW Pre-K. Additionally, the Harrison County Community Foundation provides the required matching funds for OMW Pre-K, grants to programs for classroom capital improvements, and invests in research that addresses the importance of quality early childhood education.

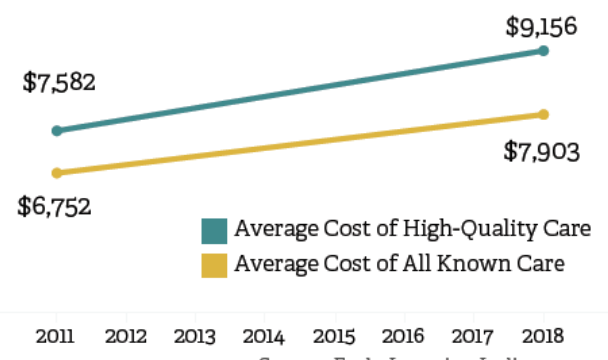
There are complex challenges to fully funding Indiana's early childhood education system to make it affordable for all families. One local funder reported that the data in the ELAC Annual Report led them to increase their investment in early childhood education. The funder said, "**The Early Learning Advisory Committee report helped our board of directors realize the magnitude of the issue impacting our community.**" The model of bringing partners together from government, business, and philanthropy is a promising strategy for ensuring that all children, regardless of their background, can benefit from high-quality early childhood education!

## HOW HAS THE TUITION COST VARIED OVER TIME?

The average cost of tuition for early childhood education has increased since 2011 by slightly more than \$1,500 for high-quality programs and \$1,100 for all known programs. Possible explanations for the increase could be changes in inflation which lead to similar adjustments of early childhood education costs. However, the percentage increase in tuition costs from 2011 to 2017 (averaging 18%) is double the cumulative inflation rate during that time.<sup>14</sup> Another explanation could be a general push to increase wages to better attract and retain employees.

There are a few reasons for variability in the data that may not mean there was an increase in the actual tuition costs of early childhood education. The information on the tuition costs of all known early childhood education programs as well as high-quality programs must be gathered via surveys that are sent to each program in Indiana. Due to the scope of this task, these surveys are often not sent or returned in a timely manner. The logistics of this type of survey process mean that there will be gaps in the data, as well as many fluctuations from year to year.

Figure 47: How has the average tuition cost changed over time?



Source: Early Learning Indiana, 2018.

14. <https://www.usinflationcalculator.com/>

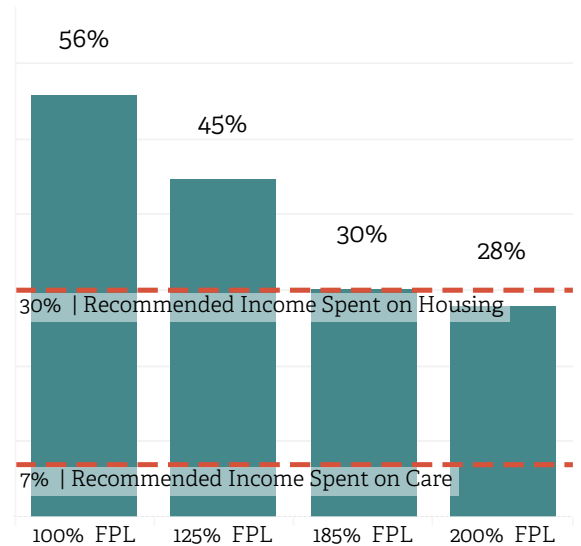
As discussed, when there are fewer than three high-quality programs in a county, the data captured for the average tuition cost of high-quality early childhood education is actually the SDA average of multiple counties. If a county had fewer than three programs and now has three or more, the county-level trend data from year-to-year would show a big change. That trend data would not reflect the actual change in what families are paying in that county.

## IS THE COST AFFORDABLE FOR FAMILIES?

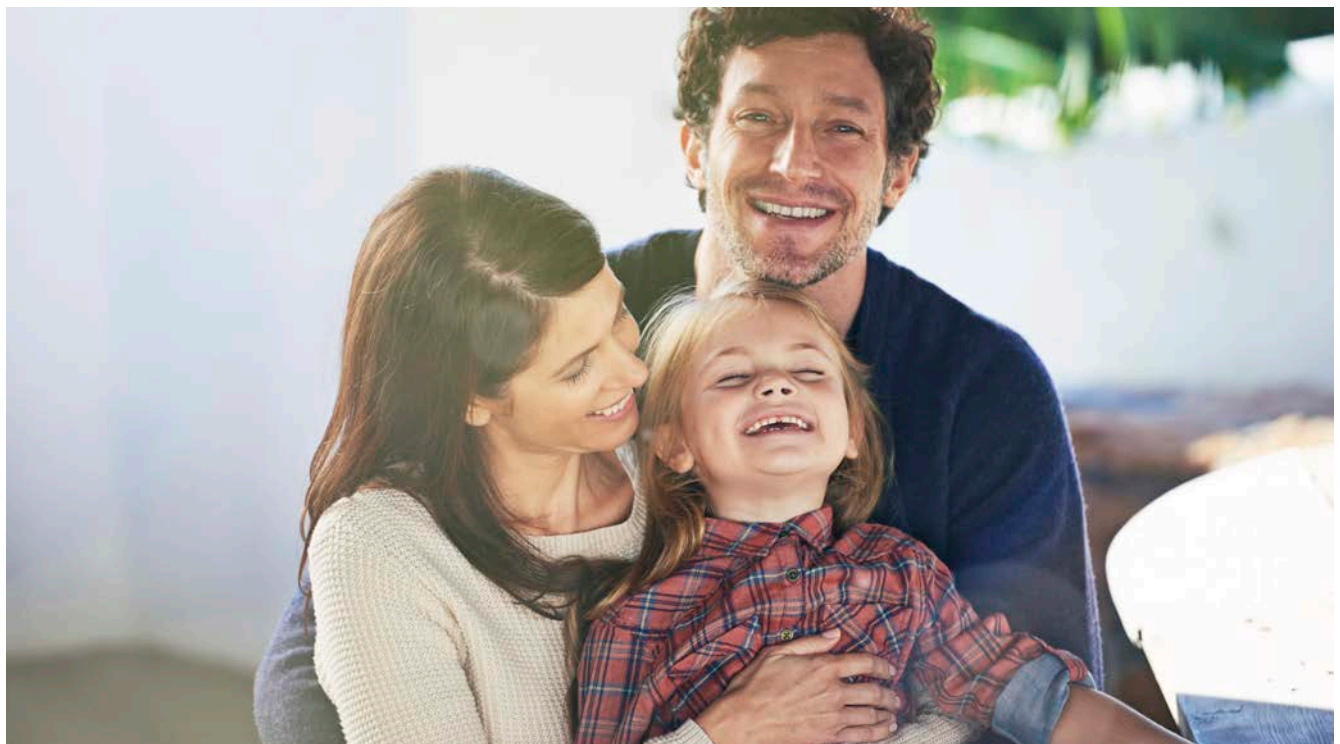
The U.S. Department of Health and Human Services (as referenced in Child Care Aware of America, 2017) recommends that families spend no more than seven percent of their income on child care. Child care costs that exceed this benchmark are deemed unaffordable. Using this benchmark as a guide, the cost of high-quality early childhood education is extremely unaffordable for families in poverty, as well as for families with slightly higher incomes.

A single parent living in poverty would have to dedicate eight times the recommended benchmark, which is more than half of their income, in order to access high-quality early childhood education for just one child. Single-parent families whose income is twice the poverty level would still have to set aside more than a quarter (28%) of their income for child care.

Figure 48: Are single parents with one child paying more than the recommended amount for high-quality early childhood education?<sup>16</sup>



Source: 2018 Federal Poverty Guidelines, Department of Health and Human Services, January 18, 2018; Child Care Aware, Parents and the High Cost of Child Care, 2017; Early Learning Indiana, 2018; U.S. Census Bureau, Who Can Afford to Live in a Home?: A look at data from the 2006 American Community Survey.



15. The U.S. Department of Health and Human Services announced in 2016 that their standard for child care affordability would be at or below 7 percent of household income; the cutoff had previously been at 10 percent. [http://usa.childcareaware.org/wp-content/uploads/2017/12/2017\\_CCA\\_High\\_Cost\\_Report\\_FINAL.pdf](http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf). The income threshold for housing was raised to 30 percent in 1981. US Census Bureau, *Who Can Afford To Live in a Home?: A look at data from the 2006 American Community Survey*, Schwartz, M. and Wilson, E. Retrieved <http://www.census.gov/housing/census/publications/who-can-afford.pdf>

The map below shows the percentage of income a single-parent household living in poverty would need to pay depending on where they live. The fluctuation in average tuition rates by county leads to fluctuation in the amount of income that must be spent on care.

The high cost prohibits many low-income families from securing high-quality early childhood education for their children. In fact, the median household income in Indiana is \$50,433.<sup>17</sup> A family making the median income would have to spend 18% of their income on high-quality early childhood education, which is more than twice what is considered affordable.

For reference, the average yearly in-state tuition cost for a 4-year university in Indiana is \$9,490.<sup>18</sup> Higher education is often subsidized by scholarships and financial aid, and yet it still requires many families to acquire student loans to pay for it. Many Hoosiers know that college tuition can be a financial burden, but many do not know how similar it is to the tuition cost of early childhood education.

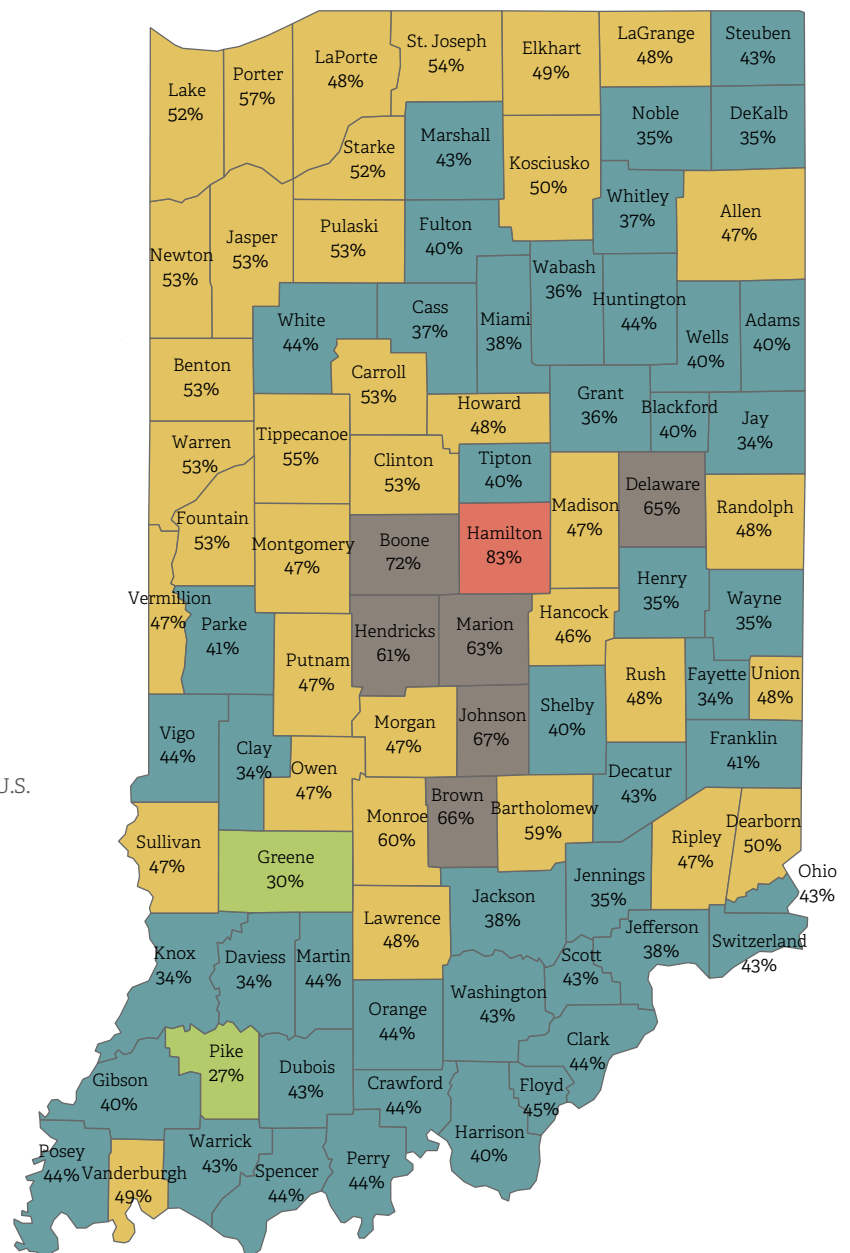
**Cost of in-state tuition  
for 4-year university:  
\$9,490**

Figure 49: How much does a single parent with one child living in poverty pay for high-quality early childhood education?

Indiana: A single parent with one child living in poverty pays 56% of their income for high-quality early childhood education.

- Less Than 31%
- 31% to 45%
- 46% to 60%
- 61% to 75%
- More Than 75%

Source: Early Learning Indiana, 2018; U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Table B23008.



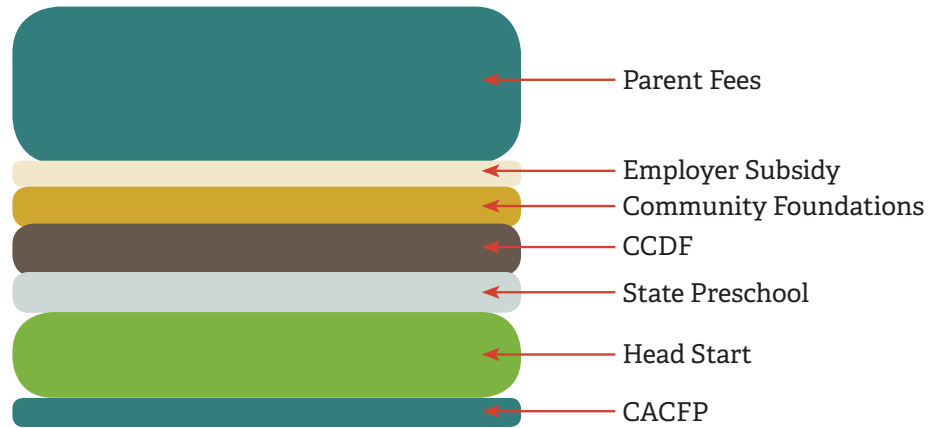
16. U.S. Census Quick Facts <https://www.census.gov/quickfacts/in>

17. <https://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-sector-state-over-time>

# WHAT PUBLIC FUNDING HELPS FAMILIES AFFORD THE COST?

Indiana leverages several federal funding sources to support early childhood education, most of which are targeted to families and children who are most vulnerable. In addition to federal funding, Indiana also invests some of its state funding to support these families and children. These funding streams total \$338 million in public funding supporting early childhood education in Indiana.

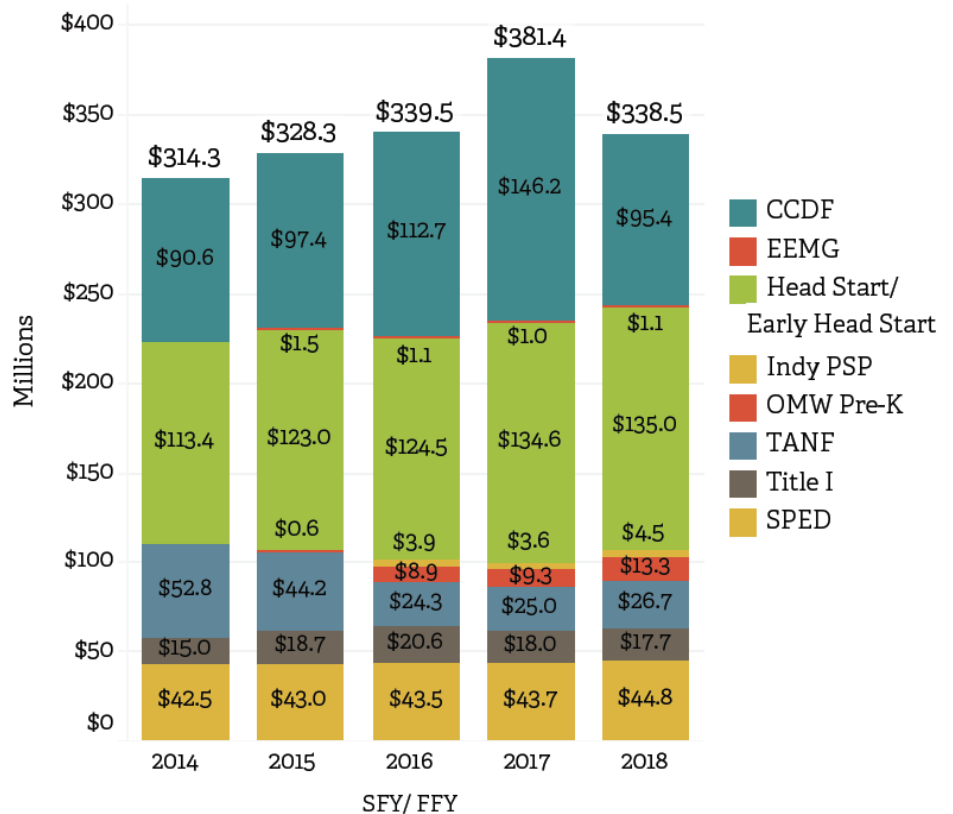
## Early Childhood Education Funding Sources



ELAC generally requests data in the spring of each year to produce its report. Partner agencies report different time periods as they operate on different calendars (federal fiscal year (FFY), state fiscal year (SFY), school year, etc.), but in general the data provided is equivalent to 12 months of support. Pulling together funding figures provided by partners for the past 5 years, some trends can be noted. Funding for Head Start and Early Head Start in Indiana has increased. Special education (SPED) has remained rather consistent in its funding. Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and OMW Pre-K have fluctuated. Title I funding has decreased. Overall, the takeaway is that Indiana's support of early childhood education has been rather flat with 2017 being an outlier. Drops in one funding stream were often covered by increases to Head Start funding or the addition of new funding for pre-K.

OMW Pre-K in particular has undergone some changes. The program has expanded to an additional 15 counties bringing the total to 20 as of August 2018. (Some of the additional 15 counties chose to begin enrolling students in January 2018.) New to the 2017-2018 school year and the funding total below, is financial support from CCDF. The \$14 million attributed to OMW Pre-K includes funding for the former Early Education Matching Grant (EEMG) program. In addition, the OMW Pre-K funding total is actually two thirds CCDF dollars (which were not added to CCDF's total funding amount) and a small percentage received from private partners as a community match.

Figure 50: How has funding for early childhood education changed?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, 2018; Indiana Department of Education, 2018; <https://eclkc.ohs.acf.hhs.gov/about-us/article/head-start-program-facts/>.



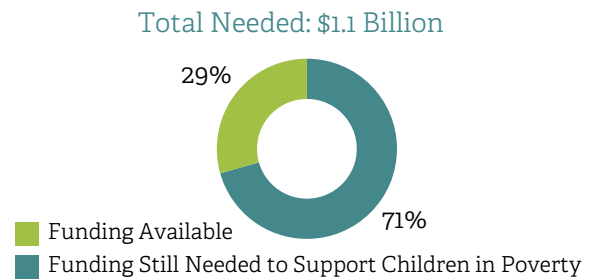
It is important to note that some early childhood education funding is expected to increase. In March of 2018, Congress passed an omnibus government spending bill that included a significant funding increase for the Child Care and Development Block Grant (CCDBG) program. The funding effectively doubles the program's discretionary funding from \$2.9 billion to \$5.8 billion annually in FFY 2018 and FFY 2019. Since discretionary funding is formula-based, each state will receive double the amount of discretionary CCDBG funding it received in FFY 2017. This means that Indiana will receive \$64.6 million in federal funding each year for 2 years (FFY 2018 and FFY 2019), which will be combined with the state match (CLASP, February 2018).

However, this investment is not enough to allow Hoosier families to spend only the recommended seven percent of income on child care. If just those children in poverty were to receive financial assistance, it would require an investment of slightly more than \$1 billion, and currently, just 29% of those needed funds are available.

Many of the programs listed above are specifically for preschoolers. Preschool-age children benefit from more investment in both accessibility and affordability than do infants and toddlers.

Many of the programs listed above are specifically for preschoolers. Preschool-age children benefit from more investment in both accessibility and affordability than do infants and toddlers.

Figure 51: How much funding is needed to support families with young children in poverty?

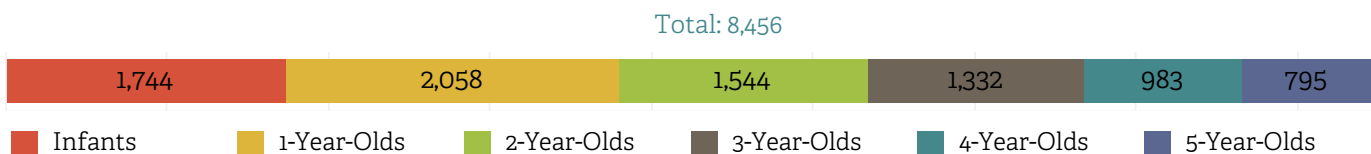


Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Department of Education, 2017. Retrieved August 16, 2018; Indiana Head Start State Collaboration Office (IHSSCO), HS/EHS Program Information Report (PIR) 2016-17 program year, Received 6/2018.

## Of the programs that fund services for a specific age group (i.e., infants/toddlers or preschoolers), the investment for preschoolers is much greater at a rate of about 4:1.<sup>19</sup>

CCDF was not used to calculate that ratio, but the program does report vouchers by single age, which shows more preschoolers receiving vouchers than infants and toddlers (17,678 versus 7,942). Infants and toddlers make up 63% of CCDF's waitlist, signaling a large amount of unmet need.

Figure 52: How many young children are on the CCDF waiting list?



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018.

## ARE VULNERABLE POPULATIONS ACCESSING PUBLIC FUNDING SUPPORTS?

The assistance programs described do assist the vulnerable populations of children living in poverty, children in low-income families, and/or children with special needs. These programs report serving just over 64,000 young children in total.

18. CCDF and SPED funds were not included in this calculation. CCDF funds are not broken out by age group. SPED funds have eligibility requirements beyond financial need.

However, that number is not deduplicated due to the lack of unique child identifiers or coordinated data systems that would show the same child participating in more than one program. For example, a child enrolled in Head Start could use a CCDF voucher to cover the cost of additional care while parents are working. Both programs would include that child in their enrollment counts, even though each program is only covering the cost of part of the child's day.

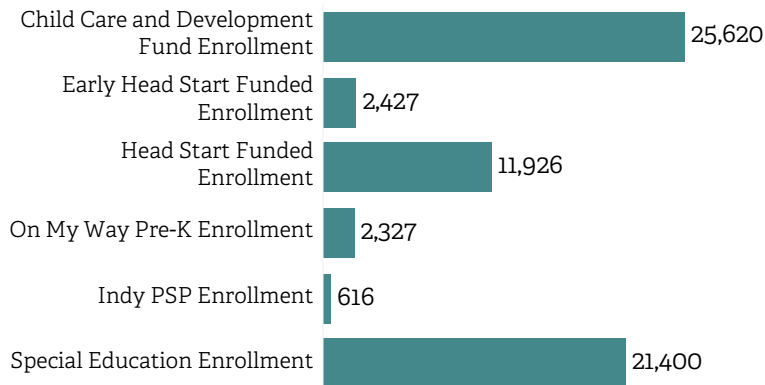
Without unique child identifiers or a coordinated data system, ELAC cannot determine Indiana's progress toward racial equity in the early childhood education system. Racial minorities make up a small percentage of young children in Indiana, and they are more likely to live in poverty.

In the programs that reported race and ethnicity of students, minority populations were overrepresented. More than half (57%) of students in OMW Pre-K are Black or African American. Twelve percent of OMW Pre-K students are Hispanic or Latino(a), and seven percent are mixed race. In CCDF, just under half (45%) of students are Black or African American. Seven percent of CCDF students are Hispanic or Latino(a), and seven percent of students are mixed race. For the CCDF children enrolled in high-quality programs, these percentages increase to 55% Black or African American, 11% Hispanic or Latino(a), and nine percent mixed race.<sup>21</sup>

Children in foster care who are ages 0-4 make up almost three percent of the total population of young children in Indiana in that age group. Children in foster care also comprise nearly three percent of the total children in OMW Pre-K and a similar percentage of children receiving CCDF vouchers. Early Head Start and Head Start enroll a higher percentage of foster children at 11% and seven percent respectively.

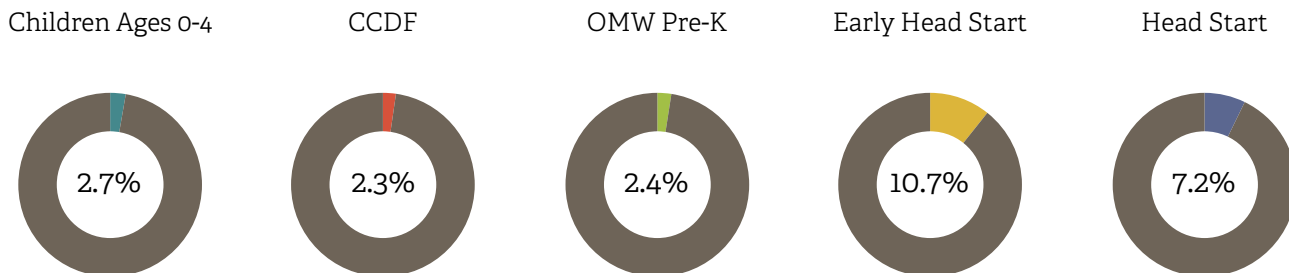
### 46% (11,822) of children served with a CCDF voucher are in a high-quality program.

Figure 53: How many young children are served with assistance programs?<sup>20</sup>



Source: Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Department of Education, 2017. Retrieved August 16, 2018; Indiana Head Start State Collaboration Office (IHSSCO), HS/EHS Program Information Report (PIR) 2016-17 program year, Received 6/2018.

Figure 54: How many foster children are being served in early childhood education?<sup>22</sup>



Source: Department of Child Services, Report, SFY 2017; Family and Social Services Administration Office of Early Childhood and Out-of-School Learning, May 1, 2017 - April 30, 2018; Indiana Head Start State Collaboration Office (IHSSCO), HS/EHS Program Information Report (PIR) 2016-17 program year, Received 6/2018; Puzzanchera, C., Sladky, A. and Kang, W. (2018). Easy Access to Juvenile Populations: 1990-2017. Online.

19. Some children may be served in more than one program.

20. Race and ethnicity percentages total more than 100% due to multiple answer selections by individuals.

21. OMW Pre-K chart includes Indy PSP numbers.

# HOW DOES UNAFFORDABLE EARLY CHILDHOOD EDUCATION IMPACT THE ECONOMY AND THE WORKFORCE?

A new report published June 2018 by Indiana University's Public Policy Institute and commissioned by Early Learning Indiana, shows that a lack of access to child care ends up costing Indiana employers \$1.8 billion, while the state sees a loss of \$118 million in tax revenue (Littlepage, 2018). These numbers were derived using an average of 13.3 days missed each year by working parents of children under 5 due to child care issues and the exit of 11,000 workers from the workforce to stay at home to take care of their children. Affordability was discussed as a major barrier to access to early childhood education. The report recommended that both businesses and local and state governments inject additional financial support into the early childhood education system. This would not only help bring costs down for families, but also save themselves lost revenue in the process (Littlepage, 2018).

## KEY TAKEAWAYS ABOUT AFFORDABILITY

- ❑ The average annual tuition cost is not affordable for low- or median-income families. Without subsidies, families must pay more than the recommended seven percent of their income toward child care.
- ❑ The cost to educate a child decreases as the child gets older, which highlights a greater need for more affordable options for infants and toddlers.
- ❑ Salaries make up the largest portion of early childhood education costs; however, the workforce makes an hourly wage \$4-\$7 less than the national average hourly wage of all occupations.
- ❑ Funding assistance programs have generally decreased or maintained funding levels over the last 3 years.
- ❑ Current funding supports cover only 29% of the needed amount to support all children in poverty to access early childhood education.

# SYSTEM BUILDING



## WHAT ADDITIONAL EARLY CHILDHOOD EDUCATION DATA DOES INDIANA NEED?

ELAC has consistently recommended the implementation of a Statewide Longitudinal Data System (SLDS). This system would connect the data sets surrounding early learning, K-12 education, vocational and technical education, higher education, and each respective workforce. A functioning SLDS would eliminate the cumbersome process of collecting data from so many sources and requesting additional clarifying information from each partner organization.

A recent report from The Early Childhood Data Collaborative discusses the importance of using integrated data systems and identifies the 10 Fundamentals of a Coordinated Early Childhood Data System, which are aligned with the principles of SLDSs (King, Perkins, Nugent, & Jordan, 2018). The chart and following discussion explain how well Indiana is doing with implementation of these ten fundamentals of a coordinated early childhood data system.

10 Fundamentals of a Coordinated Early Childhood Data System	Indiana's Status <sup>23</sup>	Number of States with Full Implementation
1. Unique statewide child identifier	●	2
2. Child-level demographics and program participation information <sup>24</sup>	●	13
3. Child-level data on development	●	14
4. Ability to link child-level data with K-12 and other key data systems	●	22
5. Unique program site identifier with the ability to link with children and the early childhood education workforce	●	34 <sup>25</sup>
6. Program site structural and quality information	●	17
7. Unique early childhood education workforce identifier with ability to link with program sites and children	●	11 <sup>26</sup>
8. Individual-level data on early childhood education workforce demographics, education, and professional development information	●	0
9. State governance body to manage data collection and use	●	21
10. Transparent privacy protection and security policies and practices	●	6

22. Green represents fully implemented. Yellow represents partially implemented. Red represents not implemented.

23. Child-level demographics includes family characteristics, such as parent education level, employment status, and household income.

24. Thirty-four states can link child and program data. It is unknown whether these 34 states are also able to link workforce and program data.

25. Eleven states can link child and workforce data. It is unknown whether these 11 states are also able to link program and workforce data.



## 1. Unique statewide child identifier

**Indiana does not have unique child identifiers that stay constant across programs**, and this causes complexity when compiling data. For instance, a child may be participating in a part-day Head Start program and also receiving a CCDF voucher for child care that covers the rest of their parents' work day. Since Indiana does not have a system in place of assigning unique child identifiers to be used across programs, ELAC cannot determine that this is one child participating in two programs, rather than two children participating in different programs. Therefore, ELAC cannot determine how many total children are accessing early childhood education and the resulting unmet need.

## 2. Child-level demographics and program participation information

In this year's needs assessment, ELAC wanted to highlight equity issues for vulnerable populations, such as children of color, children from low-income families, children in foster care, children experiencing homelessness, and children with disabilities. **Indiana's data collection methods are not standardized across programs; agencies that collect this information do not use consistent definitions.** Therefore, ELAC is unable to identify all existing disparities and make recommendations for solutions.

In addition, if Indiana collected program participation information for all young children, that would solve a complication related to data on capacity and enrollment. Each individual program makes decisions about their actual capacity (if it is lower than licensed capacity) and tracks their own enrollment. Since there is no statewide shared database for all enrollment tracking, all of this information must be gathered via surveys sent to each known early childhood education program in Indiana. These surveys are often not sent or returned in a timely manner. The logistics of this type of survey process mean that there will be gaps in the data, as well as many fluctuations in even a very short amount of time—for instance between the time when ELAC receives the data and when this report is published. Since some programs do not complete these surveys, the data collected is incomplete. This portion of completed surveys is not used to create an estimate of what could be expected from other programs if they completed the surveys. Rather, the data is simply incomplete. Despite these limitations, the data that ELAC collects is the best picture of the current landscape of Indiana's early childhood education system.

Data tracking procedures vary across partner organizations, as well. Head Start programs do not typically separate their enrollment information into single-year age groups (3-year-olds and 4-year-olds). Instead they report their enrollment with all preschoolers combined in one category. This makes it difficult to gather information about how many total low-income 4-year-olds are enrolled across programs like Head Start, OMW Pre-K, CCDF, and Title I preschools.

## 3. Child-level data on development

**Indiana does not currently have a uniform assessment system for young children.** Indiana created an assessment called Indiana Standards Tools for Alternate Reporting (ISTAR) that is used for preschoolers with special needs. Later, Indiana modified that assessment to create Indiana Standards Tools for Alternate Reporting - Kindergarten Readiness (ISTAR-KR) in order to allow programs to assess all students enrolled in OMW Pre-K. All early childhood education programs in Indiana can access and utilize both assessments at no cost. Indiana's First Steps program which provides early intervention services uses different developmental assessments. Head Start and Early Head Start programs are federally required to screen and assess children, but the types of assessments they use vary. Indiana is implementing a new initiative called Help Me Grow to increase the number of young children developmentally screened by age 3 and to collect data. Some of the data from these various assessments is shared across programs—such as with kindergarten teachers—to inform planning and improve services, but that is not always the case. The state could build on the assessments already in place in order to develop a coordinated data system which tracks and monitors children's development, as well as improves the services' ability to support their needs.

#### 4. Ability to link child-level data with K-12 and other key data systems

**Indiana currently does not connect or share these data systems.** Originally, MPH was developed to connect data between FSSA and IDOE, but that has not yet transpired. Other critical data systems to connect are the evidence-based home visiting programs managed at the Indiana State Department of Health and Indiana Department of Child Services. Linking data on children ages 0-5 with K-12 and other data systems will allow partners to learn about factors that result in kindergarten readiness and positive health outcomes. Once policymakers understand these factors, they can improve the early childhood education system for all children, ensuring that students are ready for school and beyond.

#### 5. Unique program site identifier with the ability to link with children and the early childhood education workforce

**Indiana does not have standardized unique identifiers for its early childhood education programs.** Indiana has licensed and registered programs monitored by the FSSA Office of Early Childhood and Out-of-School Learning that are assigned a program identifier. Similarly, IDOE assigns public schools a unique school identifier. Early Learning Indiana, which provides data support for FSSA, also gathers data on unlicensed and exempt programs and assigns them a unique program identifier.

Each agency uses a different unique program identifier. When a program interacts with more than one agency (e.g., a public school that is also licensed by FSSA), they will not have the same unique program identifier. Similarly when a licensed center or home closes with FSSA and opens up a new facility, they will be assigned a new unique program identifier, meaning there is not a historical record. This causes ELAC and its state partners spend considerable time ensuring these programs do not get counted twice in the needs assessment.

#### 6. Program site structural and quality information

**Some Indiana state agencies collect some of this information, but the data is not comprehensive or connected across agencies.** The FSSA Office of Early Childhood and Out-of-School Learning is responsible for tracking programs' types, licenses, registrations, and quality ratings. This information allows ELAC and other partners to track quality increases and decreases in different types of programs. Indiana could expand its data collection to include information on working conditions, such as wages, benefits, and turnover. The FSSA Office of Early Childhood and Out-of-School Learning does not have information reported to them about unlicensed and unregistered programs, such as public schools and other exempt programs. An integrated data system would help Indiana standardize and link the data that is collected by various agencies, such as FSSA, IDOE, and Head Start.



## 7. Unique early childhood education workforce identifier with ability to link with program sites and children

**As with children and programs, Indiana lacks unique identifiers for the early childhood education workforce.** IDOE has a Licensing Verification and Information System (LVIS) for its workforce, including early childhood educators. Indiana is making progress on this aspect of data collection as the FSSA Office of Early Childhood and Out-of-School Learning plans to roll out a new professional registry that will assign unique identifiers for the early childhood education workforce and link to LVIS. However, this new registry will be voluntary for early childhood education programs registered with the FSSA Office of Early Childhood and Out-of-School Learning, which means there will still be gaps in the data after implementation.

Without a professional early childhood education registry, ELAC does not know as much about the workforce as it otherwise could. ELAC does not know the retention and turnover rates or the education and experience levels of the early childhood education workforce. There are anecdotes about early childhood education professionals leaving community-based programs in order to work in school-based programs as they gain experience and earn college degrees in order to make more money. However, without unique identifiers for the workforce, Indiana cannot currently track this information and therefore cannot make policy recommendations.

## 8. Individual-level data on early childhood education workforce demographics, education, and professional development information

**With the new early childhood education registry, Indiana will have a tool to collect this type of information from a portion of early childhood education professionals on a voluntary basis.** In order to capture a complete picture of the workforce, this information would need to be gathered for each early childhood education professional.

## 9. State governance body to manage data collection and use

The state of Indiana has established MPH to help partners make data-driven decisions and assist state officials to enact data-informed policy. **MPH has the authority to request and compile data from multiple state agencies, but this data is not coordinated in a single system with real-time updates.** Currently, MPH does not receive data from the FSSA Office of Early Childhood and Out-of-School Learning or Early Learning Indiana, which together hold the majority of early childhood education data.

MPH could also work to help standardize the early childhood education data collected across the different agencies. IDOE is currently completing this process with their Data Exchange and INview projects through the Ed-Fi Data Standard and Technology Suite. MPH could replicate this process with other agencies that overlap with early childhood education data. If Indiana created an integrated data system, it would eliminate some complexities in ELAC's current needs assessment process.

## 10. Transparent privacy protection and security policies and practices

Indiana already employs privacy and security procedures with its current data collection. **With the added layers of an integrated data system, the state would need to invest resources into ensuring each Hoosier's data is protected and secure.** Although the state would collect information using unique identifiers, that information would be de-identified before it is shared with ELAC or other partners. The state ensures that individuals' names and other personal information are not shared. This is how data is currently handled, and Indiana would continue to use these best practices with a new early childhood education integrated data system.



# RECOMMENDATIONS



The recommendations in this year's report focus on system building in order to improve the coordination and collaboration of early childhood education programs for Hoosier children and families. If Indiana is able to improve in these areas, then young children, their parents, employers, and communities will benefit. In addition, the state will improve its ability to complete this needs assessment more efficiently and use data to drive decision-making.

After reviewing the data collected for this year's needs assessment, ELAC recommends the following:

- 1. Expand opportunity for the most vulnerable.** The state currently prioritizes funding and investment for impoverished children. However, the unmet need is still great, and there is insufficient data to determine if Indiana is adequately serving other children among the most vulnerable (e.g., children in foster care, children experiencing homelessness, children affected by the opioid epidemic, children with incarcerated parents, etc.). In order to develop supports for vulnerable populations most in need, Indiana should invest in a coordinated early childhood data system.
- 2. Expand high-quality early childhood education.** Indiana should continue to increase the number of programs participating in PTQ and achieving high-quality designations. To achieve this, the state needs to make targeted investments to address barriers to participation and lack of incentives.
- 3. Increase early childhood education for infants and toddlers.** Indiana is not meeting the needs of families with infants and toddlers as well as it meets the needs of preschool-age children. Program capacity for infants and toddlers is insufficient and costly. There is an opportunity for Indiana to determine how to better provide early childhood education for its youngest citizens. This is especially critical because research shows the importance of prioritizing the healthy development of children from birth to age 3, as this is the single most critical period of brain development (ReadyNation, n.d.).

Early childhood education in Indiana over the last 5 years has improved in some areas and stagnated in others. While more early childhood education programs are improving quality and current subsidy programs are expanding to other counties, there is still a great unmet need. Through the work of ELAC and other organizations, more people are learning about these unmet needs, and more people are coming to the table to discuss what can be done. Through engagement of these diverse voices, Indiana is poised to make important gains in investment in a system that will provide more early childhood education services more efficiently and more effectively.





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# APPENDIX A: Data Methodology and Limitations



## HOW DOES ELAC COMPLETE ITS ANNUAL NEEDS ASSESSMENT REPORT?

### ELAC Data Sources



First Steps



The ELAC statute reflects an understanding of the importance of using data when making policy decisions. The Early Childhood Data Collaborative report highlights the importance of data sharing and collaboration in order to provide the best data to policymakers who seek to promote school readiness and positive health outcomes (King, Perkins, Nugent, & Jordan, 2018). ELAC's statutory requirements include the responsibility to conduct statewide needs assessments that include information on various topics related to early childhood education. These topics include the quality and availability of early childhood education programs; opportunities for and barriers to collaboration and coordination across state agencies; and the capacity and effectiveness of higher education institutions.

This year, ELAC obtained data from ten sources. Since this data does not reside in a shared hub, ELAC has to gather data from multiple sources both within and outside of government in order to complete the needs assessment. These data sources may contain overlapping data due to a lack of unique identifiers between partner organizations for children, employees, and programs. ELAC attempts to deduplicate or prevent double counting whenever possible. The lack of data standardization across partner organizations can be an additional limitation to the accuracy and availability of data presented in the needs assessment. Each organization collects data for different purposes, with different variables, definitions, categories, and reporting periods (e.g., data on race/ethnicity or grouping by ages). Each year ELAC has been able to collect more complete data and also work with partner agencies to improve data collection procedures.

As part of the data collection improvement process, ELAC shared data requests to partners in the spring. ELAC requested that partners use a reporting date of April 30, 2018, but some sources shared data based on their reporting time frame (e.g. T.E.A.C.H. scholarship data is not available until after June 30). Data requests are returned late June through August depending on partner agency time frames and the amount of data needed from the sources. When analyzing the data, ELAC reaches out to partners for clarifications on definitions and technical notes. Once all data is received and analyzed, the ELAC Annual Report is shared with the Governor's office to be approved. The final report is typically released to the public late in the year.

## WHAT DO STAKEHOLDERS NEED TO KNOW WHEN USING THE ELAC ANNUAL REPORT?

There are many challenges to pulling data together for the annual ELAC needs assessment. Some of these challenges are specific to the early childhood education system in Indiana, while others are similar to the issues any state or entity has when compiling data to create a picture of the current landscape. The current process of collecting, clarifying, and merging the data to create an accurate picture within the data limitations is very labor intensive for ELAC and its partner agencies. However, this process is necessary to create a report to drive positive change across Indiana by improving the statewide early childhood education system. In order to assist stakeholders in best using this report, it is necessary for ELAC to provide this transparency about the process of pulling data together from partner organizations and the limitations of the data.

# APPENDIX B: Definitions of Early Childhood Education Programs



*Some programs cross multiple definitions, such as a school-based program that is also a licensed center. Each program is only counted once in the data in this report, but a program may have characteristics from more than one of these definitions.*



**Licensed Child Care Center:** Licensed child care centers typically have multiple classrooms, each geared toward children of a particular age—infants, toddlers, or preschoolers. Child care centers are also often open 10-12 hours per day to accommodate parents who work during the day. They have to meet the strictest standards to receive licensure. Most licensed child care centers are stand-alone facilities, but some operate within a university, hospital, or factory. There are some schools that operate licensed child care centers within their school buildings. Head Start programs are likely to operate multiple sites. Some of those sites may be licensed child care centers, while other sites may fall into other categories.



**Family Child Care:** Family child care programs are located in residential homes and have capacity for a much smaller number of children than other programs. Their hours typically accommodate working families—with some programs offering overnight and weekend care for families who work 2nd and 3rd shifts. Family child care programs may accept children of various ages, who are likely to spend time together in a mixed-age setting. Some family child care programs are licensed, meeting health and safety standards. Licensed family child care programs can participate in PTQ and earn a high-quality designation. However, if family child care owners care for only up to five children who are unrelated to them, then they can legally operate without a license, meaning these programs are not regulated for safety or quality.



**Registered Ministry:** Registered ministries are nonprofits that are not required to be licensed. In fact, ministries do not have to become registered either, but some choose to do so. Registered ministries have to meet many health and safety requirements, but the registry regulations are not the same as licensing regulations. Some registry regulations are less strict. Many registered ministries are structured like licensed child care centers with similar hours and classrooms for children of the same age group. Some registered ministries operate inside churches while others might be stand-alone facilities.



**School-Based Program:** School-based programs, which include public, charter, and nonpublic schools, are a growing trend in early childhood education. Most school-based programs do not serve infants and young toddlers and instead focus on preschool-age children. Many school-based programs are partial-day programs operating 2-5 hours per day, with only some schools offering full-day options for working families. School-based programs typically only operate during the school year. School-based programs are exempt from the requirement to be licensed or registered, but some choose to become licensed.