

CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: *INDIANA*

- **Income eligibility limit:** In 2016, a family of three in Indiana could qualify for child care assistance with an annual income up to \$25,512 (127 percent of poverty, 42 percent of state median income).<sup>1</sup>
- **Waiting list:** Indiana had 6,226 children on a waiting list for child care assistance as of February 2016.
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in Indiana paid \$84 per month, or 5 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,240 a year) receiving child care assistance paid \$227 per month, or 9 percent of its income, in copayments.<sup>2</sup>
- **Reimbursement rates:** In 2016, Indiana's reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.
  - Indiana's monthly reimbursement rate for center care for a four-year-old in Marion County was \$992,<sup>3</sup> which was \$169 (15 percent) below the 75th percentile of current market rates for this type of care.
  - Indiana's monthly reimbursement rate for center care for a one-year-old in Marion County was \$1,178,<sup>4</sup> which was \$416 (26 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In 2016, Indiana paid higher reimbursement rates for higher-quality care.
  - The reimbursement rate for center care for a four-year-old in Marion County at the highest quality tier was 30 percent higher than the rate at the lowest quality tier.
  - The reimbursement rate for center care for a four-year-old in Marion County at the highest quality tier was still below the 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2016, Indiana allowed parents to continue receiving child care assistance for up to 13 weeks while searching for a job.<sup>5</sup> However, the state did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.

- 1 As of February 2016, families already receiving assistance could continue doing so until their income reached \$50,736. As of May 2016, the income limit to qualify for assistance was increased to \$25,608 (127 percent of poverty) to adjust for the 2016 federal poverty level, and the exit eligibility limit was increased to \$51,624 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 Copayments vary depending on how long the family has been receiving child care assistance, with families paying a higher percentage of income the longer they receive assistance. These copayments assume it is the first year the family is receiving assistance.
- 3 The state has higher rates for higher-quality care; this is the most common rate level (the level representing the greatest number of providers).
- 4 This is the most common rate level.
- 5 Parents receiving child care assistance can continue to receive it while searching for a job for up to 13 cumulative weeks per 12-month period beginning one day after the loss of a job. Parents are allowed the same number of hours of child care during their job search as they had for their prior documented activity.

