

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

## SENATE ENROLLED ACT No. 2

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AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 5-28-6-10 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. Not later than October 1, 2024, and not later than October 1 of each year thereafter, the corporation shall submit to the executive director of the legislative services agency, for distribution to the members of the general assembly, a report regarding funds dedicated to supporting child care under:**

- (1) the regional economic acceleration and development initiative (READI) under IC 5-28-41; and**
- (2) the CHIPS Act of 2022 (P.L. 117-167, 136 Stat. 1366).**

**The corporation's report under this section must be in an electronic format under IC 5-14-6.**

SECTION 2. IC 12-7-2-25.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 25.2. "CCDF", for purposes of IC 12-17.2-7.2, has the meaning set forth in IC 12-17.2-7.2-0.4.**

SECTION 3. IC 12-7-2-28.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 28.5. "Child care employee", for purposes of IC 12-17.2-7.2, has the meaning set forth in IC 12-17.2-7.2-0.5.**

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SECTION 4. IC 12-7-2-31.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31.4. "Child of a child care employee", for purposes of IC 12-17.2-7.2, has the meaning set forth in IC 12-17.2-7.2-0.6.**

SECTION 5. IC 12-7-2-135.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 135.7. "Out-of-school-time program", for purposes of IC 12-17.2, means child care provided to a child who is at least five (5) years of age but less than fifteen (15) years of age:**

- (1) before school is in session or after the school day;**
- (2) during the summer; or**
- (3) any other time when school is not in session.**

SECTION 6. IC 12-8-1.5-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. Not later than September 30, 2024, the office of the secretary shall publish on the website of the office of the secretary a dashboard providing monthly information regarding state and federal child care subsidies available to Indiana residents, including the following information:**

- (1) The number of child care subsidies available.**
- (2) The average copayment required under each available subsidy.**
- (3) The number of children on a wait list for each available subsidy.**
- (4) Other key indicators, as determined by the office of the secretary, of the effectiveness of the available child care subsidies in each Indiana county.**

SECTION 7. IC 12-14-31-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3. A household that, at the time of the office of the secretary's initial determination of the household's income eligibility for purposes of entry into the CCDF program:**

- (1) has a household income that does not exceed eighty-five percent (85%) of Indiana's state median income for the household's family size;**
- (2) includes a child care employee (as defined in IC 12-17.2-7.2-0.5); and**
- (3) otherwise meets federal eligibility requirements for the CCDF program;**

**is eligible for assistance under the CCDF program.**



SECTION 8. IC 12-17.2-3.5-8, AS AMENDED BY P.L.171-2014, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) At least one (1) adult individual who maintains ~~annual~~ certification in a course of cardiopulmonary resuscitation applicable to all age groups of children cared for by a provider shall be present at all times when a child is in the care of the provider.

(b) The following apply to an individual who is employed or volunteers as a caregiver at a facility where a provider operates a child care program:

(1) The individual shall maintain current certification in first aid applicable to all age groups of children cared for by the provider.

(2) If the individual is:

(A) at least eighteen (18) years of age, the individual may act as a caregiver without supervision of another caregiver; or

(B) less than eighteen (18) years of age, the individual may act as a caregiver only if the individual:

(i) is at least fourteen (14) years of age; and

(ii) is, at all times when child care is provided, directly supervised by a caregiver who is at least eighteen (18) years of age.

(3) Before beginning employment or volunteer duties, the individual must receive a formal orientation to the facility and the child care program.

(4) Beginning July 1, 2015, unless the provider is a parent, stepparent, guardian, custodian, or other relative to each child in the care of the provider, the individual annually must receive at least twelve (12) hours of continuing education approved by the division and related to the age appropriate educational development, care, and safety of children. The hours of continuing education required by this subdivision may include the training described in this chapter concerning child abuse detection and prevention, first aid, cardiopulmonary resuscitation, and safe sleeping practices.

(5) Not more than three (3) months after the individual begins employment or volunteer duties, the individual must receive training approved by the division concerning child abuse detection and prevention.

(c) A provider shall:

(1) maintain at the facility where the provider operates a child care program documentation of all training and completion of continuing education required by this section; and



(2) make the documentation available to the division upon request.

SECTION 9. IC 12-17.2-3.8-5, AS AMENDED BY P.L.246-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The early learning advisory committee is established to do the following:

(1) Establish child developmental and educational goals for Indiana's early learning system, including the development of standards and objectives for early education programs that receive state or federal funds.

(2) Design and maintain an approach to measuring progress toward the goals established under subdivision (1) that include objective measures of academic quality.

(3) Assess the attainment of the goals established under subdivision (1) and evaluate the efficacy of state and federal spending on Indiana's early learning system.

(4) Assess whether the requirements for early education program licensure:

(A) create an equitable standard for health and safety across all early education program types;

(B) reinforce the goals established under subdivision (1); and

(C) support the sustainability of Indiana's early learning system.

(5) Conduct periodic statewide needs assessments concerning the quality and availability of early education programs for children from birth to the age of school entry, including the availability of high quality prekindergarten education for low income children in Indiana.

(6) Identify opportunities for, and barriers to, collaboration and coordination among federally and state funded child development, child care, and early childhood education programs and services, including governmental agencies that administer the programs and services.

(7) Design early education workforce strategies, including recommendations on how to advance professional development.

(8) Assess the capacity and effectiveness of pathways to support training and recruitment of early educators.

(9) Not later than November 30 of each year, develop and make recommendations to the governor and, in an electronic format under IC 5-14-6, to the legislative council concerning the results of the committee's work under subdivisions (1) through (8).

(10) Not later than ~~July~~ **May** 1, 2024, commission a third party



evaluation to assess existing regulations for child care providers and provide **a report containing** recommendations to:

- (A) maintain health and safety standards;
- (B) streamline administrative burdens, program standards, and reporting requirements for child care providers;
- (C) provide flexibility for a child care provider with a Level 3 or Level 4 paths to QUALITY program rating to expand to other locations; and
- (D) assist accredited kindergarten through grade 12 institutions in establishing and providing high quality onsite child care and early learning programs.

**Not later than July 1, 2024, the office of the secretary shall initiate the process of amending the rules adopted by the office under IC 12-17.2-7.2 in consideration of the recommendations of the third party evaluation.** This subdivision expires January 1, 2025.

(11) Not later than December 31, 2023, develop recommendations for implementing a revised paths to QUALITY program that:

- (A) maintains health and safety standards;
- (B) integrates objective measures of kindergarten readiness;
- (C) contemplates accredited kindergarten through grade 12 institutions as onsite providers; and
- (D) incentivizes child care providers to increase wages for child care workers who complete education and training that result in a postsecondary degree or industry recognized credential.

This subdivision expires July 1, 2024.

**(12) Not later than September 30, 2024, do the following:**

**(A) Complete a study regarding compensation in Indiana for:**

- (i) early childhood educators; and**
- (ii) caregivers at out-of-school-time programs;**

**by collecting compensation data throughout Indiana.**

**(B) Create an online dashboard to allow access to compensation data.**

**(C) Issue a report containing the committee's findings and recommendations on compensation in Indiana for:**

- (i) early childhood educators; and**
- (ii) caregivers at out-of-school-time programs.**

(b) The committee consists of the following thirteen (13) members:

- (1) The secretary of education or the secretary's designee.
- (2) The secretary of family and social services or the secretary's



designee.

- (3) Seven (7) members appointed by the governor as follows:
- (A) A representative of an organization with an interest in training the early childhood education workforce.
  - (B) A representative of a Head Start program under 42 U.S.C. 9831 et seq.
  - (C) A member of the general public who has an interest in early childhood education.
  - (D) A representative of an early childhood education provider.
  - (E) A representative from a school corporation who has an interest in strengthening the transition from early childhood education to elementary education.
  - (F) A representative of business with an interest in early childhood education.
  - (G) A representative of the nonprofit or philanthropic community with an interest in early childhood education.
- (4) One (1) member who:
- (A) is appointed by the speaker of the house of representatives;
  - (B) is not a member of the general assembly; and
  - (C) shall serve as a nonvoting member.
- (5) One (1) member who:
- (A) is appointed by the president pro tempore of the senate;
  - (B) is not a member of the general assembly; and
  - (C) shall serve as a nonvoting member.
- (6) One (1) member who:
- (A) is appointed by the minority leader of the house of representatives;
  - (B) is not a member of the general assembly; and
  - (C) shall serve as a nonvoting member.
- (7) One (1) member who:
- (A) is appointed by the minority leader of the senate;
  - (B) is not a member of the general assembly; and
  - (C) shall serve as a nonvoting member.
- (c) Subject to section 5.1 of this chapter, members appointed under subsection (b)(3) through (b)(7) serve for three (3) year terms. The members of the committee serve at the pleasure of the appointing authority.
- (d) The governor shall appoint a member of the committee to serve as chairperson of the committee. The committee shall meet at least six (6) times each calendar year at the call of the chairperson.
- (e) The division shall, in consultation with the department of education, staff the committee.

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(f) The expenses of the committee shall be paid from the funds of the division.

(g) Each member of the committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this section shall be paid from appropriations made to the legislative council or the legislative services agency.

(j) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

SECTION 10. IC 12-17.2-7.2-0.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.4. As used in this chapter, "CCDF" refers to the federal Child Care and Development Fund program administered under 45 CFR 98 and 45 CFR 99.**

SECTION 11. IC 12-17.2-7.2-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter, "child care employee" means an individual who:**

- (1) receives compensation as a full-time employee of an entity licensed or regulated under this article, as determined by the office; or**
- (2) receives compensation as a part-time employee of an entity licensed or regulated under this article while also pursuing postsecondary study or educational training in child care or early childhood education, as determined by the office.**

SECTION 12. IC 12-17.2-7.2-0.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS**



[EFFECTIVE UPON PASSAGE]: Sec. 0.6. As used in this chapter, "child of a child care employee" means an individual who:

- (1) is at least four (4) years of age and less than five (5) years of age on August 1 of the state fiscal year for which a prekindergarten voucher is sought for the individual under the prekindergarten program;
- (2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;
- (3) receives qualified early education services from an eligible provider, as determined by the office;
- (4) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office;
- (5) resides with a parent or guardian who is a child care employee, as determined by the office;
- (6) has a household income that does not exceed eighty-five percent (85%) of Indiana's state median income for the household's family size; and
- (7) meets the requirements of section 7.2(c) of this chapter.

SECTION 13. IC 12-17.2-7.2-2, AS AMENDED BY P.L.268-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible provider" refers to a provider that satisfies the following conditions:

- (1) The provider is:
  - (A) a:
    - ~~(i)~~ (i) public school, including a charter school;
    - ~~(ii)~~ (i) child care center licensed under IC 12-17.2-4;
    - ~~(iii)~~ (ii) child care home licensed under IC 12-17.2-5; or
    - ~~(iv)~~ (iii) child care ministry registered under IC 12-17.2-6; that meets the standards of quality recognized by a Level 3 or Level 4 paths to QUALITY program rating;
    - (B) a public school, including a charter school;**
    - ~~(B)~~ (C) a nonpublic school that is accredited by the state board of education or a national or regional accreditation agency that is recognized by the state board of education; or
    - ~~(C)~~ (D) a nonpublic school that is accredited to provide qualified early education services by an accrediting agency approved by the office of the secretary.
- (2) The provider:
  - (A) provides qualified early education services to eligible ~~and~~ children, limited eligibility children, and children of child care employees;





- (B) complies with the agreement with the office concerning the delivery of qualified education services and the use of a **grant prekindergarten voucher** provided under this chapter; **and**
- (C) complies with CCDF provider eligibility standards in accordance with federal requirements for health and safety.**

SECTION 14. IC 12-17.2-7.2-2.5, AS AMENDED BY P.L.246-2023, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. As used in this chapter, "limited eligibility child" refers to an individual who:

- (1) is at least four (4) years of age and less than five (5) years of age on August 1 of the state fiscal year for which a **grant prekindergarten voucher** is sought **for the individual** under the prekindergarten program;
- (2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;
- (3) receives qualified early education services from an eligible provider, as determined by the office;
- (4) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office;
- (5) has a parent or guardian who participates in a parental engagement and involvement component provided by the eligible provider;
- (6) is a member of a household with an annual income that does not exceed one hundred eighty-five percent (185%) of the federal poverty level;
- (7) meets the requirements of section 7.2(b) and 7.2(c) of this chapter; and
- (8) is not an eligible child **or a child of a child care employee.**

SECTION 15. IC 12-17.2-7.2-5.7, AS AMENDED BY P.L.216-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.7. As used in this chapter, "priority enrollment period" refers to the period set forth by the office beginning not later than April 1 of each calendar year, except for calendar year ~~2021~~, **2024**, during which the priority enrollment period may begin later than April 1, ~~2021~~, **2024**.

SECTION 16. IC 12-17.2-7.2-6, AS AMENDED BY P.L.268-2019, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "qualified early education services" refers to a program of early education services that:

- (1) is provided by an eligible provider to:



- (A) an eligible ~~or~~ **child**;
  - (B) a limited eligibility child; **or**
  - (C) **a child of a child care employee**;
- (2) includes a parental engagement and involvement component in the delivery of early education services that is based on the requirements and guidelines established by the office;
- (3) administers the kindergarten readiness assessment adopted by the state board of education;
- (4) aligns with the early learning development framework for prekindergarten approved by the department of education under IC 20-19-3-16; and
- (5) meets the design parameters for inclusion in the longitudinal study described in section 12 of this chapter, as determined by the office.

SECTION 17. IC 12-17.2-7.2-7, AS AMENDED BY P.L.246-2023, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The prekindergarten program is established to provide: ~~grants for~~:

- (1) **prekindergarten vouchers for** qualified early education services in a manner consistent with how funds are distributed under the ~~Child Care and Development Fund (CCDF) grant~~ **CCDF child care voucher** program; and
- (2) **grants for** expansion plans as described in section 7.4(a)(2) of this chapter.

(b) The office shall administer the prekindergarten program. The prekindergarten program may include:

- (1) eligible providers in Indiana; and
- (2) potential eligible providers or existing eligible providers as described in section 7.4 of this chapter.

(c) Beginning July 1, 2020, the total number of ~~grants~~ **prekindergarten vouchers provided** during the immediately preceding state fiscal year shall include the number of ~~grants~~ **prekindergarten vouchers** issued under a preschool program established in March 2015 that operates in a consolidated city.

(d) The prekindergarten program includes eligible providers in any county in Indiana.

(e) Subject to the requirements of this chapter, the office shall determine:

- (1) the eligibility requirements, application process, and selection process for ~~awarding grants providing prekindergarten vouchers~~ under the prekindergarten program **and awarding grants under section 7.4 of this chapter**;



- (2) the administration and reporting requirements for:
  - (A) eligible providers; and
  - (B) potential eligible providers or existing eligible providers; participating in the prekindergarten program; and
- (3) with the assistance of the early learning advisory committee, an appropriate outcomes based accountability system for:
  - (A) eligible providers; and
  - (B) potential eligible providers or existing eligible providers.

(f) The office shall, subject to the availability of funding, determine the number of eligible children, **limited eligibility children, and children of child care employees** who will participate in the prekindergarten program. ~~After December 31, 2019, the office shall, subject to the availability of funding, determine the number of limited eligibility children who will participate in the prekindergarten program.~~

SECTION 18. IC 12-17.2-7.2-7.2, AS AMENDED BY P.L.268-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.2. (a) For an eligible child to qualify for a ~~grant~~ **prekindergarten voucher** under this chapter, the eligible child must reside with a parent or guardian who is:

- (1) working or attending a job training or an educational program; or
- (2) actively seeking employment, subject to the approval by the United States Department of Health and Human Services as provided in 45 CFR 98.21.

(b) For a limited eligibility child to qualify for a ~~grant~~ **prekindergarten voucher** under this chapter, the limited eligibility child must reside with a parent or guardian who:

- (1) is working or attending a job training or an educational program;
- (2) is actively seeking employment, subject to the approval by the United States Department of Health and Human Services as provided in 45 CFR 98.21; or
- (3) receives Social Security Disability Insurance, ~~or~~ Supplemental Security Income benefits, **or disability benefits from the United States Department of Veterans Affairs.**

(c) Before the office may ~~award~~ **provide** a ~~grant~~ **prekindergarten voucher** to an eligible ~~or child~~, **a limited eligibility child, or a child of a child care employee** under this chapter, the office shall require that a parent or guardian of the ~~eligible or limited eligibility~~ child agree to the following:

- (1) The ~~eligible or limited eligibility~~ child will attend the prekindergarten program of an eligible provider selected by the



parent or guardian for the full duration of the prekindergarten program year.

(2) The parent or guardian will not transfer to another prekindergarten program during the prekindergarten program year.

(3) The ~~eligible or limited eligibility~~ child will attend the prekindergarten program at least eighty-five percent (85%) of the days that the prekindergarten program is provided.

(4) The parent or guardian will allow the ~~eligible or limited eligibility~~ child to participate in an external evaluation conducted by researchers, including the kindergarten readiness assessment and measuring of developmental and academic progress.

(5) The parent or guardian will participate in family engagement and involvement activities offered by the selected prekindergarten program, including meetings with the ~~eligible or limited eligibility~~ child's teacher to discuss the ~~eligible or limited eligibility~~ child's progress or any other conference concerning the ~~eligible or limited eligibility~~ child that is requested by the eligible provider.

(6) The parent or guardian will complete the necessary forms for the ~~eligible child or limited eligibility~~ child to receive a student test number from the department of education.

(7) The parent or guardian will send the ~~eligible or limited eligibility~~ child to kindergarten.

(8) The parent or guardian will read to the ~~eligible or limited eligibility~~ child each week.

(9) Any other condition the office determines is appropriate.

**(d) Priority shall be given to a child of a child care employee under this section.**

~~(d)~~ **(e)** Priority may be given to an eligible or limited eligibility child under this section if a parent or guardian of the eligible or limited eligibility child is:

- (1) involved in activities that improve the parent's or guardian's education; or
- (2) involved in job training.

SECTION 19. IC 12-17.2-7.2-7.3, AS AMENDED BY P.L.246-2023, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.3. The office shall require, for an eligible provider to enroll in the prekindergarten program, that the eligible provider agree to the following:

- (1) Comply on a continuing basis with the requirements under this chapter and rules for participation established by the office.
- (2) Maintain eligibility under this chapter throughout the

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prekindergarten program year.

(3) Report immediately any changes in eligibility status to the office, including the eligible provider's loss of national or regional accreditation.

(4) Participate in any training and mandatory meetings required by the office.

(5) Participate in all onsite visits conducted by the office, including fiscal auditing activities with regard to the prekindergarten program and prekindergarten program activity monitoring.

(6) Allow ~~families~~ **the family of an eligible ~~or child~~, a limited eligibility ~~children~~, child, or a child of a child care employee** enrolled in the prekindergarten program of the eligible provider to visit at any time the prekindergarten program is in operation.

(7) Maintain accurate online attendance records through the attendance portal for eligible ~~or children~~, **limited eligibility children, and children of child care employees** enrolled in the prekindergarten program and submit attendance records as required by the office.

(8) Offer parental engagement and involvement activities in the prekindergarten program of the eligible provider in alignment with the family engagement framework adopted by the early learning advisory committee established by IC 12-17.2-3.8-5.

(9) Complete, within the period established by the office, the Indiana early childhood family engagement toolkit, including the family engagement self-assessment, adopted by the early learning advisory committee.

(10) Share information on the family engagement self-assessment described in subdivision (9) as required by the office.

(11) Participate in research studies as required by the office.

(12) Enforce minimum attendance requirements of at least eighty-five percent (85%) of the days that the prekindergarten program of the eligible provider is offered to an eligible ~~or child~~, **a limited eligibility child, or a child of a child care employee.**

(13) Inform the office that an eligible ~~or child~~, **a limited eligibility child, or a child of a child care employee** has withdrawn from the prekindergarten program of the eligible provider not later than five (5) days after the ~~eligible or limited eligibility~~ child is withdrawn.

(14) That retroactive repayment to the state may be required or future payments may be adjusted as a result of the withdrawal of an eligible ~~or child~~, **a limited eligibility child, or a child of a**



**child care employee** or changes in the law.

(15) Maintain records of participation by ~~a~~ **the** family of an eligible ~~or child, a~~ limited eligibility child, **or a child of a child care employee** in family engagement activities and submit records as required by the office.

(16) Promote ~~an eligible or limited eligibility child's~~ **the** social, emotional, and behavioral health **of an eligible child, a limited eligibility child, or a child of a child care employee** and eliminate or severely limit the use of expulsion, suspension, and other exclusionary discipline practices.

(17) Use the exclusionary discipline practices described in subdivision (16) only as a last resort in extraordinary circumstances when there is a determination of a serious safety threat that cannot otherwise be reduced or eliminated by the provision of reasonable modifications.

(18) Inform and receive approval from the office before the eligible provider expels, suspends, or uses other exclusionary discipline practices.

(19) Assist a parent or guardian, upon request by the parent or guardian, in obtaining information from, referral to, or both information from and referral to, the public school that serves the attendance area in which the parent or guardian resides for an educational evaluation and determination of eligibility for special education services if developmental delays or reasons to suspect a disability are observed by the parent, guardian, or teacher of an eligible ~~or child, a~~ limited eligibility child, **or a child of a child care employee** during the prekindergarten program year.

SECTION 20. IC 12-17.2-7.2-7.8, AS AMENDED BY P.L.246-2023, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.8. (a) The office shall make random onsite inspections each year, as determined necessary by the office, at the facility of:

(1) an eligible provider **that receives a prekindergarten voucher under this chapter;** or

(2) a potential eligible provider or existing eligible provider **that receives a grant under section 7.4 of this chapter.**

~~that receives a grant under this chapter:~~

(b) The office may determine that an eligible provider ~~or potential eligible provider or existing eligible provider~~ is not eligible to receive a **grant prekindergarten voucher** under the prekindergarten program **or that a potential eligible provider or existing eligible provider is not eligible to receive a grant under section 7.4 of this chapter** if the



eligible provider or **the** potential eligible provider or existing eligible provider:

- (1) fails to comply with this chapter; or
- (2) refuses to allow, during normal business hours, the office or an agent of the office to inspect the facility at which the eligible provider or potential eligible provider or existing eligible provider operates a child care program for eligible ~~or~~ **children**, limited eligibility children, **or children of child care employees**.

SECTION 21. IC 12-17.2-7.2-8, AS AMENDED BY P.L.268-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The office shall determine:

- (1) which applicants shall be ~~awarded~~ **provided** a:
  - (A) **prekindergarten voucher under this chapter; or**
  - (B) **grant under section 7.4 of this chapter; and**

- (2) subject to subsection (b) and to the availability of funding, the amount of each **prekindergarten voucher or** grant.

(b) At least five percent (5%) but not more than fifty percent (50%) of the:

- (1) tuition for eligible or limited eligibility children under the prekindergarten ~~pilot~~ program; or

- (2) expansion plan described in section 7.4(a) of this chapter;

during the state fiscal year must be paid from donations, gifts, grants, bequests, and other funds received from a private entity or person, from the United States government, or from other sources (excluding funds from a **prekindergarten voucher or** grant provided under this chapter and excluding other state funding). The office may receive and administer grants on behalf of the prekindergarten ~~pilot~~ program. The grants shall be distributed by the office to fulfill the requirements of this subsection.

(c) The amount of a ~~grant made~~ **prekindergarten voucher provided** under the ~~pilot~~ **prekindergarten** program to an eligible ~~or~~ **child, a** limited eligibility child, **or a child of a child care employee:**

- (1) who attends a prekindergarten program full time must equal at least two thousand five hundred dollars (\$2,500) during the state fiscal year; and

- (2) may not exceed six thousand eight hundred dollars (\$6,800) from state money provided under this chapter during the state fiscal year.

SECTION 22. IC 12-17.2-7.2-8.1, AS AMENDED BY P.L.246-2023, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) If funds are appropriated by the general assembly, ~~grants~~ **prekindergarten**

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**vouchers provided** to limited eligibility children may not exceed:

- (1) twenty percent (20%) of the amount appropriated for a particular state fiscal year if families with children four (4) years of age are on the waiting list for funds available under the ~~Child Care Development Fund~~; **CCDF**; or
- (2) forty percent (40%) of the amount appropriated for a particular state fiscal year if there is no waiting list for children four (4) years of age for funds available under the ~~Child Care Development Fund~~; **CCDF**.

(b) During the priority enrollment period, the office shall provide ~~grants~~ **prekindergarten vouchers** to eligible children **and children of child care employees** in the prekindergarten program on a first-come, first-served basis. The office shall date stamp and reserve applications for limited eligibility children received during the priority enrollment period for processing during the extended enrollment period.

(c) During the extended enrollment period, the office shall provide ~~grants~~ **prekindergarten vouchers** to eligible children, **children of child care employees**, and limited eligibility children in the prekindergarten program on a first-come, first-served basis to the extent of available funding and in accordance with the limit established by subsection (a).

SECTION 23. IC 12-17.2-7.2-10, AS ADDED BY P.L.202-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The office shall apply for any available waivers under the federal ~~Child Care and Development Fund (CCDF)~~ **grant CCDF voucher** program and the federal Head Start program.

SECTION 24. IC 12-17.2-7.2-11, AS AMENDED BY P.L.201-2023, SECTION 139, AND AS AMENDED BY P.L.246-2023, SECTION 17, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. *Except as provided under IC 20-51-1-4.3(4)(E)*, The receipt of a **grant prekindergarten voucher** under the *pilot prekindergarten* program does not qualify, nor have an effect on the qualification or eligibility, of a child for a choice scholarship under IC 20-51-4.

SECTION 25. IC 12-17.2-7.2-13, AS AMENDED BY P.L.246-2023, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The office shall, before November 1 of each year, submit a report to the governor, the budget committee, the state board of education, the department of education, and, in an electronic format under IC 5-14-6, the general

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assembly regarding the prekindergarten program.

(b) The report under subsection (a) must include the following:

- (1) The total number of children who received a ~~grant~~ **prekindergarten voucher** under the prekindergarten program for the immediately preceding state fiscal year, disaggregated by county.
- (2) The total amount of funds budgeted for and spent under the prekindergarten program during the immediately preceding state fiscal year.
- (3) The balance remaining in the fund at the end of the immediately preceding state fiscal year.

SECTION 26. IC 12-17.2-7.2-13.1, AS AMENDED BY P.L.246-2023, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. The office shall post monthly on the office's website the total enrollment of and number of ~~grants~~ **prekindergarten vouchers** awarded to:

- (1) ~~all~~ eligible children; ~~(before January 1, 2020); and~~
- (2) ~~after December 31, 2019; both:~~
  - (A) ~~all~~ eligible children; and
  - (B) ~~(2)~~ **all** limited eligibility children; and
  - (3) **children of child care employees;**

for each county that participates in the prekindergarten program.

SECTION 27. IC 12-17.2-7.2-13.5, AS AMENDED BY P.L.246-2023, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.5. (a) The prekindergarten program fund is established to:

- (1) provide ~~grants~~ **prekindergarten vouchers** to eligible ~~or children,~~ limited eligibility children, **and children of child care employees** for qualified early education services under this chapter;
  - (2) carry out the longitudinal study described in section 12 of this chapter;
  - (3) provide grants to potential eligible providers and existing eligible providers as set forth in section 7.4 of this chapter; and
  - (4) make payments to reimburse costs incurred to provide in-home early education services under IC 12-17.2-7.5.
- (b) The fund consists of:
- (1) money appropriated to the fund by the general assembly; and
  - (2) grants or gifts to the fund.
- (c) The fund shall be administered by the office.
- (d) The expenses of administering the fund shall be paid from money in the fund.

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(e) Money in the fund is continuously appropriated for the purposes provided under this article.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 28. IC 12-17.2-7.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 7.6. Micro Facility Pilot Program**

**Sec. 1. As used in this chapter, "micro facility" means an entity licensed under this article that provides child care for not less than three (3) children and not more than thirty (30) children for at least four (4) hours per day.**

**Sec. 2. As used in this chapter, "pilot program" refers to the pilot program established under section 3 of this chapter.**

**Sec. 3. (a) Not later than January 1, 2025, after soliciting and considering recommendations from appropriate stakeholders, the office of the secretary shall develop a regulatory model that:**

- (1) is applicable only to micro facilities;**
- (2) incorporates waivers or variances from the office of the secretary's rules applicable to providers under this article; and**
- (3) provides for a balance between the goals of:**
  - (A) increasing the availability of child care, particularly in geographic areas facing a critical shortage of child care, by reducing the costs of operating a micro facility; and**
  - (B) ensuring the health and safety of children for whom a micro facility provides child care.**

**(b) In determining waivers or variances to be incorporated under subsection (a)(2), the office of the secretary shall consider efficiencies such as:**

- (1) allowing a micro facility to be operated in either a residential or nonresidential building;**
- (2) prescribing educational requirements for staff members of a micro facility that are tailored to the needs of providing child care to groups of thirty (30) children or less; and**
- (3) allowing for supervision of children of diverse age groups in a manner that maximizes use of limited facility space.**

**(c) Not later than March 1, 2025, the office of the secretary shall establish and administer a pilot program under which:**

- (1) a licensee under IC 12-7-2-28.4 or IC 12-7-2-28.8 that:**
  - (A) operates an existing micro facility; or**



**(B) proposes to begin operating a new micro facility not more than sixty (60) days after the date of the licensee's application under this subdivision;**

**may apply to participate in the pilot program in a manner prescribed by the office of the secretary;**

**(2) the office of the secretary shall select at least three (3) licensees that apply under subdivision (1) and:**

**(A) allow a selected licensee described in subdivision (1)(A) to operate the licensee's existing micro facility; and**

**(B) allow a selected licensee described in subdivision (1)(B) to operate the licensee's proposed micro facility;**

**under the regulatory model developed under subsection (a); and**

**(3) the office of the secretary shall:**

**(A) monitor the operation of the micro facilities operating under the regulatory model under subdivision (2); and**

**(B) evaluate the degree to which the operation of the micro facilities under the regulatory model serves the balance described in subsection (a)(3).**

**(d) The office of the secretary shall, to the extent practicable, select licensees for participation in the pilot program such that the micro facilities operated by the licensees are located in areas:**

**(1) that are geographically diverse from one another; and**

**(2) in which there exists a critical shortage of child care providers.**

**(e) A waiver or variance applied to a micro facility under this section expires on the earlier of:**

**(1) the date specified by the office of the secretary; or**

**(2) December 31, 2026.**

**Sec. 4. Not later than October 1, 2026, the office of the secretary shall do the following:**

**(1) Make a determination as to whether the operation of the micro facilities under the regulatory model developed under section 3(a) of this chapter served the balance described in section 3(a)(3) of this chapter.**

**(2) Based on the office of the secretary's determination under subdivision (1), make a determination as to whether the office of the secretary will adopt rules specific to micro facilities that incorporate some or all aspects of the regulatory model developed under section 3(a) of this chapter.**

**(3) Submit to the executive director of the legislative services agency, for distribution to the members of the general**



assembly, a report regarding the pilot program that describes the office of the secretary's determinations under subdivisions (1) and (2). The office of the secretary's report under this subdivision must be in an electronic format under IC 5-14-6.

**Sec. 5. This chapter expires January 1, 2027.**

**SECTION 29. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "CCDF" refers to the federal Child Care and Development Fund program administered under 45 CFR 98 and 45 CFR 99.**

**(b) As used in this SECTION, "office" means the office of the secretary of family and social services established by IC 12-8-1.5-1.**

**(c) Not later than September 30, 2024, the office shall do the following:**

**(1) Amend 470 IAC 3 to define a "substitute educator" caregiver type for purposes of the office's rules pertaining to all categories of child care providers regulated by the office under IC 12-17.2.**

**(2) Amend 470 IAC 3-4.7-24 to allow an employee of a child care provider who:**

**(A) is sixteen (16) or seventeen (17) years of age;**

**(B) meets CCDF qualified caregiver requirements;**

**(C) is assigned to a lead caregiver who:**

**(i) is at least eighteen (18) years of age;**

**(ii) meets the qualifications of a lead caregiver under rules adopted under IC 12-13-5-3; and**

**(iii) supervises the employee at all times during which the employee is supervising one (1) or more children;**

**(D) is never left alone with a child; and**

**(E) meets other reasonable requirements related to ensuring the health, safety, and welfare of children as established by the office;**

**to be counted in child/staff ratios for school age child care rooms.**

**(3) Amend 470 IAC 3-4.7-121 to allow an employee of a child care provider who:**

**(A) is at least eighteen (18) years of age;**

**(B) meets CCDF qualified caregiver requirements; and**

**(C) meets other reasonable requirements related to ensuring the health, safety, and welfare of children as established by the office;**

**to serve as the staff person in charge of an infant/toddler room.**



(d) Not later than October 31, 2024, the office, in collaboration with the department of state revenue, shall provide to the executive director of the legislative services agency for distribution to the members of the general assembly a report in an electronic format under IC 5-14-6 documenting the results attributable to:

- (1) the employer sponsored child care fund, including any tri-share model programs; and
- (2) the employer child care expenditure credit.

(e) Not later than December 31, 2024, the office shall:

- (1) submit to the United States Department of Health and Human Services any state plan amendment necessary to implement; and
- (2) amend the rules of the office's division of family resources in conformance with;

IC 12-14-31-3, as added by this act, and IC 12-17.2-7.2, as amended by this act.

(f) This SECTION expires January 1, 2025.

SECTION 30. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "secretary" refers to the secretary of family and social services appointed under IC 12-8-1.5-2.

(b) The secretary, in collaboration with the department of administration, the department of education, the department of child services, the criminal justice institute, and the state police, shall study opportunities for resource sharing across state agencies and local units of government to facilitate the fingerprinting of individuals for purposes of conducting a national criminal history background check (as defined by IC 10-13-3-12) or any similar criminal history check involving fingerprint identification.

(c) Not later than November 1, 2024, the secretary shall submit a report of the secretary's findings under subsection (b) to the following:

- (1) The governor.
- (2) The legislative council in an electronic format under IC 5-14-6.

The report must include recommendations to facilitate fingerprinting for individuals in rural areas.

(d) This section expires December 31, 2025.

SECTION 31. An emergency is declared for this act.



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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