



Employer-Sponsored Child Care Fund

Discussion with the Indiana Chamber of Commerce



Office of Early Childhood &
Out-of-School Learning

August 2023



The Challenge

Early childhood education plays a vital role in our state, preparing children with critical learning experiences to support their school and life readiness while supporting their families in working or seeking further education and training, ultimately improving their economic and social mobility.

Unfortunately, Hoosier families often face barriers in accessing child care due to local access gaps, affordability challenges or misalignments between program offerings and needs. This dynamic leaves parents in difficult positions as they manage patchwork child care coverage, make trade-offs about care decisions or leave the workforce altogether. These adverse effects trickle over into the business community, costing employers billions in recruitment challenges, absenteeism and high turnover rates.



The Opportunity

Amid these challenges, Indiana employers are uniquely positioned to help address child care barriers while generating positive business returns that stand to positively impact their workforce and, ultimately, their bottom line. Economic studies continue to show that investments in early care and education not only benefit employees and the broader community, but they also yield positive returns for employers.

- Strengthened recruitment and retention
- Increased productivity
- Growth in workforce diversity
- Improved employee relations and satisfaction
- Enhanced corporate reputation



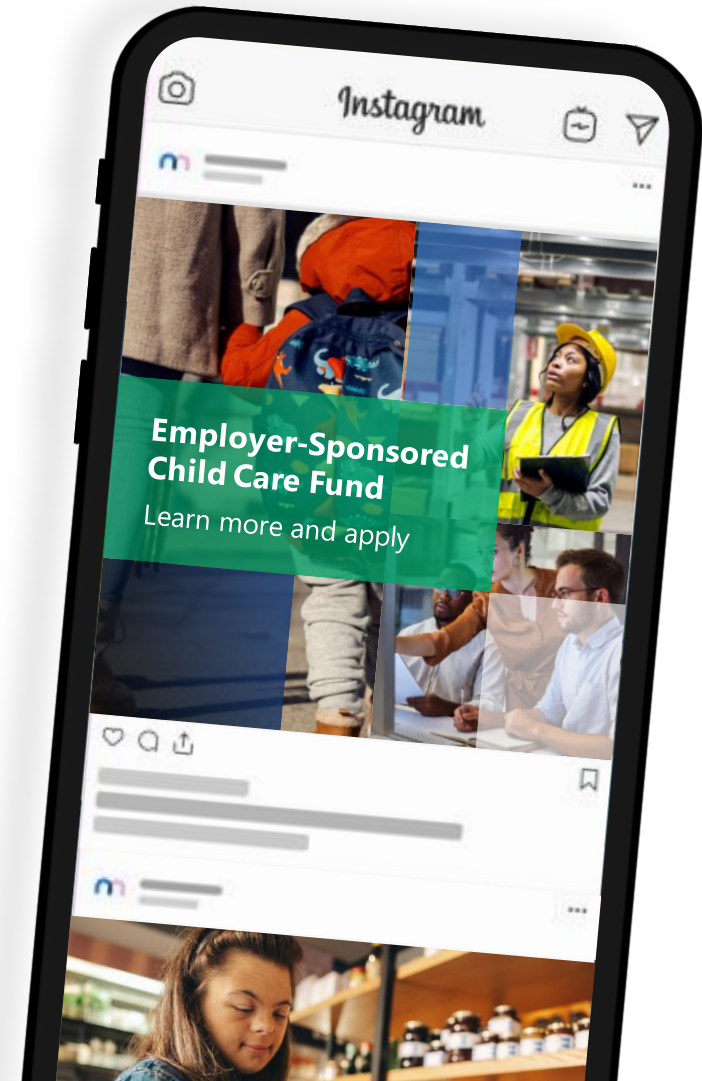
Indiana's Response

- Recognizing this opportunity, the state announced a \$25M innovative grant program for employer-sponsored child care using a portion of the state's remaining federal relief funds.
- The effort, which Gov. Holcomb detailed in his 2023 Next Level Agenda, launches next month and aims to mobilize Indiana's business community to support the state's growing child care needs.
- The grant program is part of the state's broader efforts to strengthen the early care and education sector, providing support for today's workforce and investing in tomorrow's.



The Employer-Sponsored Child Care Fund

- The competitive grant effort will launch as a partnership between the state and the Indiana Chamber of Commerce.
- The Fund provides seed support for employers to create or expand employer-sponsored child care benefits for their workforce.
- Funding is available to support a range of offerings, enabling employers of all sizes to apply and make selections based on what is most appropriate for their business and employees.
- While all Indiana-based businesses in good standing and employing 20+ employees are eligible to apply, the effort prioritizes mid-sized businesses where data shows both the greatest need and opportunity for impact.



Eligibility Criteria

To be eligible to apply for the grant opportunity, employers must:

- Be an Indiana business or corporation by the start of the grant application period
- Be in good standing with the State of Indiana
- Employ 20 or more employees

As part of receiving funds, employer applicants must be willing to meet the terms and conditions of the grant which include, but are not limited to:

- Implementing project plans within the grant period (e.g., within one year of receiving funds)
- Contributing a minimum share of the total project cost (e.g., 10% of total project cost)
- Sustaining the program after the grant period









Do these terms create barriers for participation?
Where do you see concerns?



Office of Early Childhood &
Out-of-School Learning

Allowable Uses of Funding

Eligible organizations may request funding to expand or create new child care benefits. Requests can be made in one or more of the following categories:

-  **Sponsoring Dependent Care Assistance Plans (DCAPs)**
DCAPs are flexible spending accounts, like accounts used for healthcare costs. Employers and employees can contribute to these accounts, setting aside up to \$5,000 annually in pretax household income for child care expenses.
-  **Providing On-site or Near-Site Child Care**
Companies may choose to offer custom on-site or near-site child care programs for individuals or groups of employees. Companies provide space and contract with a child care provider to operate the program. Employers often choose to subsidize tuition costs for priority employee groups and may decide to make a portion of seats available to the broader community.
-  **Establishing Priority Waitlist Partnerships**
As an alternative to on-site child care, employers may partner with local child care programs to establish priority access for employees at specified programs. In this model, child care programs offer waitlist and placement services to employers.
-  **Offering Tuition Benefits**
Employers may also offer child care tuition benefits to employees, sharing the cost of care with employees (often using a sliding scale model). In this model, employers set the parameters for how and where employees can use tuition benefits (e.g., child care tuition discounts offered for families enrolling in licensed, high-quality care programs) while still providing families with a broad range of choices to decide the programs best for them.
-  **Reserving Seats in Local Child Care Programs**
Employers may partner with local programs to reserve seats for exclusive access by priority employee groups. In this model, the company pays enrollment costs for vacant seats to ensure their availability when needed. This benefit is common in companies facing high-turnover in specific roles.
-  **Providing Backup Care Options**
Sick days, holidays and school breaks create one-off challenges for parents trying to balance home and work demands. Some employers provide backup care services for employees through partnerships with local child care and out-of-school time partners. Typically, employees receive a certain number of days (or credits) for use in approved partner programs in the case of emergency or short-term coverage needs.



Implementation Approach

- The Fund is being administered by the Office of Early Childhood and Out-of-School Learning. All funding and award decision and grant reporting will be managed by the state.
- The Indiana Chamber of Commerce and local chamber associations will lead marketing and promotion efforts for the Fund, driving employer interest and engagement.
- Technical assistance supports will be made available for interested employers to understand the grant opportunity, assess options and plan for implementation. These include robust online resources, informational engagements and direct employer support offered through local Child Care Resource and Referral Agencies.



How do these supports align with what you feel businesses will need? What's missing?



**Office of Early Childhood &
Out-of-School Learning**

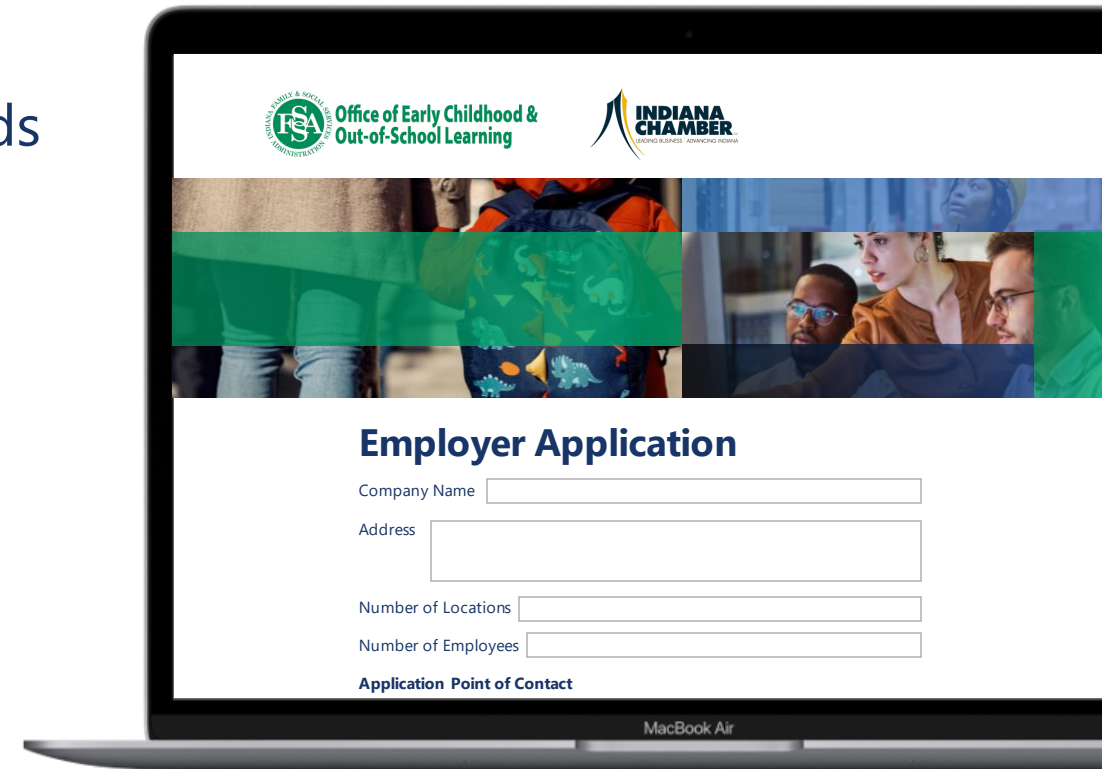
Planned Employer Resources:

- Case-making resources.
- Tools for employers to assess the child care needs of their workforce.
- Information and data regarding the current state of access in a specific community.
- Resources for the various types of support for which an employer could request funding.
- Connections to experts & local child care providers to assess options.
- Information on the requirements of operating a licensed child care center at or near the workplace.
- Tuition benefit models and implementation practices.
- Strategies for supporting access and support for low-wage employees.
- Processes for establishing dependent care flexible spending accounts for employees.

Grant Application

The application will be hosted on a digital platform and balance obtaining key information with applicant ease and accessibility. The application will require information and data, including:

- Organizational information
- Employee population and related child care needs
- Request for funding
- Budget
- Sustainability plan
- Letters of support
- Terms and conditions



The image shows a laptop screen displaying a web application form. At the top of the page, there are logos for the 'Office of Early Childhood & Out-of-School Learning' and the 'INDIANA CHAMBER'. Below the logos is a banner image featuring a child in a colorful backpack and a group of people. The main heading of the form is 'Employer Application'. The form includes several input fields: 'Company Name', 'Address', 'Number of Locations', and 'Number of Employees'. Below these fields is a section labeled 'Application Point of Contact'.

Funding Formula

Applications will be evaluated and awarded based on the the extent to which proposals:

1. align to grant priorities and requirements,
2. are feasible,
3. address unmet child care needs within the applicant's employee population,
4. prioritize vulnerable family populations; and
5. can be sustained after the grant period.

The formula will also account for family choice, racial equity and geographic representation considerations.

Applicants may apply in one of three award categories – small, mid and large-sized businesses. Each category will include an overall award cap. Award caps consider the size of employers' workforce, the percentage of employees expected to have child care (birth to 12 years) needs and estimated costs to implement benefits.

Award Categories

20-100 employees
Small Business

101-499 employees
Mid-Size Business

500+ employees
Large Business

Promotion and Outreach

The Chamber of Commerce and local chamber associations will play a leadership role in announcing and promoting the Fund within statewide communities. Specific promotional tactics will include:

- Dedicated webpage featuring fund information, application link, support resources and other informational supports
- Coordinated media/public relations efforts, including toolkits for local communities
- Hosted informational webinars for employers to learn, receive support and ask questions
- Targeted email marketing to eligible businesses and corporations to ensure awareness
- Social media advertisements for targeted c-suite professionals
- Local and statewide business and economic event engagements
- Partner promotion toolkits
- Dedicated technical assistance and support channels/resources



How else could/should we be reaching and activating eligible employers?

Proposed Timeline

Week of September 18: Fund announced and applications open.

September – November: Ongoing promotion, support and resources made available to eligible employers. Technical assistance provided at both state and local levels.

November 30: Application period closes.

Throughout December: Application review and awardee determinations.

January: Award announcements made.


Late January/Early February: Funds are distributed.

February 2024 – February 2025: Grant period for awardees to complete projects and expend funds. Mid-project and final project reports required.



Does this give employers sufficient time to consider and engage with the grant opportunity, and to implement if awarded?





Other general questions,
comments or concerns
from the group?



Office of Early Childhood &
Out-of-School Learning