

PROPOSED AMENDMENT

SB 275 # 2

DIGEST

Prekindergarten and child care. Requires the office of the secretary of family and social services (office) to apply to the United States Department of Health and Human Services to amend the state plan for the federal Child Care and Development Fund (CCDF) voucher program to increase the maximum initial eligibility limit for purposes of initial eligibility to 150% of the federal poverty level. Requires the office to fully fund: (1) each eligible applicant for a CCDF voucher payment; and (2) eligible CCDF provider reimbursement rates at a specified rate. Provides that the office may not place an eligible CCDF applicant on a waiting list. Provides that an eligible child for the prekindergarten program is an individual who, among other conditions, is a member of a household with an annual income that does not exceed 150% of the federal poverty level (instead of 135% for individuals enrolled on or after May 1, 2025, under current law). Removes the limitation on state money that may be used for a prekindergarten voucher during a state fiscal year. Requires the office of family and social services to establish reimbursement rates for prekindergarten providers that are equal to or greater than the rates established that were in effect on January 1, 2025. Makes an appropriation to the prekindergarten program fund.

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 human services and to make an appropriation.
- 4 Page 1, between lines 14 and 15, begin a new paragraph and insert:
- 5 "SECTION 2. IC 12-14-31-6 IS ADDED TO THE INDIANA CODE
- 6 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 7 **UPON PASSAGE]: Sec. 6. Not later than April 1, 2026, the office of**
- 8 **the secretary shall apply to the United States Department of Health**
- 9 **and Human Services to amend the state plan for the federal Child**
- 10 **Care and Development Fund voucher program to increase the**
- 11 **maximum initial eligibility limit for purposes of initial eligibility to**
- 12 **one hundred fifty percent (150%) of the federal poverty level.**
- 13 SECTION 3. IC 12-14-31-7 IS ADDED TO THE INDIANA CODE
- 14 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 15 **UPON PASSAGE]: Sec. 7. (a) Beginning April 1, 2026, the office of**
- 16 **the secretary shall fully fund:**
- 17 **(1) each applicant eligible for a CCDF voucher payment; and**
- 18 **(2) eligible CCDF provider reimbursement rates in an amount**
- 19 **equal to or greater than the reimbursement rates established**
- 20 **by the office of the secretary for CCDF providers that were in**

effect on January 1, 2025.

(b) The office of the secretary may not place an applicant eligible for a CCDF voucher payment on a waiting list."

Page 3, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 8. IC 12-17.2-7.2-1, AS AMENDED BY P.L.213-2025, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "eligible child" refers to an individual who:

(1) in the case of an individual who is enrolled before May 1, 2025:

(A) (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 is sought under the prekindergarten program;

(B) (2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;

(C) (3) is a member of a household with an annual income that does not exceed one hundred fifty percent (150%) of the federal poverty level;

(D) (4) receives qualified early education services from an eligible provider, as determined by the office;

(E) (5) has a parent or guardian who participates in a parental engagement and involvement component provided by the eligible provider;

(F) (6) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office; and

(G) (7) meets the requirements under section 7.2(a) and 7.2(c) of this chapter. and

(2) in the case of an individual who is enrolled on or after May 1, 2025:

(A) 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 is sought under the prekindergarten program;

(B) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;

(C) is a member of a household with an annual income that does not exceed one hundred thirty-five percent (135%) of the federal poverty level;

(D) receives qualified early education services from an eligible provider, as determined by the office;

(E) has a parent or guardian who participates in a parental engagement and involvement component provided by the eligible provider;

(F) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office; and

(G) meets the requirements under section 7.2(a) and 7.2(c) of this chapter.

SECTION 9. IC 12-17.2-7.2-7.2, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.2. (a) For an eligible child to qualify for a 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 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; or

or
(2) receives Social Security Disability Insurance, Supplemental Security Income benefits, or disability benefits from the United States Department of Veterans Affairs; or

(3) 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.

(c) Before the office may provide a prekindergarten voucher to an eligible 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 child agree to the following:

(1) The 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

1 year.

2 (3) The child will attend the prekindergarten program at least
3 eighty-five percent (85%) of the days that the prekindergarten
4 program is provided.

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

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

14 (6) The parent or guardian will complete the necessary forms for
15 the child to receive a student test number from the department of
16 education.

17 (7) The parent or guardian will send the child to kindergarten.

18 (8) The parent or guardian will read to the child each week.

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

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

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

25 (1) involved in activities that improve the parent's or guardian's
26 education; or

27 (2) involved in job training.

28 SECTION 10. IC 12-17.2-7.2-8, AS AMENDED BY P.L.92-2024,
29 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 8. (a) The office shall determine:

31 (1) which applicants shall be provided a:

32 (A) prekindergarten voucher under this chapter; or

33 (B) grant under section 7.4 of this chapter; and

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

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

38 (1) tuition for eligible or limited eligibility children under the
39 prekindergarten program; or

40 (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 program. The grants shall be distributed by the office to fulfill the requirements of this subsection.

(c) ~~The amount of a prekindergarten voucher provided under the prekindergarten program to an eligible 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 11. IC 12-17.2-7.2-8.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.3. The office may not set a cap on the number of prekindergarten vouchers available to eligible children or limited eligibility children of less than seven thousand five-hundred (7,500) per state fiscal year.**

SECTION 12. IC 12-17.2-7.2-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. The office shall establish reimbursement rates for prekindergarten program providers in an amount equal to or greater than the reimbursement rates established by the office for prekindergarten providers that were in effect on January 1, 2025."**

Page 4, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 13. [EFFECTIVE UPON PASSAGE] **(a) There is continuously appropriated to the prekindergarten program fund established by IC 12-17.2-7.2-13.5 from the state general fund for the state fiscal year beginning after:**

(1) June 30, 2026, and ending before July 1, 2027; and

(2) June 30, 2027, and ending before July 1, 2028;

an amount sufficient to carry out the purposes of the prekindergarten program fund.

(b) This SECTION expires July 1, 2028.

1 SECTION 14. [EFFECTIVE UPON PASSAGE] (a) There is
2 **continuously appropriated to the office of the secretary of family**
3 **and social services from the state general fund for the state fiscal**
4 **year beginning after:**
5 (1) June 30, 2026, and ending before July 1, 2027; and
6 (2) June 30, 2027, and ending before July 1, 2028;
7 **an amount sufficient to carry out the requirements under**
8 **IC 12-14-31-6 and IC 12-14-31-7.**
9 **(b) This SECTION expires July 1, 2028."**
10 Renumber all SECTIONS consecutively.
 (Reference is to SB 275 as introduced.)