

Employee Child Care Assistance Partnership Program Status Report

Executive Summary

KRS 199.881 enacted during the 2022 Regular Session of the General Assembly required the Cabinet for Health and Family Services (cabinet) to establish and administer the Employee Child Care Assistance Partnership (ECCAP). The legislation established the General Assembly's intent to support Kentucky families by incentivizing employers to contribute to the child care costs of their employees. The cabinet was tasked with facilitating this public and private partnership pilot program and creating standardized contracts for participation in the program; processing contracts between employers, employees, and child care providers; managing and administering program funds; and distributing educational materials about the program.

The Department for Community Based Services (DCBS/department), Division of Child Care (DCC), led the implementation effort for the cabinet and administers the Employee Child Care Assistance Partnership. DCBS engaged representatives from other states with similar programs to learn from their implementation and operations experience. Kentucky Administrative Regulation 922 KAR 2:165, and incorporated forms, established the program and its requirements, and was developed with the input of stakeholders. DCC fully administers the Child Care Assistance Program, and contracts with a vendor for marketing and implementation issues, as needed.

Implementation

The Employee Child Care Assistance Program applications became available online through the division website and kynect.ky.gov on April 2, 2023. The Kentucky Chamber of Commerce also manages a [webpage](#) specific to this partnership that directs interested parties to the department and cabinet pages for more information and access to the application.

The DCC partnered with the Kentucky Integrated Child Care System (KICCS) team to successfully automate the partnership application process beginning in 2024. The department utilized paper-based applications during implementation to adapt more readily as new circumstances arose. The department received feedback from the Chamber of Commerce and employers that paper-based applications were not secure resulting in the decision to implement an online application process. A team of DCC and KICCS personnel met regularly throughout 2023 to prepare for automation of the application process and inform other administrative functions of the partnership.

DCBS began disbursing the state match portion of completed ECCAP contracts received and approved on July 1, 2023. Throughout the 2023 calendar year, DCBS partnership staff contacted employers, employee participants, and child care providers to receive feedback on the program and inform further changes to improve the program. The 2023 Regular Session of the General Assembly amended KRS 199.887 to clarify that child care providers could also terminate a contract at any time for any reason, as a participating employer or employee has a right to do. The administrative regulations and incorporated contract and notification forms were amended, making necessary adjustments from the first year of operation, in preparation for the second year of the program and automated application process.

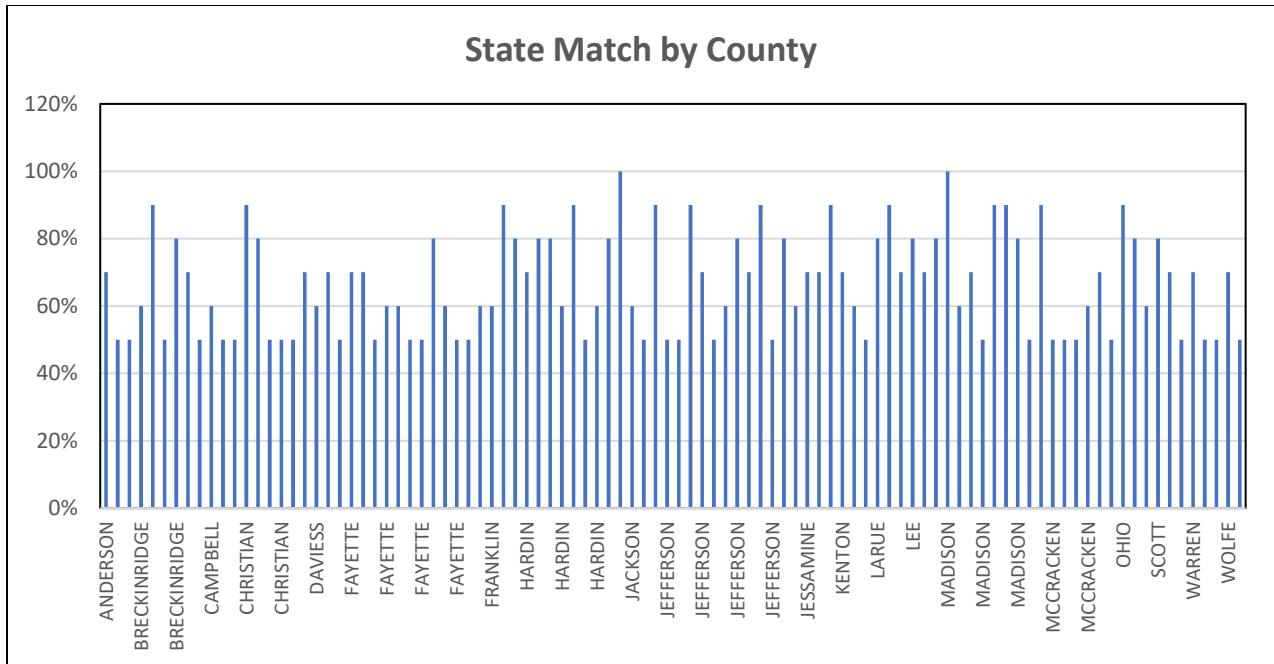
Statistics

KRS 199.883(11) requires the cabinet to report the following information to the Legislative Research Commission on a biannual basis:

- *Any appropriation made in the past fiscal year to the fund.* The 2024 executive branch budget bill, House Bill 6, appropriated \$2 million each fiscal year to continue supporting the ECCAP in State Fiscal Year (SFY) 2025 and SFY 2026.
- *The total number of standardized contracts submitted by employers.* DCC has received 185 applications (contracts) for the current fiscal year. Of those that were approved, 98 families and 135 children benefitted from participation in ECCAP.
- *The total amount of state matches paid out of the fund by the cabinet.* This state fiscal year, \$85,901.08 has been provided in state match.
- *The breakdown of the state matches paid by county.* The state match amount ranges from \$0 to \$786. The average match is \$193.50, and the median match is \$158.40. It is difficult to determine state match per county because the county in which the employer operates, the county in which the employee lives, and the county in which the child receives child care service can all be different. The charts below provide equally as important information about the State Match

State Match Amount	
\$0 or no info	7.5%
\$0.01 - \$100	18.8%
\$100.01- \$150	23.3%
\$150.01 - \$200	18.8%
\$200.01 - \$300	14.3%
\$300.01 - \$400	9.8%
\$400.01 - \$500	3.0%
Over \$500.01	4.5%

State Match Percentage	
50%	34.6%
60%	13.5%
70%	18%
80%	15%
90%	10.5%
100%	8.3%



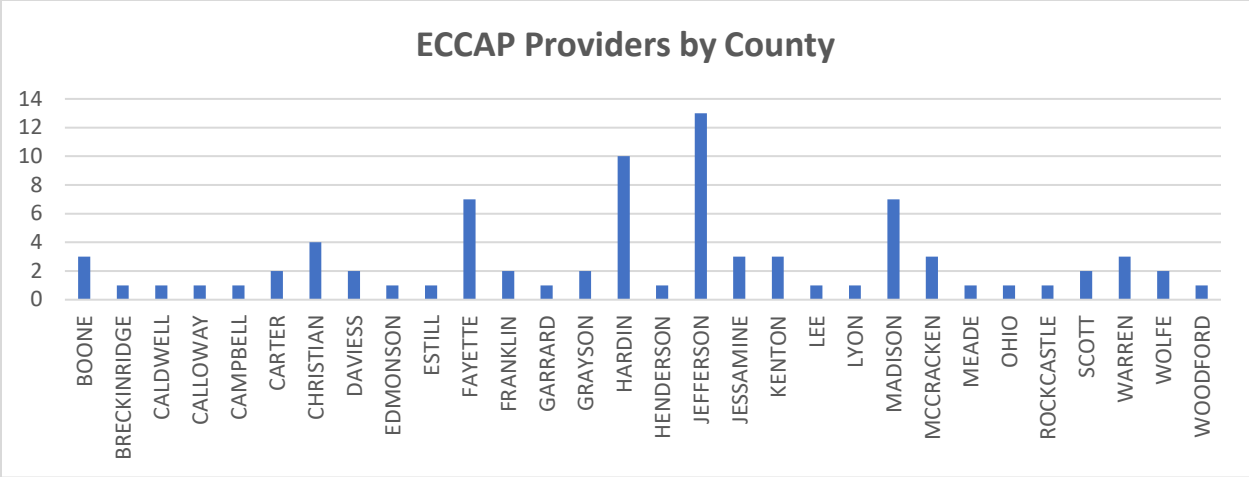
- Information on the size, geographical location, and industry type of employers who participated in the program.

Small Business		Employer Contributes at least 30%	
Yes	30.1%	Yes	47.4%
No	69.9%	No	52.6%

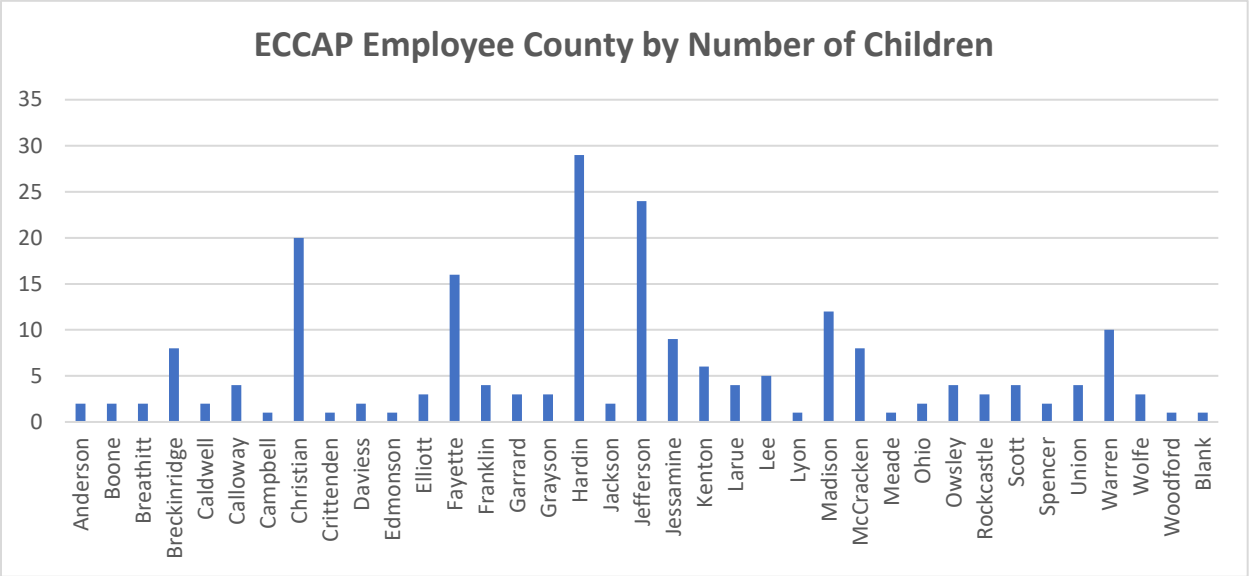
Employer Type	
Administrative	22.2%
Customer/Food Service	2.2%
Healthcare	19.5%
Industry/Manufacturing	1.1%
Information Technology	1.6%
Other	53.5%

- The number, license type, quality rating, and geographical distribution of participating child care providers.

Provider Type	Number	All STARS Level	Number	
Certified	0	Level 1	50	61%
Licensed Type I	82	Level 2	6	7.3%
Licensed Type II	0	Level 3	10	12.2%
Total	82	Level 4	9	11%
		Level 5	7	8.5%



- *The average cost for services charged by child-care providers participating in the program and information on how these costs have increased or decreased during the most recent reporting period and previous reporting periods. The cost of care ranges from \$207.84 to \$4,156.80. The average cost of care is \$1,084.46, and the median cost is \$900.64.*
- *The number and total dollar value of contracts not approved by the cabinet. 47 contracts were not approved by the cabinet for the following reasons:*
 - 6 employees were eligible for the Child Care Assistance Program (CCAP).
 - 41 applications were not completed and had insufficient information.
- *The demographic information of employees participating in the program.*



Family Size	Percentage
2	3.0%
3	33.8%
4	37.6%
5	15.8%
6	2.3%
7	0.8%

Family Gross Monthly Income	Percentage
Under \$4000	9.8%
\$4000 - \$6000	1.5%
\$6000.01 - \$8000	9.8%
\$8000.01 - \$10,000	20.3%
\$10,000.01 - \$12,000	26.3%
\$12,000.01 - \$14,000	17.3%
Over \$14,000.01	15.0%

Next Steps

The online application process launched through kynect and KICCS began accepting application from existing participants on April 2, 2024, with new participants applications accepted in May.