

**BLOCK GRANT PROGRAM STATUS REPORT**

July 1, 2021 through December 31, 2021

Department: Community Based Services (DCBS)Block Grant: Child Care and Development Fund (CCDF)

This report is submitted in compliance with KRS 45.357. This report on achievements may be compared to the Block Grant application currently on file with LRC.

Block Grant Manager: Marta Miranda-Straub 1/31/2022  
 Marta Miranda-Straub Date  
 Commissioner

1. FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$124,046,500.00	\$48,219,044.52*	\$133,100.00	\$172,398,644.52
Actual Expenditures	\$55,544,613.96	\$5,541,201.58*	\$5,800.86	\$61,091,616.40
Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Available Balance	\$68,501,886.04	\$42,677,842.94	\$127,299.14	\$111,307,028.12

\* Please Note that \$10,709,144.52 of the Annual Budget General Funds were Tobacco MSA Funds.

\* Please Note that \$2,672,842.94 of the Actual Expenditures General Funds were Tobacco MSA Funds.

CARES FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
CARES Annual Budget	\$2,393,262.55*	\$0.00	\$0.00	\$2,393,262.55
CARES Actual Expenditures	\$2,393,262.55	\$0.00	\$0.00	\$2,393,262.55
CARES Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
CARES Available Balance	\$0.00	\$0.00	\$0.00	\$0.00

\*Please note that the Annual Budget for CARES reflects the remaining balance of the award at the beginning of SFY 22, as it was received in FFY 20. The award has now been liquidated in its entirety.

CRRSA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
CRRSA Annual Budget	\$73,022,629.20*	\$0.00	\$0.00	\$73,022,629.20
CRRSA Actual Expenditures	\$43,259,711.03	\$0.00	\$0.00	\$43,259,711.03
CRRSA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00

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<b>CRRSA Available Balance</b>	\$29,762,918.17	\$0.00	\$0.00	\$29,762,918.17
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\*Please note that the Annual Budget reflects the amount of this Federal Award received in FFY 21 that was remaining at the beginning of SFY 22. The grand total of this award was \$195,962,758.00.

<b>ARPA FINANCES</b>	<b>Federal Funds</b>	<b>General Funds</b>	<b>Trust/Local Match</b>	<b>Total</b>
<b>ARPA Annual Budget</b>	\$299,584,108.25	\$0.00	\$0.00	\$299,584,108.25
<b>ARPA Actual Expenditures</b>	\$59,271,141.95	\$0.00	\$0.00	\$59,271,141.95
<b>ARPA Encumbrances</b>	\$0.00	\$0.00	\$0.00	\$0.00
<b>ARPA Available Balance</b>	\$240,312,966.30	\$0.00	\$0.00	\$240,312,966.30

**2. RESULTS BUDGETED/ACHIEVED**

<b>OBJECTIVES</b>	<b>ACHIEVEMENTS</b>
1. To provide child care services to children who reside with a low income parent(s) who works, seeks work, attends a job training or educational program or receives, or needs to receive, protective services, which may include preventive services.	An average of 20,673 children per month received child care through CCDF during the first half of this State Fiscal Year (SFY) 2022.  Of this total, an average of: 16,839 children were served to allow low-income parents to work, 2,947 children were served through prevention or protection services, and 103 were teen parents. Some families received assistance through the Child Care Assistance Program (CCAP) to address more than one service need.
2. To provide access to quality child care that supports the parent participating in the Kentucky Transitional Assistance Program (KTAP).	An average of 841 children per month with parents participating in Kentucky Transitional Assistance Program (KTAP) and the Kentucky Works Program received child care assistance through funding from the federal Temporary Assistance for Needy Families (TANF) Block Grant

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<p>3. To provide consumer education and promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs.</p>	<p>During the first half of SFY 2022, approximately 11,538 consumer education materials were disseminated to help parents make informed choices when choosing child care.</p> <p>Families seeking child care may choose either a licensed, certified, or registered provider utilizing one the available options below:</p> <ol style="list-style-type: none"> <li>1) Parents may utilize the toll-free phone number “Find Kentucky Kid Care” to locate quality child care in Kentucky. The toll-free number links the parent to a centralized statewide referral call center that refers the parent to child care providers within their area. The DCBS Division of Child Care (DCC) administers the toll-free line. There were approximately 33 referral calls received during the first half of SFY 2022.</li> <li>2) Parents may search for providers by address, provider name, or License/Certificate number by accessing the Division of Child Care (public search) website:  <a href="https://chfs.ky.gov/agencies/dcbs/dcc/Pages/find-care.aspx">https://chfs.ky.gov/agencies/dcbs/dcc/Pages/find-care.aspx</a></li> </ol>
<p>4. To increase the availability of early childhood development and/or before- and after- school care programs.</p>	<p>An average of 6,072 children are receiving before- and after-school child care services per month through CCDF.</p>
<p>5. To increase the availability of high quality child care through statewide services, including pre-application consultation, routine visits, technical assistance, and quality rating visits under the Kentucky All STARS Program.</p>	<p>Kentucky All STARS five (5) tiered quality rating and improvement system for all Licensed Type I and II child care facilities and certified family child care homes.</p> <p>As of December 31, 2021, the total number of participants in Kentucky All STARS Program are as follows:</p> <p>956 All STARS Level 1 centers and family child care homes          148 All STARS Level 2 centers and family child care homes          338 All STARS Level 3 centers and family child care homes          290 All STARS Level 4 centers and family child care homes          190 All STARS Level 5 centers and family child care homes</p> <p>The All STARS Rating staff conducted 0 environmental rating scales of child care programs between July 1 and December 31, 2021, due to COVID-19 restrictions in child care settings.</p>

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<p>6. To expand the availability of new and existing resources targeted at quality improvement by contracting for the provision of these services.</p>	<p>DCBS contracts with the University of Kentucky-Human Development Institute to increase the quality and quantity of accessible, affordable, developmentally appropriate early and school age care. All STARS Quality Coordinators consult with and visit child care providers to give technical assistance and complete Environmental Rating Scales (ERS) for providers seeking an All STARS Level 3, 4, or 5 and to assist providers with a self-assessment for a STARS Level 2. A total of 4,484 technical assistance consultations/visits was completed. During technical assistance visits, child care providers work on improvement plans to increase the quality of their services.</p> <p>Professional development coaches work with child care staff to develop enhanced professional development plans and connect providers to available educational and professional resources.</p>								
<p>7. To ensure regional professional development opportunities through training and technical assistance using a statewide coordination of services.</p>	<p>The Child Care Aware of Kentucky network consists of eight training coaches who ensure access to regional professional development opportunities by identifying training needs and trainer recruitment.</p> <p>The Kentucky Early Care and Education Trainer's Credential is required of all instructors who provide child care training to caregivers in the process of pursuing professional development goals or completing the annual training requirement established by state regulation. As of December 31, 2021, there were 762 individuals holding a current Kentucky Trainer's Credential.</p> <p>The Early Care and Education Training Records Information System (ECE-TRIS) stores the training records for child care providers. During the first half of SFY 2022, there were 66 registered providers, 586 certified providers, and 86,473 licensed providers and staff who had completed training sessions.</p>								
<p>8. To ensure health and safety standards for children in care through licensed and certified child care programs. Make available flexible care options with the registered provider program.</p>	<p>DCBS contracts with the Office of the Inspector General to enforce standards for licensed and certified providers. As of December 31, 2021, there were 2,048 certified, licensed, and registered child care programs for 20 dedicated child care licensing surveyors. The average ratio of surveyors to regulated child care programs is one to 102.</p> <p>The total number of licensed, certified, and registered providers as of December 31, 2021, was:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">Licensed</td> <td style="text-align: right;">1798</td> </tr> <tr> <td style="text-align: right;">Certified</td> <td style="text-align: right;">224</td> </tr> <tr> <td style="text-align: right;">Registered</td> <td style="text-align: right;">26</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>2,048</b></td> </tr> </table>	Licensed	1798	Certified	224	Registered	26	<b>Total</b>	<b>2,048</b>
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### **3. AUTHORIZED CHANGES (from the BLOCK GRANT PLAN IN FINANCES AND/OR OBJECTIVES)**

On November 19, 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was signed into law. This reauthorized the child care program for the first time since 1996 and represented a historic re-envisioning of the Child Care and Development Fund (CCDF) program. The new law makes significant advancements by defining health and safety requirements for child care providers, outlining family-friendly eligibility policies, and ensuring parents and the general public have transparent information about the child care choices available to them.

The Child Care and Development Fund (CCDF) three-year plan for States and Territories is required from each CCDF Lead agency in accordance with Section 658E of the Child Care and Development Block Grant Act of 1990 (CCDBG Act), as amended, CCDBG Act of 2014 ([Pub. Law 113-186](#)) and [42 U.S.C 9858](#).

The Department for Community Based Services (DCBS) filed the preliminary FY2022-2024 CCDF State Plan with the Legislative Research Commission on May 18, 2021, with scheduled federal submission on July 1, 2021. Kentucky received federal approval of this state plan on December 13, 2021.

The Coronavirus Relief and Recovery Supplemental Appropriations (CRRSA) Act was signed into law on December 27, 2020. The state of Kentucky was awarded \$192,572,592. The Division of Child Care dedicated \$165 million to sustainment payment funding for regulated child care providers (licensed, certified, and registered providers). Providers were awarded four separate payments based on capacity. The first payment was \$300 per child. The following three payments were \$260 per child. The remaining funds were allocated to cover the entire cost of the federally required fingerprint-based background checks, training and technical assistance focused on CPR, First Aid, Epi Pen and Blood Borne Pathogens training and resiliency and trauma-informed care training. The remainder of the funds was dedicated to parent co-payments for children in the Child Care Assistance Programs (CCAP), paying CCAP based on enrollment versus attendance through December 31, 2021, and establishing a permanent staffed Family Child Care Network within each of the 8 DCC regions across the state.

The American Rescue Plan (ARP) was signed into law on March 11, 2021. Kentucky was awarded a total of \$763 million. This is being dispensed from two funding sources that each have unique purposes. The largest portion of the funding, over \$470 Million is designated for sustainability payments. The second stream of funding, over \$293 Million, is slightly more flexible and the federal government has designated it for four specific purposes, including: increasing provider payments, improving payment policies, increasing wages for early childhood educators in centers and family child care homes, and building the supply of child care for underserved populations.

The ARP Sustainability Payments will be disbursed in nine quarterly payments. DCC has designated \$49.6 million dollars for each payment period. To qualify for these funds, child care programs must have been open and serving children by March 11, 2021 (licensed, certified, or registered providers). Programs must participate in the KY All STARS program and must be eligible to accept children on the Child Care Assistance Program (CCAP) in order to receive ARP funds. Child care program receiving ARP funds were required to sign a contract outlining the requirements of the funding and must complete a monthly data sheet documenting data on enrollment, staff turnover, and other identified data points. The first payment was issued in November 2021. The second payment will be released in January 2022.

The second stream of funding has been dedicated to several other much needed projects:

- Preschool Partnership Grants – This will be through a collaboration with the Kentucky Department of Education to support children who qualify for CCAP and children with special needs to receive IEP services and will focus on social/emotional supports and special education training. Partnering child care programs must be high-quality (Level 3, 4, or 5 STAR);
- Increase CCAP Reimbursement Rates;

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- Address the CCAP benefits cliff effect by providing an additional 3 months of additional reimbursement at 50% of typical rate upon graduation from CCAP program;
- Pilot an Infant and Toddler Project to combat the decrease in programs accepting families accepting CCAP and to increase infant and toddler care for Kentucky's most vulnerable population;
- Provide facility repair grants;
- Develop and deliver two training academies for credentialed trainers – one focused on working with children with special needs and the other focusing on director skills. Those who attend are required to provide these trainings through the state over the course of the next two years;
- Provide funding to the Kentucky apprenticeship program through the Governor's Office of Early Childhood;
- Provide start-up grants for certified child care homes
- Provide a grant match to businesses interested in opening on-site employee-based childcare;
- Provide a grant match to open new child care programs in child care deserts;
- Update technology systems and provide new computers to child care programs through the state for enrollment, billing, and other business practices.

#### **4. EVALUATION OF RESULTS**

CCAP promotes, expands, and improves the quality of care for children in Kentucky and ensure that families most in need are aware of and have access to quality child care. The approach to service delivery combines the efforts of the DCC staff and other service providers and partners to address a family's needs in a comprehensive fashion thereby maximizing the likelihood that a family will achieve positive outcomes. DCC serves Kentucky's most vulnerable children prioritizing children with special needs and children receiving protective services. TANF recipients and persons transitioning off TANF are also eligible for child care assistance. During the first half of SFY 2022, the average number of families served in CCAP per month was 11,313.

DCBS contracts with the Cabinet's Office of the Inspector General (OIG) to inspect, monitor, and license center-based providers, and inspect, monitor, and certify family child care home providers and conduct home checklist of registered providers.

Kentucky All STARS is the state expanded five-star quality rating and improvement system for early care and education programs. Studies show that children who attend high quality early learning environments have better math, language, and social skills. The unified system serves all early care and education programs including child care centers, Head Start, and public preschool. Evaluation and analysis continues to inform sustainability planning, and identify successes, lessons learned, and challenges of the Kentucky All STAR Quality Rating System across the Commonwealth.

Kentucky All STARS Quality Rating System builds upon Kentucky's Early Childhood Standards and research-based indicators of quality. It recognizes programs that have made a commitment to continuous quality improvement. On the path toward higher quality, programs can benefit from supports including training, technical assistance, and coaching.

Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs.

#### **5. ALTERNATIVES FOR IMPROVED SERVICE DELIVERY**

The family co-payment structure ensures that no family pays a co-payment if the family's monthly income is below \$1,400. Family co-payments are structured so that a family whose income is below 100% of the federal

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poverty level pays no more than 10% of its gross monthly income for childcare. When the provider's customary rate exceeds the Kentucky Child Care Maximum Payment Rate, families will be responsible for the difference plus the family co-payment.

Licensed or certified providers who are accredited by a national organization receive an additional two (2) dollars per day above the maximum rate of pay. They also receive an additional one (1) dollar per day for providing child care for non-traditional hours. Licensed, certified, or registered providers may receive an additional one (1) dollar per day for care of children with special needs. These rates may be cumulative and do not exceed the amount charged to the general public for the same care.

DCC continues to work with the Office for Administrative and Technology Services (OATS) to design and implement the data management system for the Kentucky All STARS Program. This data management system for Kentucky All STARS went live on June 24, 2018. Providers can now see their current All STARS rating, see all correspondence and program history completed under the All STARS regulation, and may apply for new ratings and submit Annual Quality Reviews through the Kentucky Integrated Child Care System (KICCS) system. Providers will have the option to submit via email and paper for processes that were initiated outside of KICCS. All new processes will be submitted via KICCS. Coaches and Raters have all received training on how to support providers through this process. DCC extended All STARS expirations dates during the declared state of emergency related to COVID-19. All child care programs remained at their current All STARS level. All STARS rated programs, Levels 2 through 5, received a one year extension on their certificate of expiration. DCC automatically approved all Annual Quality Reviews (AQR) to ensure disbursement of All STARS payments.

Having achieved the baseline goal of 45% for all licensed early care and education providers in Kentucky to obtain a high quality rating, the Division of Child Care continues to support quality improvement through provider training and engagement. As of December 31, 2021, 2,054 programs, (100% of all programs) have verified ratings in Kentucky All STARS, with 44% of programs rated as high-quality. This decline can be attributed to the closure of child care programs due to the COVID-19 pandemic.

<b>Kentucky All STARS Ratings as of December 31, 2021</b>					
	Level 1	Level 2	Level 3	Level 4	Level 5
Licensed Types I&II	826	121	316	270	184
Certified	130	27	22	20	6
Licensed Head Start	40	1	16	33	74
<b>Totals</b>	<b>996</b>	<b>149</b>	<b>354</b>	<b>323</b>	<b>264</b>

**Quality Initiatives**

Kentucky All STARS continues to see a growth of professional development intended to enhance the quality of child care through the utilization of Tobacco Master Settlement Agreement dollars. The Division of Child Care approved training organizations and the non-college scholarship program to provide training and technical assistance to Early Care and Education Professionals for obtaining the Commonwealth Child Care Credential and the Child Development Associate. Monetary awards are issued for completing professional development

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educational achievements, and mini-grants for national accreditation of early childhood are provided to early care and education professionals, licensed centers, and certified homes that are increasing the quality of staff and programs.

- 77 KIDS NOW Child Development Associate mini-grants invoiced, for a total of \$32,725.00 during the first half of SFY 2022.
- 355 Individuals have a Commonwealth Child Care Credential.
- 58 Milestone Achievement Awards for completion of a Commonwealth Child Care Credential, Child Development Associate (CDA), Director's Credential, Associate or Bachelor Degree in Early Care and Education issued during the first half of SFY 2022, for a total of \$945.00.
- 30 Related Educational Reimbursement Awards issued during the first half of SFY 2022 assisting early care and education professionals pursuing a CDA, Directors Credential, or an Associate or Bachelor Degree in early care and education studies, for a total amount of \$400
- 2,443 Individuals have a Kentucky Director's Credential.