



CABINET FOR HEALTH
AND FAMILY SERVICES

HB 499 Implementation Update
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Early Childhood Education Task Force
July 26, 2022

Recent Child Care Assistance Program (CCAP) Amendments

- July 2021 – Increased provider reimbursement through appropriated General Funds
- October 2021 – Increased provider reimbursement rates again through American Rescue Plan Act funds
- January 2022 – Increased initial eligibility from 160% federal poverty level (FPL) to 200%, increased recertification eligibility from 200% FPL to 85% state median income
- March 2022 – Implemented a 3-month transitional period for households exiting the program due to exceeding income limits (50% payment rates) to address the benefits cliff

Data From Recent Changes

- Increasing initial eligibility

Month - Year	Eligible Because of FPL Change = No		Eligible Because of FPL Change = Yes		Total	
	Number of Distinct Cases	Children Count	Number of Distinct Cases	Children Count	Number of Distinct Cases	Children Count
Jan-22	1,763	3,132	212	313	1,975	3,445
Feb-22	1,037	1,892	140	219	1,177	2,111
Mar-22	1,159	2,098	132	186	1,291	2,284
Apr-22	1,117	2,057	154	224	1,271	2,281
May-22	1,101	1,952	138	204	1,239	2,156
Jun-22	763	1,457	96	147	859	1,604
Grand Total	6,940	12,588	872	1,293	7,812	13,881

- Implementing transitional exit

Affected By 3-Month Transitional Program				
Category	April	May	June	Total Family/Children Count
# of Children	15	21	20	56
# of Families	10	15	12	37

Further CCAP Amendments

- July 2022 – Increased initial eligibility from 200% federal poverty level (FPL) to 85% state median income
- September 2022 – Expanding the transitional period for households exiting the program due to exceeding income limits (50% payment rates) from 3 to 6 months

Family Size	200% FPG	85% SMI/Monthly
2	\$2,903	\$3,743
3	\$3,660	\$4,623
4	\$4,417	\$5,504
5	\$5,173	\$6,384
6	\$5,930	\$7,265
7	\$6,687	\$7,430
8	\$7,410	\$7,595
Over 8		Add \$166 for each

Cost of Child Care

- Average cost of care for one child statewide:

	Average Daily Rate			Average Weekly Rate			Average Monthly Rate		
	Infant/Toddler	Preschool	School Age	I/T	PS	SA	I/T	PS	SA
Licensed Type I									
Full Day	\$ 38.33	\$ 33.46	\$ 30.22	\$ 191.65	\$ 167.30	\$ 151.10	\$824.10	\$ 719.39	\$ 649.73
Part Day	\$ 33.94	\$ 26.74	\$ 22.03	\$ 169.70	\$ 133.70	\$ 110.15	\$ 729.71	\$ 574.91	\$ 473.65
Licensed Type II									
Full Day	\$ 31.98	\$ 28.73	\$ 28.70	\$ 159.90	\$ 143.65	\$ 143.50	\$ 687.57	\$ 617.70	\$ 617.05
Part Day	\$ 27.03	\$ 24.45	\$ 24.52	\$ 135.15	\$ 122.25	\$ 122.60	\$ 581.15	\$ 525.68	\$ 527.18
Licensed Type I/II Combined									
Full Day	\$ 35.16	\$ 31.10	\$ 29.46	\$ 175.78	\$ 155.48	\$ 147.30	\$ 755.84	\$ 668.55	\$ 633.39
Part Day	\$ 30.52	\$ 25.60	\$ 23.28	\$ 152.60	\$ 128.00	\$ 116.40	\$ 655.43	\$ 550.40	\$ 500.52

Type 1 – 4 or more children in a non-residential setting
 Type 2 – No more than 12 children
 Makes up 88% of child care providers in Kentucky

HB 499

- Creates a public and private partnership pilot program to incentivize employers to contribute to the child care cost of its employees.
- The cabinet must match the employer contribution based on employee's household income.
- HB 499 implementation timelines:
 - Promulgate new regulation outlining application, verification, and payment processes, including a standardized contract for participation
 - Begin accepting applications April 2, 2023
 - Payments issued beginning July 1, 2023

Actions Taken

- Peer-to-peer call with Florida: Florida Child Care Executive Partnership
 - Pilot started in 2014 as the Child Care Executive Partnership (CCEP). This program was funded using federal dollars and sunsetted in July 2019. The funds were then appropriated to the School Readiness Program.
 - Partnership was administered by 30+ local partnership boards who could leverage federal funds and community contributions.
 - The state matched dollar for dollar.
 - Over 500 entities participated; over 17,000 children benefitted.

Actions Taken

- Peer-to-peer call with Wisconsin: Partner Up!
 - Pilot supported by a combination of federal funds.
 - Contracted slots between businesses and providers specifically for their employees.
 - Also allows for a consortia application (“pool” of small businesses).
 - Businesses are required to contribute 25% of cost but can contribute more. The state pays the remainder. No cost to employees.
 - Huge marketing campaign.
 - Received over 600 applications from businesses throughout state.
 - Prioritized small businesses, infant and toddler care, child care deserts, and businesses who contributed larger percentages.

Actions Taken

- Upcoming peer-to-peer call with Michigan: Tri-Share Pilot Program.
- State Systems Specialist assigned to Kentucky has reached out to counterparts in other regions administering similar programs.
- Comparing programs, successes, and lessons learned.

Future Actions

- Preliminary stages of drafting new regulation and contract.
- Collaborate with stakeholders.
- Create new section to perform administrative functions related to implementation and ongoing operations.
- Distribute educational/marketing materials related to this partnership and provide necessary technical assistance.
- Make changes as needed and permitted through regulatory process.
- Implement in spring/summer of 2023.

