

**BLOCK GRANT PROGRAM STATUS REPORT**

July 1, 2022 – December 31, 2022

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: Lesia Dennis 2/1/2023  
 Lesia Dennis Date  
 Acting Commissioner

1. FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$179,799,451.30	\$35,325,357.01	\$235,000.00	\$215,359,808.31
Actual Expenditures	\$78,976,931.80	\$18,314,019.71	\$16,057.65	\$97,307,009.16
Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Available Balance	\$100,822,519.50	\$17,011,337.30	\$218,942.35	\$118,052,799.15

\* Please note that \$11,325,357.01 of the Annual Budget General Funds were Tobacco MSA Funds.

\* Please note that \$6,337,214.28 of the Actual Expenditures General Funds were Tobacco MSA Funds.

CRRSA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
CRRSA Annual Budget	\$20,200,548.70*	\$0.00	\$0.00	\$20,200,548.70
CRRSA Actual Expenditures	\$12,876,194.01	\$0.00	\$0.00	\$12,876,194.01
CRRSA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
CRRSA Available Balance	\$7,324,354.69	\$0.00	\$0.00	\$7,324,354.69

\*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 23. The grand total of this award was \$195,962,758.00.

ARPA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
ARPA Annual Budget	\$240,000,000.00	\$0.00	\$0.00	\$240,000,000.00
ARPA Actual Expenditures	\$118,905,134.85	\$0.00	\$0.00	\$118,905,134.85
ARPA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
ARPA Available Balance	\$121,094,865.15	\$0.00	\$0.00	\$121,094,865.15

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OBJECTIVES	ACHIEVEMENTS
<p>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.</p>	<p>An average of 27,306 children per month received child care through CCDF during the first half of this State Fiscal Year (SFY) 2023.</p> <p>Of this total, an average of 23,349 children were served to allow low-income parents to work, 2,960 children were served through prevention or protection services, and 135 were teen parents. Some families received assistance through the Child Care Assistance Program (CCAP) to address more than one service need.</p>
<p>2. To provide access to quality child care that supports the parent participating in the Kentucky Transitional Assistance Program (KTAP).</p>	<p>An average of 930 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.</p>
<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 2023, approximately 4,470 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 39 referral calls received during the first half of SFY 2023.</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 8,047 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</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>

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<p>under the Kentucky All STARS Program.</p>	<p>As of December 31, 2022, the total number of participants in Kentucky All STARS Program are as follows:</p> <p>1,066 All STARS Level 1 centers and family child care homes          132 All STARS Level 2 centers and family child care homes          319 All STARS Level 3 centers and family child care homes          228 All STARS Level 4 centers and family child care homes          181 All STARS Level 5 centers and family child care homes</p> <p>The All STARS Rating staff conducted 70 environmental rating scales of child care programs between July 31 and December 31, 2022.</p>
<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 5,370 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 seven 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, 2022, there were 715 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 2023, there were 76 registered providers, 526 certified providers, and 67,248 licensed providers and staff who had completed training sessions.</p>

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<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 Inspector General to enforce standards for licensed and certified providers. As of December 31, 2022, there were 2,002 certified, licensed, and registered child care programs for 21 dedicated child care licensing surveyors. The average ratio of surveyors to regulated child care programs is one to 95.</p> <p>The total number of licensed, certified, and registered providers as of December 31, 2022 was:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">Licensed</td> <td style="text-align: right;">1,763</td> </tr> <tr> <td style="text-align: right;">Certified</td> <td style="text-align: right;">216</td> </tr> <tr> <td style="text-align: right;">Registered</td> <td style="text-align: right;">23</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>2,002</b></td> </tr> </table>	Licensed	1,763	Certified	216	Registered	23	<b>Total</b>	<b>2,002</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 reauthorizes the child care program for the first time since 1996 and represents an 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. Kentucky has received some technical assistance from our federal partners to strengthen our policies and procedures.

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 was \$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

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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. Five payments have been released as of December 31, 2022 (November 2021; January 2022; April 2022; July 2022; October 2022).

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

- Preschool Partnership Grants – This is a collaboration with the Kentucky Department of Education to support children who qualify for CCAP and children with special needs who receive IEP services and focuses 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 to the 80<sup>th</sup> percentile of the current Market Rate Survey;
- Address the CCAP benefits cliff effect by providing an additional 6 months of reimbursement at 50% of typical rate upon graduation from CCAP program. As of December 31, 2022, 273 children (208 families) have benefitted from this program;
- Make child care employees a protected population for CCAP. Beginning October 24, 2022, any individual who meets CCAP technical eligibility and has verified employment in a regulated child care setting will be eligible to have ALL household income excluded from the CCAP application process. As of December 2022, 741 families (1,243 children) had benefitted from this provision;
- Pilot an Infant and Toddler Contracted Slot Project to combat the decrease in programs accepting families accepting CCAP and to increase infant and toddler care for our most vulnerable population. As of December 31, 2022, 28 providers are participating with a total of 349 slots. This is a decrease of one provider (32 slots) since the last reporting period.
- Provide facility repair grants. As of December 31, 2022, 906 awards have been issued;
- 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. 37 credentialed trainers completed the Working with Children with Special Needs Trainer Academy and 25 completed the Director and Administrator Trainer Academy;
- Provide funding to the Kentucky Apprenticeship program through the Governor’s Office of Early Childhood;
- Provide start-up grants for certified child care homes. Initially these grants were for \$2500, but the amount was increased to \$5,000 each. All providers who received this grant received the full \$5,000. As of December 31, 2022, 37 FCC grants have been issued in 15 different counties;
- Provide a grant match to businesses interested in opening on-site employee-based childcare. As of December 31, 2022, 3 grants have been awarded in two different counties;
- Provide a grant match to open new child care programs in child care deserts. As of December 2022, 27 grants have been issued to providers in 23 different counties identified as child care deserts;
- Update technology systems and provide new computers to child care programs through the state for enrollment, billing, and other business practices.

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### 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 2023, the average number of families served in CCAP per month 19,265.

DCBS contracts with the Cabinet's Office of 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 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. DCC is currently utilizing CRRSA funds to cover co-payments. CHFS has committed to continue paying for these co-payments through calendar year 2023.

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.

Administrative regulation amendments were filed to increase the income eligibility standards for families at initial application from 200% of the Federal Poverty Guideline (FPG) to 85% of the State Median Income (SMI) beginning July 1, 2022. This amendment also has a number of other changes to take effect at future dates such as increasing add-on incentive rates for providers specific to accreditation, providing special care, and providing care in nontraditional hours; extending the transitional period for families deemed ineligible to continue receiving CCAP due to exceeding the income standards from three months to six months; and exempting income from the eligibility determination for individuals meeting other eligibility

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requirements who are employed in a licensed child-care center or registered family child-care home as a child care staffing incentive.

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.

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. With the declining numbers of Covid-19 DCC resumed activities related to the Kentucky All STARS Program on October 1, 2021. DCC ensured that All STARS Raters met rating reliability before resuming normal activities. Due to various issues and COVID-related stress on providers over the course of 18 month, DCC opted to give these providers the option to extend their expiration date by one year and have them submit an AQR for this year for review from All STARS Staff.

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 June 30, 2022, 1,929 programs (100%) have verified ratings in Kentucky All STARS, with 40% of programs rated as high-quality.

<b>Kentucky All STARS Ratings as of June 30, 2021</b>					
	Level 1	Level 2	Level 3	Level 4	Level 5
Licensed Types I&II	884	111	285	178	102
Certified	142	20	18	17	5
Licensed Head Start	40	1	16	33	74
<b>Totals</b>	<b>1066</b>	<b>132</b>	<b>319</b>	<b>228</b>	<b>181</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 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 educational achievements, and mini-grants for national

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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.

- 78 KIDS NOW Child Development Associate mini-grants invoiced, for a total of \$29,250.00 during the first half of SFY 2023.
- 374 Individuals have a Commonwealth Child Care Credential.
- 102 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 2023, for a total of \$17,370.00.
- 52 Related Educational Reimbursement Awards issued during the first half of SFY 2023 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 \$5,150.00
- 2,615 Individuals have a Kentucky Director's Credential.