

STATE OF KENTUCKY CHILD CARE

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Presented by
Dr. Sarah Vanover



Presenter

Dr. Sarah Vanover

Policy and Research
Director, Kentucky Youth
Advocates

svanover@kyyouth.org





Kentucky Youth Advocates believes all children deserve to be safe, healthy, and secure.

kyyouth.org

As THE independent voice for Kentucky's children, Kentucky Youth Advocates works to ensure policymakers create investments and policies that are good for all children.



Work with legislators, the Governor, and other elected officials to change and enact policies to benefit kids and families



Help families through our case advocacy program. We serve as their guide when they don't know where to turn



Conduct research and education that informs and recommends solutions to help kids succeed



Mobilize advocates to take action on behalf of kids and families through rallies, advocacy training, partnerships, and action alerts



Present the "state of kids" to communities to help people know how children are faring and how to address problems



Engage youth by training the next generation of leaders to advocate for themselves and their communities



Current Numbers

- Child Care Centers – 1,776
- Family Child Care Homes – 209
- Capacity – 163,866
- Children on Child Care Assistance Program – 34,367

Kentucky child care wages

- According to data from the University of Kentucky Workforce Survey, the average child care provider in KY wages = \$12.39/hour (a full-time salary of \$25,771.20 per year).
- The Annie E. Casey Foundation found that 98% of occupations make more than child care providers, including dog walkers.
- Many of Kentucky's child care providers do not have benefits, such as paid leave or medical insurance.

Kentucky's recent improvements

- Increasing Child Care Assistance Program (CCAP) eligibility to 85% of the State Median Income
- Setting the CCAP reimbursement rate at the 85th percentile (meaning the full cost of care is paid at 85% of the child care programs in Kentucky)
- Paying for CCAP based on center enrollment, not attendance (meaning the program will get paid even when a child misses a day)
- Free Child Care for Child Care Providers (CCAP Income Exclusion)

Kentucky's recent improvements

- Start up grants for centers in child care deserts or centers for employee-based child care
- Start up grants for family child care homes
- Scholarships for child care providers to receive a Child Development Associates certificate, an Associate's Degree, or a Bachelor's Degree in the field of early education

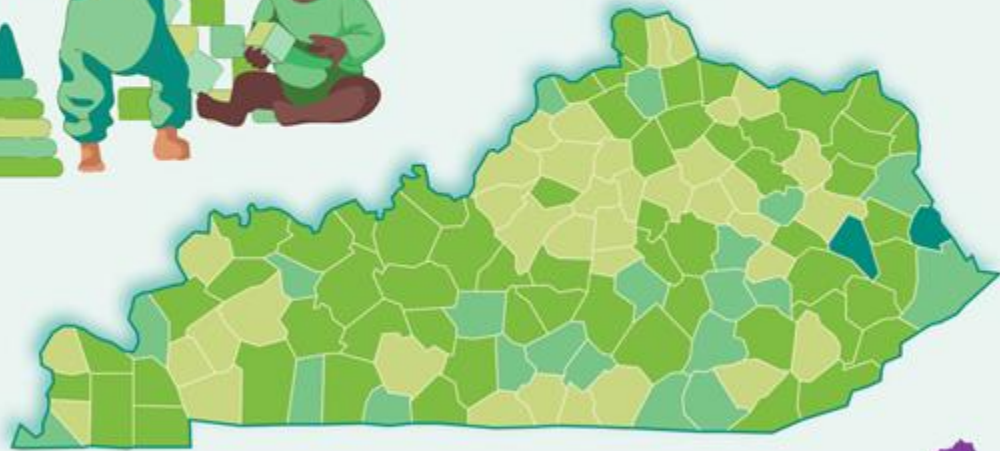
CCAP Income Exclusion for Providers

- Created to encourage child care providers back to the child care field in order to staff classrooms and serve community.
- Each child care provider serves an average of 8 additional children (between 1:5 ratio in infant rooms and 1:14 ratio in 4-year-old rooms).
- Currently 3,572 child care providers taking advantage of program creating 28,576 more available spots for working families.
- 38 other states have reached out to Kentucky to duplicate this program.



79 of Kentucky's 120 counties are a child care desert.

1–3 children per slot 6.1+ children per slot
3.1–6 children per slot No child care
Ratio of child care slots to children who need them.



SOURCE: Department for Community Based Services, Division of Child Care.



Child care deserts

- Currently 79 out of 120 counties in Kentucky are considered child care deserts.
- Even in large counties (like Jefferson or Fayette) there are communities within the county that are considered deserts.
- Family child care homes are more successful in rural areas than centers due to location and transportation.
- Many communities have zoning laws that prohibit family child care homes in residential neighborhoods.



Stabilization payments

- Essential to filling gaps in budgets for child care centers and family child care homes who struggled after mandated closures or reduced capacity requirements.
- Critical in raising staff wages, which are typically low and often result in staff members choosing instead to work in retail or hospitality.

Child Care Operation Expenses

- + Wages for Staff (50% to 80% of Budget)
- + Facility (Rent/Mortgage, Utilities, Insurance)
- + Food
- + Consumables (Cleaning Supplies, Teaching Supplies, etc.)
- + Professional Training
- + Transportation (Optional Expense)

Child Care Budget Considerations

- When retail stores are successful, they increase selling the item that is in demand. Yet, child care programs have a MAXIMUM of children that can be served, even with extensive waiting lists.
- Child care programs can not set the cost of care higher than families can afford, or families will be forced to leave their child in an unsafe environment or to leave the workforce.
- High-quality child care programs have lower adult-to-child ratios than Kentucky's minimum standards to offer better care – limiting their income by serving fewer children.

What does one child's tuition cover?

- + Wages towards 3 to 5 teachers that work in the classroom
- + Wages towards administrators and nutrition staff
- + Facility cost
- + Food cost
- + Consumables cost
- + Training for teachers

Now \$250 a week for a toddler doesn't seem to be that much for one child!



What are child care providers' options?

- Reducing Wages for Child Care Providers
- Increasing Tuition for Families
- Reducing Wages AND Increasing Tuition
- Dropping Infant and Toddler Care
- Closing Their Doors Permanently

What are Kentucky's options?



- ✓ Increase the number of child care providers in Kentucky
- ✓ Increase subsidy for child care programs
- ✓ Increase child care subsidy for families to cover the cost of care and support caregivers entering the workforce
- ✓ Universal Pre-K in a mixed delivery format

Child care wages

- Stabilization Payments
- Wage Supplement Programs
- Overall Child Care Program Subsidy
- CCAP Income Exclusion for Child Care Providers

Wage Supplement Programs

- States like North Carolina, Tennessee, and Arkansas have implemented wage supplement programs for child care providers.
- Supplements are offered for every six months at the same child care program.
- Shown in other states to increase employee retention and increased education levels of staff.

Increasing funding to child care programs

- Start up funding for new child care programs
- Increase reimbursement rates for CCAP since those funds go directly towards child care programs
- Base the CCAP reimbursement rate on the cost of care instead of the market rate
- Pay child care providers on enrollment and not capacity
- Public and private partnerships with the public school system

Increasing child care subsidy to families

- Allowing more families to access CCAP.
- Reimbursing higher percentages of the cost of care so that families don't have overages.
- Capping family co-pays at 7% or lower of the family's total income – currently a recommendation of the federal government and possibly an upcoming regulatory change.



Universal Pre-K

- Universal Pre-K can be a benefit to all 4-year-olds, but it must be done with no collateral damage to the entire child care infrastructure.
- Offering care to 4-year-olds through public and private partnerships allows for quality early education, care for working families, and school choice.
- Partnerships allow the birth to three child care industry to remain healthy while four-year-olds receive Pre-K.

Considerations for Universal Pre-K

- Child care programs lose money on caring for children from birth through two years of age.
- Programs rely on three- and four-year-old enrollment to balance lost tuition – without the 4-year-old children, child care programs can not financially survive.
- If child care programs close due to losing 4-year-old enrollment, infant and toddler care will be destroyed.
- If Universal Pre-K is only half-day, working families will still need to find full-day child care in order to stay in the workforce. Kentucky is already underutilizing state-funded preschool due to this reason.

What would be needed for universal Pre-K?

- Public school systems partner with private child care and Head Start grantees to make sure that four-year-olds have access to Pre-K.
- Facility space and teachers for all eligible teachers.
- A set “per child” amount of funding (based on the current year’s enrollment) that would go to the program that each child attends.
- Special education supports from the public school system offered to the private child care and Head Start programs to serve all children equitably.

Top Priorities for Kentucky's Child Care

- ✓ Maintain the Child Care Assistance Program at the increased levels from the American Rescue Plan funding to serve more families.
- ✓ Continue the CCAP Income Exclusion for child care providers in order to keep necessary staffing levels for child care programs.
- ✓ Maintain the Employee Child Care Assistance Partnership with TA Support.
- ✓ Maintain start-up grants for new child care programs.
- ✓ Continue scholarships for child care providers to develop the workforce.





Questions?

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