

BLOCK GRANT PROGRAM STATUS REPORT
July 1, 2024 – December 31, 2024

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 3/7/2025
DocuSigned by: 2597068C24204CA...
Lesia Dennis **Date**
Commissioner

1. FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$114,249,554.42	\$75,680,916.00	\$2,000,000.00	\$191,930,470.42
Actual Expenditures	\$56,854,349.11	\$32,310,290.06	\$7,650.41	\$89,172,289.58
Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Available Balance	\$57,395,205.31	\$43,370,625.94	\$1,992,349.59	\$102,758,180.84

* Please note that \$9,900,000.00 of the Annual Budget General Funds were Tobacco MSA Funds.

ARPA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
ARPA Annual Budget	\$81,755,099.58	\$0.00	\$0.00	\$81,755,099.58
ARPA Actual Expenditures	\$81,755,099.58	\$0.00	\$0.00	\$81,755,099.58
ARPA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
ARPA Available Balance	\$0.00	\$0.00	\$0.00	\$0.00

*This was a one time Covid Relief Grant that expired 09/30/24. This grant has now been closed. There are funds that have been returned from providers, that will be returned to the Feds.

SFRF FUNDS	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$3,995,346.00	0.00	0.00	\$3,995,346.00
Actual Expenditures	\$3,995,346.00	0.00	0.00	\$3,995,346.00
Encumbrances	0.00	0.00	0.00	0.00
SFRF Avaialble Balance	\$0.00	0.00	0.00	\$0.00

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OBJECTIVES	ACHIEVEMENTS
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>An average of 39,590 children per month received child care through CCDF during the first half of this State Fiscal Year (SFY) 2025.</p> <p>Of this total, an average of 34,151 children were served to allow low-income parents to work, 2,380 children were served through prevention or protection services, and 153 were children of teen parents. Some families received assistance through the Child Care Assistance Program (CCAP) to address more than one service need.</p>
2. To provide access to quality child care that supports the parent participating in the Kentucky Transitional Assistance Program (KTAP).	An average of 2,967 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.
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>During the first half of SFY 2025, approximately 6,479 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"> 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 18 referral calls received during the first half of SFY 2025. 2) Parents may search for providers by address, provider name, or license/certificate number by accessing the Division of Child Care (public search) website: https://chfs.ky.gov/agencies/dcbs/dcc/Pages/find-care.aspx
4. To increase the availability of early childhood development and/or before- and after- school care programs.	An average of 12,499 children are receiving before- and after-school child care services per month through CCDF.
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	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.

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<p>under the Kentucky All STARS Program.</p>	<p>As of December 31, 2024, the total number of participants in Kentucky All STARS Program are as follows:</p> <p>1,183 All STARS Level 1 centers and family child care homes 132 All STARS Level 2 centers and family child care homes 354 All STARS Level 3 centers and family child care homes 184 All STARS Level 4 centers and family child care homes 128 All STARS Level 5 centers and family child care homes</p> <p>The All STARS Rating staff conducted 153 environmental rating scales of child care programs between July 1, 2024 and December 31, 2024.</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 5,916 technical assistance consultations/visits were 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, 2024, there were 724 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 2025, there were 34 registered providers, 609 certified providers, and 77,464 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, Division of Regulated Child Care to enforce standards for licensed and certified providers. As of December 31, 2024, there were 2,022 certified and licensed, child care programs for 25 dedicated child care licensing surveyors. The average ratio of surveyors to regulated child care programs is one to 80.</p> <p>The total number of licensed, certified, and registered providers as of December 31, 2024 was:</p> <table><tr><td>Licensed</td><td>1,796</td></tr><tr><td>Certified</td><td>226</td></tr><tr><td>Total</td><td>2,022</td></tr></table>	Licensed	1,796	Certified	226	Total	2,022
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Certified	226						
Total	2,022						

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 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 CCDF Final Rule was updated on April 30, 2024. Policies changes included lowering child care costs for families; improving payments to child care providers; increasing child care options for families; making enrollment easier and faster for families; and increasing clarity in CCDF requirements

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 FY2025-2027 CCDF State Plan with the Legislative Research Commission on July 30, 2024. Kentucky received federal approval of this state plan on November 8, 2024. Kentucky has come into compliance with 13 CCDF requirements since the last state plan cycle. Kentucky continues to work with the Office of Child Care, Region IV staff, and federal technical assistance partners to continue aligning our policies and procedures to the federal requirements.

The American Rescue Plan (ARP) was signed into law on March 11, 2021. Kentucky was awarded a total of \$763 million. This was dispensed from two funding sources that each had unique purposes. The largest portion of the funding, over \$470 Million was designated for sustainability payments. The second stream of funding, over \$293 Million, was slightly more flexible and the federal government 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. All ARP funding was expended by the federal deadline of September 30, 2024.

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The Division of Child Care has been able to continue many of the initiatives originally funded by ARP dollars through appropriations made in HB 6 from the 2024 Regular Session:

- Addressing the CCAP benefits cliff effect by providing an additional 6 months of reimbursement at 50% of typical rate upon graduation from CCAP program. For July 1 to December 31, 2024, 1,067 children (696 families) have benefitted from this program;
- Making child care employees a protected population for CCAP. Beginning October 24, 2022, any Provider meeting CCAP technical eligibility and having verified employment in a regulated child care setting became eligible to have ALL household income excluded from the CCAP application process. From July 1 to December 31, 2024, 7,681 children (4,380 families) have benefitted from this provision;
- Continuing scholarship opportunities for child care employees who work at least twenty (20) hours in a regulated child care program.
- Covering the entire cost (\$63.25) of the fingerprint-based background check for each child care employee as required by federal regulation.
- Providing a free subscription to brightwheel, a child care management system, to all regulated child care providers. DCC began offering this subscription in December 2023. As of December 31, 2024, 781 providers are utilizing brightwheel.

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 2025, the average number of families served in CCAP per month 23,375.

DCBS contracts with the Cabinet's Office of Inspector General (OIG), Division of Regulated Child Care to inspect, monitor, and license center-based providers, and inspect, monitor, and certify family child care home 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. Currently, 34% of all regulated child care programs in the state are considered high-quality. This is a decrease of 11% since the beginning of the pandemic. DCC will be reviewing the All STARS administrative regulation (922 KAR 2:270) during the next year to make the necessary amendments. One primary focus will be on how to incentivize Level 1 and Level 2 programs to invest in becoming high-quality programs.

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.

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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. Over the past few years, Kentucky has used a combination of Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) funds and state funds to cover all family co-payments. CHFS stopped paying family co-payments in October 2024. The Division of Child Care did amend the co-payment chart and capped family co-payments at seven percent (7%) of a family's gross monthly income which was a mandated change to the CCDF Final Rule enacted in April 2024.

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

Kentucky All STARS ended the 2024 year by finalizing the transition from the ITERS-R scale to the ITERS-3 scale. Studies have shown this scale is not only a better quality indicator but it is also resonating better with child care centers by promoting a more interaction based focus and removing unnecessary items such as "Much of the Day". This has been met with excitement by providers throughout the Commonwealth and we're looking forward to see how this transition will affect scores moving forward.

Kentucky All STARS also transitioned from the FCCERS-R scale to the FCCERS-3 scale. Studies have shown this scale is not only a better quality indicator but is also resonating with the family child care programs as a whole. This transition has also been met excitement and initial scoring is showing an increase in quality across regions.

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During the Race to the Top Grant in 2015, Kentucky achieved the baseline goal of 45% for all licensed early care and education providers obtaining a high- quality rating. The Division of Child Care continues to support quality improvement through provider training and engagement. As of December 31, 2024, 1,981 programs (100%) have verified ratings in Kentucky All STARS, with 34% of programs rated as high-quality.

Kentucky All STARS Ratings as of June 30, 2021					
	Level 1	Level 2	Level 3	Level 4	Level 5
Licensed Types I&II	978	110	325	136	52
Certified	165	21	13	15	2
Licensed Head Start	40	1	16	33	74
Totals	1183	132	354	184	128

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 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.

- 140 KIDS NOW Child Development Associate mini-grants invoiced, for a total of \$48,400.00 during the first half of SFY 2025.
- 430 Individuals have a Commonwealth Child Care Credential.
- 70 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 2025, for a total of \$13,545.00.
- 35 Related Educational Reimbursement Awards issued during the first half of SFY 2025 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 \$3,200.00
- 2,769 Individuals have a Kentucky Director's Credential