

BLOCK GRANT PROGRAM STATUS REPORT

January 1, 2024 – June 30, 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:
DocuSigned by:
7/31/2024

Date
Commissioner

1. FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$190,128,104.45	\$55,045,162.85	\$	\$245,173,267.30
Actual Expenditures	\$180,678,365.00	\$40,244,246.82	\$	\$220,922,611.82
Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Available Balance	\$9,449,739.45	\$14,800,916.03	\$	\$24,250,655.48

* Please note that \$11,597,162.91 of the Annual Budget General Funds were Tobacco MSA Funds.

* Please note that \$13,401.62 of the General fund balance is restricted funds

CRRSA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
CRRSA Annual Budget	\$3,822,478.27	\$0.00	\$0.00	\$3,822,478.27
CRRSA Actual Expenditures	\$3,822,478.27	\$0.00	\$0.00	\$3,822,478.27
CRRSA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
CRRSA Available Balance	\$0.00	\$0.00	\$0.00	\$0.00

*This was a one time Covid Relief Grant that expired 09/30/23. This grant has now been closed.

ARPA FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
ARPA Annual Budget	\$265,361,917.28	\$0.00	\$0.00	\$265,361,917.28
ARPA Actual Expenditures	\$265,361,917.28	\$0.00	\$0.00	\$265,361,917.28
ARPA Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
ARPA Available Balance	\$0.00	\$0.00	\$0.00	\$0.00

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SFRF FUNDS	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$12,000,000.00	0.00	0.00	\$12,000,000.00
Actual Expenditures	\$12,000,000.00	0.00	0.00	\$12,000,000.00
Encumbrances	0.00	0.00	0.00	0.00
SFRF Available Balance	\$0.00	0.00	0.00	\$0.00

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2. RESULTS BUDGETED/ACHIEVED

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 36,746 children per month received child care through CCDF during the second half of this State Fiscal Year (SFY) 2024.</p> <p>Of this total, an average of 31,860 children were served to allow low-income parents to work, 2,522 children were served through prevention or protection services, and 161 were children of 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 2,255 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 second half of SFY 2024, approximately 6,255 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 13 referral calls received during the second half of SFY 2024. 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
<p>4. To increase the availability of early childhood development and/or before- and after- school care programs.</p>	<p>An average of 9,409 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 June 30, 2024, the total number of participants in Kentucky All STARS Program are as follows:</p> <p>1,185 All STARS Level 1 centers and family child care homes 141 All STARS Level 2 centers and family child care homes 382 All STARS Level 3 centers and family child care homes 218 All STARS Level 4 centers and family child care homes 202 All STARS Level 5 centers and family child care homes</p> <p>The All STARS Rating staff conducted 423 environmental rating scales of child care programs between January 1, 2024 and June 30, 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 6,158 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 June 30, 2024, there were 722 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 second half of SFY 2024, there were 42 registered providers, 681 certified providers, and 102,875 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 June 30, 2024, there were 2,043 certified, licensed, and registered child care programs for 25 dedicated child care licensing surveyors. The average ratio of surveyors to regulated child care programs is one to 82.</p> <p>The total number of licensed, certified, and registered providers as of June 30, 2024 was:</p> <div style="text-align: right; margin-top: 20px;"> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="border-top: 1px solid black;">Licensed</td> <td style="border-top: 1px solid black; text-align: right;">1,784</td> </tr> <tr> <td style="border-top: 1px solid black;">Certified</td> <td style="border-top: 1px solid black; text-align: right;">227</td> </tr> <tr> <td style="border-top: 1px solid black;">Registered</td> <td style="border-top: 1px solid black; text-align: right;">32</td> </tr> <tr> <td style="border-top: 1px solid black;">Total.....</td> <td style="border-top: 1px solid black; text-align: right;">2,043</td> </tr> </table> </div>	Licensed	1,784	Certified	227	Registered	32	Total	2,043
Licensed	1,784								
Certified	227								
Registered	32								
Total	2,043								

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 conditional approval of this state plan on December 13, 2021. Kentucky has requested and received technical assistance from our federal partners to strengthen our policies and procedures.

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. Nine ARPA funded stabilization payments were made with the last being in September 2023.

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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 80th 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. For January to June 2024, 812 children (534 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. From January to June 2024, 3,935 families (6,894 children) have benefitted from this provision;
- 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 \$2,500, but the amount was increased to \$5,000 each. All providers who received this grant received the full \$5,000. As of June 30, 2024, 97 grants have been awarded.
- Offer brightwheel, a child care management system to all regulated providers. As of June 30, 2024, over 600 providers have enrolled.

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 second half of SFY 2024, the average number of families served in CCAP per month 21,553.

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 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.

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5. ALTERNATIVES FOR IMPROVED SERVICE DELIVERY

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 as long as funds last. A 30-day notice will be given prior to the end of this initiative. Families are still responsible for any overages assessed by the provider.

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.

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 expiration 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.

Kentucky All STARS is looking to the future which includes transitioning 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". The estimated rollout date for this is December 2024.

Kentucky All STARS Staff have started reliability training for this scale in conjunction with Child Care Aware. All STARS Staff are scoring in the top 90% for this new scale. TA to providers have been going well and we should start seeing score outcomes starting by the end of this year.

Kentucky All STARS is also transitioning the Family Child Care piece of All STARS from Child Care Aware to Family Child Care Network. We believe having this focused approach will allow Child Care Aware to focus on raising the high quality numbers of Licensed Child Care Centers while allowing Family Child Care Network the opportunity to do focused TA on our Family Child Care Providers. This transition will also include moving from the FCCERS-R scale to the FCCERS-3 scale. Studies have shown this scale is not only a better-quality indicator but it also resonates with the Family Child Care Centers as a whole.

Kentucky All STARS Staff have also started reliability training for this scale in conjunction with the Family Child Care Network. All STARS Staff are scoring in the top 90% for this new scale. TA to providers has been going smoothly and we should start seeing score outcomes starting in the coming months.

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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, 2024, 2,128 programs (100%) have verified ratings in Kentucky All STARS, with 35% 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	948	113	338	137	52
Certified	157	26	12	15	2
Licensed Head Start	40	1	16	33	74
Totals	1145	140	366	185	128

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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.

- 178 KIDS NOW Child Development Associate mini-grants invoiced, for a total of \$67,850.00 during the second half of SFY 2024.
- 414 Individuals have a Commonwealth Child Care Credential.
- 133 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 second half of SFY 2024, for a total of \$22,680.00.
- 52 Related Educational Reimbursement Awards issued during the first half of SFY 2024 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 \$4,150.00
- 2,743 Individuals have a Kentucky Director’s Credential