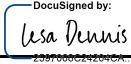


BLOCK GRANT PROGRAM STATUS REPORT
July 1, 2025 to December 31, 2025

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:  3/24/2026
Lesa Dennis **Date**
Commissioner

1. FINANCES	Federal Funds	General Funds	Trust/Local Match	Total
Annual Budget	\$276,258,200.00	\$67,267,161.00	\$2,000,000.00	\$345,525,361.00
Actual Expenditures	\$152,030,391.47	\$33,938,152.50	\$22,105.99	\$185,980,649.96
Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Available Balance	\$124,227,808.53	\$33,339,008.50	\$1,977,894.01	\$159,544,711.04

** Please note that \$9,500,000.00 of the Annual Budget General Funds are Tobacco MSA Funds. Tobacco Fund expenditures of \$4,022,392.02 are included in General Fund Exp. Amount.*

BLOCK GRANT PROGRAM STATUS REPORT**July 1, 2025 to December 31, 2025****Department: Community Based Services (DCBS)****Block Grant: Child Care and Development Fund (CCDF)****2. RESULTS BUDGETED/ACHIEVED**

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.	An average of 41,331 children per month received child care through CCDF during the first half of this State Fiscal Year (SFY) 2026. Of this total, an average of 35,750 children were served to allow low-income parents to work, 3,318 children were served through prevention or protection services, and 127 were children of teen parents. Some families received assistance through the Child Care Assistance Program (CCAP) to address more than one service need.
2. To provide access to quality child care that supports the parent participating in the Kentucky Transitional Assistance Program (KTAP).	An average of 3,282 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.	During the first half of SFY 2026, approximately 5,700 consumer education materials were disseminated to 2,834 families to help them make informed choices when choosing child care. There is a decrease in consumer ed numbers, as Child Care Aware of Kentucky has transitioned to the Family Toolkit and Employer Toolkit postcards with a QR code so families can access all relevant consumer ed materials vs. individual one-pagers that were previously distributed at events. There were also fewer “Learn the Signs. Act Early.” materials to distribute since the CDC is no longer printing those resources; however, those resources are included in the Toolkits. Families seeking child care may choose either a licensed, certified, or registered provider utilizing one the available options below: 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 21 referral calls received during the first half of SFY 2026. 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 13,161 children are receiving before- and after-school child care services per month through CCDF.

BLOCK GRANT PROGRAM STATUS REPORT

July 1, 2025 to December 31, 2025

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 under the Kentucky All STARS Program.	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. As of December 31, 2025, the total number of participants in Kentucky All STARS Program are as follows: 1,197 All STARS Level 1 centers and family child care homes 123 All STARS Level 2 centers and family child care homes 335 All STARS Level 3 centers and family child care homes 184 All STARS Level 4 centers and family child care homes 149 All STARS Level 5 centers and family child care homes The All STARS Rating staff conducted 133 environmental rating scales of child care programs between July 1, 2025 to December 31, 2025.
6. To expand the availability of new and existing resources targeted at quality improvement by contracting for the provision of these services.	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 2,202 technical assistance consultations/visits were completed. During technical assistance visits, child care providers work on improvement plans to increase the quality of their services. Professional development coaches work with child care staff to develop enhanced professional development plans and connect providers to available educational and professional resources.
7. To ensure regional professional development opportunities through training and technical assistance using a statewide coordination of services.	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. 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, 2025, there were 717 individuals holding a current Kentucky Trainer's Credential. 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 2026, there were 46 registered providers, 768 certified providers, and 70,857 licensed providers and staff who had completed training sessions.

BLOCK GRANT PROGRAM STATUS REPORT
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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.	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, 2025, there were 2,011 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 78. The total number of licensed, certified, and registered providers as of December 31, 2025 was: <table><tr><td>Licensed</td><td>1,795</td></tr><tr><td>Certified</td><td>216</td></tr><tr><td>Total</td><td>2,011</td></tr></table>	Licensed	1,795	Certified	216	Total	2,011
Licensed	1,795						
Certified	216						
Total	2,011						

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 Division of Child Care has been able to continue many of the initiatives originally funded by ARPA 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, 2025, 1,972 children (1,161 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. For the prior fiscal year, July 1, 2024 to June 30, 2025, 9,531 children (5,364 families) benefitted from this provision. For this reporting period, July 1, 2025, to December 31, 2025, 8,290 children (4,801 families) have been served;
 - 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.

BLOCK GRANT PROGRAM STATUS REPORT

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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 individuals transitioning off TANF are also eligible for child care assistance. During the first half of SFY 2026, the average number of families served in CCAP per month 23,376.

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.

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

BLOCK GRANT PROGRAM STATUS REPORT

July 1, 2025 to December 31, 2025

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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.

DCC will be updating 922 KAR 2:270 over the next eighteen (18) months. To prepare for that work, DCC surveyed regulated child care providers to gather feedback about challenges they face every day and to identify barriers to quality. DCC reviewed more than 400 survey responses from child care providers statewide, the Division of Child Care determined that additional information was needed and issued a second survey. Responses were subsequently received from more than 200 additional child care centers. Analysis of the combined data revealed several consistent and significant challenges across the sector, including persistent staff retention issues, difficulty maintaining required staff training and credentialing standards, and financial instability. Notably, more than half of responding providers reported either operating at break-even levels or closing the fiscal year with a deficit.

In response to these findings, the Division of Child Care has pursued an innovative, cost-mitigating approach to support providers by reducing financial barriers associated with compliance and quality improvement. The Kentucky All STARS program has established a Training Specialist II position. The primary responsibilities of this role include the development and delivery of no-cost trainings that fulfill Kentucky All STARS requirements, while simultaneously strengthening workforce capacity and advancing the overall quality of child care across the Commonwealth.

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, 2025, 1,988 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, 2025					
	Level 1	Level 2	Level 3	Level 4	Level 5
Licensed Types I&II	992	105	301	137	73
Certified	165	17	18	14	2
Licensed Head Start	40	1	16	33	74
Totals	1197	123	335	184	149

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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.

- 114 Formerly KIDS NOW Child Development Associate mini-grants invoiced, for a total of \$43,100.00 during the first half of SFY 2026.
- 575 Individuals have a Commonwealth Child Care Credential.
- 82 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 2026, for a total of \$15,615.00.
- 22 Related Educational Reimbursement Awards issued during the first half of SFY 2026 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 \$2,100.00
- 2,874 Individuals have a Kentucky Director’s Credential