

199.8998 Definitions for section -- Kentucky Kindergarten Readiness Performance-Based Child Care Incentive Pilot Program -- Reporting required.

- (1) As used in this section:
 - (a) "Cabinet" means the Cabinet for Health and Family Services;
 - (b) "Type I child-care center" means a child-care center licensed by the cabinet to regularly provide child care services for:
 1. Four (4) or more children in a nonresidential setting; or
 2. Thirteen (13) or more children in a designated space separate from the primary residence of a licensee;
 - (c) "Type II child-care center" means a child-care center that is the primary residence of the licensee in which child care is regularly provided for at least seven (7) but not more than twelve (12) children, including children related to the licensee; and
 - (d) "University" means the University of Kentucky.
- (2) By August 1, 2026, the university shall establish and operate the Kentucky Kindergarten Readiness Performance-Based Child Care Incentive Pilot Program, which shall operate from August 1, 2027, until July 31, 2029.
- (3) The pilot program shall:
 - (a) Determine how to provide performance-based incentives to diverse types of early childhood education providers, child-care providers, and low-income parents in order to increase the number of children in the Commonwealth who are assessed as kindergarten ready;
 - (b) Determine how to best assess applicants and distribute moneys;
 - (c) Develop a written plan and implement assessment processes to determine kindergarten readiness for children in the Commonwealth. The university shall convene a working group to assist in the development of the written plan and assessment processes;
 - (d) Ensure that participants in the pilot program represent geographically and socioeconomically diverse areas of the Commonwealth;
 - (e) Evaluate the impact of performance-based incentives implemented through the pilot program using a rigorous design framework that supports causal inferences;
 - (f) Design, identify, and make available resources for parents to assist them in preparing children for kindergarten readiness;
 - (g) Determine how to award funds, including but not limited to direct payments or refundable tax credits, to licensed Type I and Type II child-care centers; cabinet-regulated early childhood education providers, certified child-care homes, and registered providers; and single or married parents who qualify for the child-care subsidy administered by the cabinet pursuant to KRS 199.8994. To be eligible for funds:
 1. A provider or a home shall maintain services for infants and toddlers at a ratio established by the Division of Child Care within the cabinet;

2. A provider or a home shall maintain and submit accurate and detailed records of care for any child; and
 3. A parent shall submit records to verify he or she meets the requirements to receive child care subsidy funds under KRS 199.8994;
- (h) Establish a standard for awarding a two thousand dollar (\$2,000) one (1) time award, including but not limited to direct payments or refundable tax credits, per child once a child is designated by the assessment processes as kindergarten ready as follows:
1. A full award to a licensed Type I or Type II child-care center or cabinet-regulated early childhood education provider, certified child-care home, or registered provider who meets the requirements of paragraph (g) of this subsection if the kindergarten-ready child received full-time services from the center or provider the two (2) years prior to the assessment;
 2. A full award to a single or married parent who meets the requirements of paragraph (g) of this subsection if the kindergarten-ready child was cared for in the home the two (2) years prior to the assessment, regardless of the utilization of a babysitter;
 3. A full award to a licensed Type I or Type II child-care center or cabinet-regulated early childhood education provider, certified child-care home, or registered provider who meets the requirements of paragraph (g) of this subsection if the child cannot be properly assessed as a kindergarten-ready child because of a formal diagnosis of a disability and the child received full-time services from the provider the two (2) years prior to the assessment;
 4. A half award to a licensed Type I or Type II child-care center or cabinet-regulated early childhood education provider, certified child-care home, or registered provider who meets the requirements of paragraph (g) of this subsection if the kindergarten-ready child received half-day services from the center and attended public preschool the two (2) years prior to the assessment; and
 5. Split awards may be granted to individuals or providers based on who provided full-time services or cared for the child in the two (2) years prior to the assessment; and
- (i) Ensure compliance with federal regulations, including but not limited to the Quality Rating and Improvement Systems as established under 45 C.F.R. pt. 98.
- (4) By June 1, 2027, and by June 1 annually thereafter for the duration of the pilot program, the university shall annually report on the establishment and operations of the pilot program to the Interim Joint Committee on Families and Children.
- (5) By January 1, 2030, the university shall submit a report to the cabinet and the Legislative Research Commission for referral to the Interim Joint Committees on Families and Children, Education, and Appropriations and Revenue that:
- (a) Details the findings of the pilot program;

- (b) If the pilot program proves successful:
 - 1. Identifies specific mechanisms for change, including but not limited to educational curricula and family practices to best prepare preschool-age children for kindergarten readiness;
 - 2. Includes recommendations based on the pilot program's results for optimizing performance-based child care incentives in the Commonwealth; and
 - 3. Includes recommendations and potential obstacles for implementing the program at scale;
- (c) Details the assessment processes used to determine kindergarten readiness;
- (d) Identifies the rates of kindergarten readiness at the end of the pilot program; and
- (e) Includes all data generated from the pilot program, which shall be made available for public review and use in accordance with applicable federal, state, and institutional review board policies.

Effective: April 14, 2026

History: Created 2026 Ky. Acts ch. 146, sec. 16, effective April 14, 2026.