

1 AN ACT relating to the Kentucky Kindergarten Readiness Performance-Based
2 Child Care Incentive Pilot Program.

3 WHEREAS, providing performance-based incentives to diverse types of early
4 childhood education and child-care providers leads to the expansion of services across the
5 Commonwealth; and

6 WHEREAS, providing performance-based incentives to low-income parents of
7 children not receiving services from early childhood education and child-care providers,
8 Head Start, or public Pre-K is a way to encourage parents to prepare their children for
9 kindergarten; and

10 WHEREAS, providing performance-based incentives increases the number of
11 children entering school kindergarten ready, which positively impacts future educational
12 attainment; and

13 WHEREAS, providing performance-based incentives encourages early childhood
14 education and child-care providers to provide services for children with special needs;

15 NOW, THEREFORE,

16 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

17 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 199 IS CREATED TO
18 READ AS FOLLOWS:

19 **(1) As used in this section:**

20 **(a) "Cabinet" means the Cabinet for Health and Family Services;**

21 **(b) "Type I child-care center" means a child-care center licensed by the cabinet**
22 **to regularly provide child care services for:**

23 **1. Four (4) or more children in a nonresidential setting; or**

24 **2. Thirteen (13) or more children in a designated space separate from the**
25 **primary residence of a licensee;**

26 **(c) "Type II child-care center" means a child-care center that is the primary**
27 **residence of the licensee in which child care is regularly provided for at**

1 least seven (7) but not more than twelve (12) children, including children
2 related to the licensee; and

3 (d) "University" means the University of Kentucky.

4 (2) By August 1, 2026, the university shall establish and operate the Kentucky
5 Kindergarten Readiness Performance-Based Child Care Incentive Pilot Program,
6 which shall operate from January 1, 2027, until July 31, 2029.

7 (3) The pilot program shall:

8 (a) Determine how to provide performance-based incentives to diverse types of
9 early childhood education providers, child-care providers, and low-income
10 parents in order to increase the number of children in the Commonwealth
11 who are assessed as kindergarten ready;

12 (b) Determine how to best assess applicants and distribute moneys;

13 (c) Develop a written plan and implement assessment processes to determine
14 kindergarten readiness for children in the Commonwealth. The university
15 shall convene a working group to assist in the development of the written
16 plan and assessment processes;

17 (d) Ensure that participants in the pilot program represent geographically
18 diverse areas of the Commonwealth;

19 (e) Evaluate the impact of performance-based incentives implemented through
20 the pilot program using a rigorous design framework that supports causal
21 inferences;

22 (f) Design, identify, and make available resources for parents to assist them in
23 preparing children for kindergarten readiness;

24 (g) Determine how to award funds, including but not limited to direct payments
25 or refundable tax credits, to licensed Type I and Type II child-care centers;
26 cabinet-regulated early childhood education providers, certified child-care
27 homes, and registered providers; and single or married parents who qualify

1 for the child-care subsidy administered by the cabinet pursuant to KRS
2 199.8994. To be eligible for funds:

3 1. A provider or a home shall maintain services for infants and toddlers
4 at a ratio established by the Division of Child Care within the cabinet;

5 2. A provider or a home shall maintain and submit accurate and detailed
6 records of care for any child; and

7 3. A parent shall submit records to verify he or she meets the
8 requirements to receive child care subsidy funds under KRS 199.8994;
9 and

10 (h) Establish a standard for awarding a two thousand dollar (\$2,000) one (1)
11 time award, including but not limited to direct payments or refundable tax
12 credits, per child once a child is designated by the assessment processes as
13 kindergarten ready as follows:

14 1. A full award to a licensed Type I or Type II child-care center or
15 cabinet-regulated early childhood education provider, certified child-
16 care home, or registered provider who meets the requirements of
17 paragraph (g) of this subsection if the kindergarten-ready child
18 received full-time services from the center or provider the two (2) years
19 prior to the assessment;

20 2. A full award to a single or married parent who meets the requirements
21 of paragraph (g) of this subsection if the kindergarten-ready child was
22 cared for in the home the two (2) years prior to the assessment,
23 regardless of the utilization of a babysitter;

24 3. A full award to a licensed Type I or Type II child-care center or
25 cabinet-regulated early childhood education provider, certified child-
26 care home, or registered provider who meets the requirements of
27 paragraph (g) of this subsection if the child cannot be properly

1 assessed as a kindergarten-ready child because of a formal diagnosis
2 of a disability and the child received full-time services from the
3 provider the two (2) years prior to the assessment;

4 4. A half award to a licensed Type I or Type II child-care center or
5 cabinet-regulated early childhood education provider, certified child-
6 care home, or registered provider who meets the requirements of
7 paragraph (g) of this subsection if the kindergarten-ready child
8 received half-day services from the center and attended public
9 preschool the two (2) years prior to the assessment; and

10 5. Split awards may be granted to individuals or providers based on who
11 provided full-time services or cared for the child in the two (2) years
12 prior to the assessment.

13 (4) By October 1, 2029, the university shall submit a report to the cabinet and the
14 Legislative Research Commission for referral to the Interim Joint Committees on
15 Families and Children, Education, and Appropriations and Revenue that:

16 (a) Details the findings of the pilot program;

17 (b) If the pilot program proves successful:

18 1. Identifies specific mechanisms for change, including but not limited to
19 educational curricula and family practices to best prepare preschool-
20 age children for kindergarten readiness;

21 2. Includes recommendations based on the pilot program's results for
22 optimizing performance-based child care incentives in the
23 Commonwealth; and

24 3. Includes recommendations and potential obstacles for implementing
25 the program at scale;

26 (c) Details the assessment processes used to determine kindergarten readiness;

27 (d) Identifies the rates of kindergarten readiness at the end of the pilot

1 program; and
2 (e) Includes all data generated from the pilot program, which shall be made
3 available for public review and use in accordance with applicable federal,
4 state, and institutional review board policies.