

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 and

16 WHEREAS, providing performance-based incentives would ensure positive growth  
17 and improved quality of care for infant and toddler care programs;

18 NOW, THEREFORE,

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

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

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

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

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

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

27 **2. Thirteen (13) or more children in a designated space separate from the**

1 primary residence of a licensee;

2 (c) "Type II child-care center" means a child-care center that is the primary  
3 residence of the licensee in which child care is regularly provided for at  
4 least seven (7) but not more than twelve (12) children, including children  
5 related to the licensee; and

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

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

10 (3) The pilot program shall:

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

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

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

20 (d) Ensure that participants in the pilot program represent geographically and  
21 socioeconomically diverse areas of the Commonwealth;

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

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

27 (g) Determine how to award funds, including but not limited to direct payments

1 or refundable tax credits, to licensed Type I and Type II child-care centers;  
2 cabinet-regulated early childhood education providers, certified child-care  
3 homes, and registered providers; and single or married parents who qualify  
4 for the child-care subsidy administered by the cabinet pursuant to KRS  
5 199.8994. To be eligible for funds:

- 6 1. A provider or a home shall maintain services for infants and toddlers  
7 at a ratio established by the Division of Child Care within the cabinet;
- 8 2. A provider or a home shall maintain and submit accurate and detailed  
9 records of care for any child; and
- 10 3. A parent shall submit records to verify he or she meets the  
11 requirements to receive child care subsidy funds under KRS 199.8994;

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

- 16 1. A full award to a licensed Type I or Type II child-care center or  
17 cabinet-regulated early childhood education provider, certified child-  
18 care home, or registered provider who meets the requirements of  
19 paragraph (g) of this subsection if the kindergarten-ready child  
20 received full-time services from the center or provider the two (2) years  
21 prior to the assessment;
- 22 2. A full award to a single or married parent who meets the requirements  
23 of paragraph (g) of this subsection if the kindergarten-ready child was  
24 cared for in the home the two (2) years prior to the assessment,  
25 regardless of the utilization of a babysitter;
- 26 3. A full award to a licensed Type I or Type II child-care center or  
27 cabinet-regulated early childhood education provider, certified child-

1 care home, or registered provider who meets the requirements of  
2 paragraph (g) of this subsection if the child cannot be properly  
3 assessed as a kindergarten-ready child because of a formal diagnosis  
4 of a disability and the child received full-time services from the  
5 provider the two (2) years prior to the assessment;

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

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

15 (i) Ensure compliance with federal regulations, including but not limited to the  
16 Quality Rating and Improvement Systems as established under 45 C.F.R. pt.  
17 98.

18 (4) By January 1, 2030, the university shall submit a report to the cabinet and the  
19 Legislative Research Commission for referral to the Interim Joint Committees on  
20 Families and Children, Education, and Appropriations and Revenue that:

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

22 (b) If the pilot program proves successful:

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

26 2. Includes recommendations based on the pilot program's results for  
27 optimizing performance-based child care incentives in the

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- 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.