

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 seven*

1                   (7), but not more than twelve (12), children including children related to the  
2                   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 to licensed Type I and Type II child-care  
25                  centers; cabinet-regulated early childhood education providers, certified  
26                  child-care homes, and registered providers; and single or married parents  
27                  who qualify for the child-care subsidy administered by the cabinet pursuant

1 to KRS 199.8994. To be eligible for funds, a group or individual shall:

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

4 2. If a provider or a home, maintain and submit accurate and detailed  
5 records of care for any child; and

6 3. If a parent, submit records to verify he or she meets the requirements  
7 to receive child care subsidy funds under KRS 199.8994; and

8 (h) Establish a standard for how to award a two thousand dollar (\$2,000) one  
9 (1) time payment per child once a child is designated by the assessment  
10 processes as kindergarten ready as follows:

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

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

21 3. A full payment to a licensed Type I and Type II child-care center or  
22 cabinet-regulated early childhood education provider, certified child-  
23 care home, and registered provider who meets the requirements of  
24 paragraph (g) of this subsection if the child cannot be properly  
25 assessed as a kindergarten-ready child because of a formal diagnosis  
26 with a disability and the child received full-time services from the  
27 provider the two (2) years prior to the assessment;

- 1           4. A half payment to a licensed Type I and Type II child-care center or  
2           cabinet-regulated early childhood education provider, certified child-  
3           care home, and registered provider who meets the requirements of  
4           paragraph (g) of this subsection if the kindergarten-ready child  
5           received half-day services from the center and attended public  
6           preschool the two (2) years prior to the assessment; and
- 7           5. Split payments may be granted to individuals or entities based on who  
8           provided full-time services or cared for the child in the two (2) years  
9           prior to the assessment.
- 10       (4) By October 1, 2029, the university shall submit a report to the cabinet and the  
11       Legislative Research Commission for referral to the Interim Joint Committees on  
12       Families and Children, Education, and Appropriations and Revenue that:
- 13       (a) Details the findings of the pilot program;  
14       (b) If the pilot program proves successful:
- 15           1. Identifies specific mechanisms for change, including but not limited to  
16           educational curricula and family practices to best prepare preschool-  
17           age children for kindergarten readiness;
- 18           2. Includes recommendations based on the pilot program's results for  
19           optimizing performance-based child care incentives in the  
20           Commonwealth; and
- 21           3. Includes recommendations and potential obstacles for implementing  
22           the program at scale;
- 23       (c) Details the assessment processes used to determine kindergarten readiness;  
24       (d) Identifies the rates of kindergarten readiness at the end of the pilot  
25       program; and
- 26       (e) Includes all data generated from the pilot program, which shall be made  
27       available for public review and use in accordance with applicable federal,

1 *state, and institutional review board policies.*