

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

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

(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:*

(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;

12 (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;

17 (d) Ensure that participants in the pilot program represent geographically
18 *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;

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

(g) Determine how to award funds 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

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,

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state, and institutional review board policies.