



American Rescue Plan Act (ARPA) Funding for Child Care

**Budget Review Subcommittee on Human Resources
Department for Community Based Services (DCBS)
Division of Child Care
Dr. Sarah Vanover**

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Kentucky Funding from ARPA

- The Commonwealth of Kentucky was awarded over \$763 Million specifically dedicated to child care.
- \$470 Million is designated for sustainability/stabilization payments.
- \$293 Million is designated through one-time Child Care & Development Block Grant (CCDBG) funds.

Goals of Federal Funds

- The federal goal of the stabilization payments is to support the programs that have survived the hardship of the past seventeen months.
- The federal goals of the one-time CCDBG funds are:
 - Increasing provider payments
 - Improving payment policies
 - Increasing wages for early childhood educators (in centers and family child care homes)
 - Building the supply of child care for underserved populations

Accountability of Federal Funds

- Federal partners review spending plan and meet monthly with DCBS Division of Child Care to check on disbursement of funds.
- Child care providers will be audited throughout the three year time period to make sure that funding is used for allowed expenditures.
- Monthly data will be sent to federal Office of Child Care liaisons.
- Federal audits will include review of funds and audit of random child care providers.

Stabilization Funds - Disbursement

- Nine stabilization payments to child care programs throughout Kentucky beginning in Nov. 2021 (pending request for proposal for third party vendor) when the CRRSAA payments run out.
- Payments will be made quarterly.
- \$49.6 Million will be available each payment period for the programs that apply.

Stabilization Payments - Requirements

- Child care programs must have been open and serving children by March 11, 2021 (licensed, certified, or registered providers).
- Licensed and certified child care programs must participate in the All-STARS program in order to receive stabilization grants.
- Child care programs must be eligible to accept children in the Child Care Assistance Program (CCAP) in order to receive funding from the American Rescue Plan Act.

Stabilization Payments – Tiered System

- Tier 1 - Introductory pay rate based on program capacity
 - Meets minimum labor cabinet requirements
 - Meets minimum child care regulatory requirements
 - Participates in the All-STARS program
- Tier 2 - Pay rate based on capacity with an additional 10% funding
 - Tier 1 requirements
 - Starting pay at \$10/hour or higher
- Tier 3 - Pay rate based on capacity with an additional 20% funding
 - Tier 1 requirements
 - Starting pay at \$13/hour or higher

Stabilization Funds – Allowable Expenses

Funds may be used for....



Personnel costs, employee benefits, premium pay, costs for recruitment and retention



Rent, mortgage obligation, utilities, insurance and facility maintenance or improvements



PPE, sanitization supplies and professional development related to health and safety



Updates to equipment to respond to COVID-19



Goods and services necessary to maintain or resume services



Mental health supports for children and employees

CCDBG Funds – Preschool Partnerships

- Continuing the Public School Preschool Partnership Program for the spring of 2021-2022, 2022-2023, and 2023-2024 school years.
- This will be a collaborative with KDE Division of IDEA Implementation and Preschool Services.
- This partnership will support children who qualify for CCAP and children with special needs to get individualized education program (IEP) services through three-hour public school preschool and still get full-day child care services so that families can work.

CCDBG Funds - CCAP

- Increase to CCAP reimbursement rates
- Address the benefit cliff effect
 - Three months of additional reimbursement at 50% of typical rate upon graduation from the CCAP program



CCDBG Funds – Infant Toddler Project

- This pilot project will be used to combat the decrease in programs currently accepting families using CCAP and to increase infant and toddler care for our most vulnerable populations.
- Require participating centers to pay all staff members at a certain floor, in order to continue to raise compensation through the contract program.
- CCAP will pay the center each month for a certain number of slots.
- Enrollment will be audited to make sure that paid slots are not being wasted.

CCDBG Funds – Facility Repair

- Facility repair grants for child care programs currently in operation.
- Child care programs in need of essential facility updates, including roofing, HVAC systems, structural repairs, hot water heaters, etc.
- Centers must submit a current labor quote along with a completed application.

CCDBG Funds – Trainer Academies

- Two training academies will be offered: one focusing on working with children with special needs & one focusing on director skills.
- Fifty Kentucky credentialed trainers will participate in a training academy focusing on helping child care providers work with high risk populations of children.
- Trainers will be accepted from all eight child care regions of the state.

CCDBG Funds – KY Apprenticeships

- Supporting mentor teachers/host programs to train apprentice candidates in the preschool, infant/toddler, or director apprenticeship program
- Pay fees for adult apprenticeship candidates for their child development associate (CDA) fees, orientation fees, first aid/CPR fees, or any other certification during the course of their internship
- The cost of college coursework for adult apprenticeship
- Funding to develop coaching model for training all apprentices with same curriculum/coaching for all Kentucky candidates

CCDBG Funds – KY Scholarship Programs

- Full coverage of the CDA program costs for employees working at least 20 hours per week in a child care program
- Full tuition (above our typical scholarship limits) for AA or BA in Early Childhood Education at a Kentucky state community college or university for employees working at least 20 hours per week in a child care program
- Full tuition for master's degrees in Early Childhood Education or Early Childhood Special Education at a Kentucky state university for directors or administrators working at least 20 hours a week in a child care program

CCDBG Funds – Technology Systems

- New technology platform that will link all of the DCBS child care databases in order to close data holes and find necessary data to support child care programs in the state
- Provide all family child care homes and centers in Kentucky with a three-year subscription to computerized enrollment and billing system
- Provide new computers to child care programs throughout the state for enrollment, billing, and other business practices

CCDBG Funds – Start-Up Grants

- \$2,500 grants to start certified family child care homes
- Promoting partnerships - businesses interested in starting on-site employee-based childcare can apply for up to \$100,000 grant match to open new child care facility
- Providers can apply for up to \$100,000 grant match to open new child care facility in a county considered a child care desert



Kentucky State of Child Care

August 2021

Capacity of Child Care

- At the beginning of March 2020, the Commonwealth had 2,201 child care programs
- Data from the National Association for the Education of Young Children estimated that states would lose up to 40% of child care programs during the pandemic
- Kentucky lost approximately 8.9% of child care programs since that time, leaving approximately 2,027 centers and family based child care programs

Participation in Child Care Assistance Program

- In March 2020, there were over 29,000 children enrolled in CCAP.
- In winter/spring of 2021, enrollment dipped to approximately 17,000.
- In July 2021, numbers increased to just over 25,000. Data shows that parents are re-entering the workforce.

Regulatory Changes

- Temporary child care regulations regarding the state of emergency were frequently revised and completely withdrawn in May.
- New regulations governing emergency temporary licensure or certification were filed and will be in effect soon (per 2021 Senate Bill 148).
- KY All-STARS program will reopen in October 2021 now that visitors can access child care programs.

Family Child Care Programs

- Start-up funding was provided for 42 new family child care programs through CHFS CARES Act funding.
- Kentucky's Family Child Care Network officially began in July 2021 to offer technical assistance and business guidance to family child care homes throughout the state.
- SB 148 lessens zoning barriers for start-up programs.

CCAP Rate Increase

- A \$2 per day per child CCAP rate increase was appropriated (per 2021 House Bill 405).
- Emergency and ordinary regulation amendments were filed to implement the rate increase on July 1, 2021.
- Child care providers were able to bill for the increased July rates beginning on August 1, 2021.

Challenges Moving Forward

- The largest challenge across the nation is acquiring staff.
- Increasing wages
- Increasing access to child care in remote areas
- Providing high quality child care for children with special needs

Questions?



For questions or information related to this presentation,
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