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Gov. Beshear: Kentucky Child Care Providers Awarded \$763 Million in Federal Funds

Projects focus on sustainability, stabilization of industry

FRANKFORT, Ky. (June 24, 2021) – Gov. Andy Beshear announced today that Kentucky has been awarded more than \$763 million in federal funds to provide relief for child care providers in the commonwealth that have been financially impacted by the global pandemic, in turn helping families with young children.

The Governor said the funding supports more than just child care.

“This funding is an investment not only in our young children and their educators, but in our economy as well,” Gov. Beshear said. “My administration is committed to early childhood development and rebuilding the state’s economy as we emerge from the COVID-19 crisis. This funding allows our child care providers to stay open, keeps parents in the workforce and keeps our infrastructure strong to build a better Kentucky.”

The three-year funding is from the \$1.9 trillion emergency relief bill – the American Rescue Plan Act – which provides economic relief to our nation’s families, workers and businesses. Of these funds, \$39 billion was specified for the child care industry, both for providers and to support families that need help paying for child care.

Cabinet for Health and Family Services (CHFS) Secretary Eric Friedlander, whose cabinet houses the Division of Child Care (DCC) in the Department for Community Based Services, said the funding is a lifeline for the state’s economy and for child care providers.

“One of the greatest lessons we have learned over the last year is that child care is essential. It not only supports children and families, it supports every other industry in this commonwealth,” Secretary Friedlander said. “It’s time we recognize this not just with our appreciation, but with support such as what is offered with this incredible funding.”

Secretary Friedlander said that before the COVID-19 pandemic, in early 2020, Kentucky had child care capacity for 165,314 children.

“We want to not only keep that number but make it grow with a more vibrant Kentucky economy,” he said. “We can sustain existing providers and stabilize communities with child care deserts that need more options for safe, healthy child care. This funding supports early learning and lays a strong foundation for children now and for their future.”

Secretary Friedlander said the federal funding will be used in two ways.

The largest part of the funding – more than \$470 million – is for sustainability payments that will be distributed to child care providers throughout the state. Secretary Friedlander said 95% of this funding – \$446,561,055 – is dedicated to stabilization grants for eligible programs opened by the federal cutoff date of March 11, 2021. The remaining 5% – up to \$23,503,213 – is dedicated to administrative expenses. He said CHFS is looking for partners to assist with these grants, particularly the distribution of the sustainability payments.

The second stream of funding, \$293 million from the Child Care and Development Block Grant (CCDBG) is slightly more flexible and has been designated for four specific purposes:

- increasing provider payments;
- improving payment policies;
- increasing wages for early educators and family child care homes; and
- increasing the number of quality child care options for underserved populations.

Families may apply for assistance through the Child Care Assistance Program. A prescreening tool and application tool is posted to kynect.ky.gov. Eligibility information is also available at local DCBS offices, where applications are also accepted.

Providers will be contacted by DCC with details on how to apply for funding. Providers will need to respond with a contract within a week prior to the deadline. At that time, the DCC will send Child Care Aware staff to facilities to notify them about the contracts and offer assistance with filling them out, if needed.

Here is a breakdown of recommended Kentucky projects and costs through this funding stream:

- Continuation of the Public School Preschool Partnership Program for next three school years: \$30 million;
- Increase in Child Care Assistance Program (CCAP) reimbursement during the length of the funding period: \$194 million;
- Pilot for CCAP contracts for infant and toddler care throughout the state: \$18.9 million;
- Facility repair grants for child care programs currently in operation: \$20 million;
- Training academies for Kentucky credentialed trainers: \$150,000;
- Kentucky apprenticeship program funding: \$2 million;
- Increased contributions to the Kentucky Early Childhood Scholarship Program: \$7 million;
- Additional start-up grants for family child care homes (over three years): \$500,000;
- Business partnership start-up funds (over three years): \$2 million;
- Matching start-up grants for child care programs in “deserts” (over three years): \$4 million; and
- Technology system upgrades to connect all child care data systems: \$14.7 million.

Secretary Friedlander said there will be an application process for all programs eligible for grants, including the preschool partnership programs, the infant/toddler CCAP pilot program and the start-up program.

Find more information about this funding and child care in Kentucky [here](#).