In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding.

Creating a Coordinated, Integrated Early Care and Education System: State Early Childhood Administration

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The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for Kentucky.

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.
Early Childhood: 50 State Report

Kentucky Office of the Governor

**KEY:**
- Funding mandated for State Departments of Education
- Funding provided directly to local organizations
- State does not receive funding

**Flow of Federal Early Childhood Funds: Kentucky**

- **Department of Health and Human Services**
  - Office of Head Start
  - Office of Child Care: CCDF
  - Office of Family Assistance: TANF
  - Division of Maternal and Child Health
  - Division of Women's Health
  - Division of Public Health, First Steps Program: Part C

- **Department of Agriculture**
  - Office of Family Assistance: TANF
  - Food & Nutrition Service: CACFP

- **Department of Education**
  - Office of Special Education and Rehabilitative Services: Part B, Section 619
  - Office of Postsecondary Education and Rehabilitation Services: CCAMPIS

- **Cabinet for Health and Family Services (CHFS)**
  - Department of Community Based Services
    - Division of Child Care: All STARS - Quality Rating Improvement System: CCDF
    - Division of Family Support: TANF
  - Department of Public Health, First Steps Program: Part C
  - Office of the Secretary Inspector General, Division of Regulated Child Care:
    - Child Care Licensing: CCDF

- **Education and Labor Cabinet (ELC)**
  - Council on Postsecondary Education (CPE)
  - KY Head Start Association
  - State Pre-K

- **Office of Inspector General, Division of Regulated Child Care**
  - Office of Inspector General
  - Division of Maternal and Child Health
  - Division of Women's Health
  - Division of Regulated Child Care

- **Local Institutions**
  - Head Start Programs

- **Quality Rating Improvement System (QRIS)**
  - Kentucky All STARS has four levels with higher levels indicating higher levels of quality. Programs meeting state licensure requirements enter at Level 1 and apply to move to higher quality by meeting a series of quality standards. Programs receiving public funding must participate in Kentucky All STARS.

- **State Advisory Council (SAC)**
  - The Early Childhood Advisory Council (ECAC) helps develop a strategic plan on early childhood for the state and coordinate activities across state agencies.
Early Childhood: 50 State Report

BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of Kentucky’s early care and education system.

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grant Birth through Five (PDG B-5)
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

### ECE Funding in Kentucky

#### Funding from Nine GAO-Identified Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDF Expenditure</td>
<td>$128,407,082</td>
<td>$215,582,298</td>
<td>$1,116,587,758</td>
</tr>
<tr>
<td>Transfer from TANF</td>
<td>$0</td>
<td>$0</td>
<td>-</td>
</tr>
<tr>
<td>Head Start Allocation</td>
<td>$169,948,523</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Early Head Start</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDEA Part C, Allocation (infant/toddler)</td>
<td>$6,169,000</td>
<td>$6,280,636</td>
<td>$9,133,781</td>
</tr>
<tr>
<td>IDEA Part B, Section 619 Allocation (3-5 years)</td>
<td>$10,471,396</td>
<td>$10,543,683</td>
<td>$15,829,655</td>
</tr>
<tr>
<td>CCAMPIS Grants</td>
<td>$539,319</td>
<td>$602,413</td>
<td>$771,482</td>
</tr>
</tbody>
</table>

#### Additional ECE Funding Streams

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF Child Care Expenditure (Direct)</td>
<td>$30,490,352</td>
<td>$32,666,352</td>
<td>-</td>
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<tr>
<td>TANF Pre-K / Head Start Expenditure</td>
<td>$0</td>
<td>$0</td>
<td>-</td>
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<tr>
<td>CACFP Allocation</td>
<td>$45,186,367</td>
<td>$33,553,861</td>
<td>$45,442,627</td>
</tr>
</tbody>
</table>

#### Number of Children Under Age 6

- **UNDER 3**: 148,739
- **3-4 YEARS OLD**: 110,539
- **5 YEARS OLD**: 55,743

#### Percentage of Children in Poverty

- **22.1%**