



Kentucky's Response to COVID-19: Child Care Actions

Fact Sheet | January 2021

On March 27, 2020, the CARES Act was signed into law, including \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant to prevent, prepare for, and respond to the coronavirus. This funding represents a 60% increase in total discretionary appropriations for fiscal year 2020, which amounts to \$9.326 billion. States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to help address needs of working families and providers through COVID-19. However, as the funds ran out during the ongoing crisis, many states began pulling from other sources to continue supporting parents and providers alike. This fact sheet explains the actions Kentucky took to support the child care industry and working parents through 2020.

Kentucky received \$67.7 million in supplemental CCDBG funds through the CARES Act. As of November 13, Kentucky had spent approximately \$62 million of its CARES Act supplement.

In a May survey of more than 70% of the state's child care programs, almost one-third (30%) felt they could not cover ongoing costs during closures without financial assistance, which could possibly close them to permanently close. Further, just under a quarter (23%) of programs that had closed said they were able to retain their staff.

Kentucky used their CARES Act funds to subsidize payments to providers regardless of whether the program was open or had temporarily closed. Furthermore, Kentucky utilized subsidy payments to fund limited duration child care programs, allowing some programs to remain open to serve children of essential workers. The state estimated that this cost a total of \$712.5 million for this program.

The state also waived parent copayments and instead, directly covered the payments to providers. The state reported almost \$35.5 million was spent doing so. In October, Kentucky reverted to paying child care subsidies based on attendance rather than pre-pandemic enrollment.

On June 8, with public health regulations, certified home-based providers were allowed to reopen while licensed center-based programs and summer day camps were eligible for reopening on June 15.

As of August 31, temporary child care programs established during the May 20 closure order were required to close or transition into a licensed or certified program.

In September, Kentucky began to offer bonuses of \$2,500 to new home-based child care providers to encourage new providers to participate in the market, and to help them with licensing requirements. The state allocated a total of \$6,657,000 on this program.

In October, Kentucky announced that the remaining \$16 million in supplemental CCDBG funding would be used to pay an additional \$130 per child to programs (either open or temporarily closed) to help cover salary, mortgage/rent, and utilities costs. In mid-November, just 300 providers had not yet applied, and there was a remaining \$5 million in this program.

Kentucky did not announce any additional programs or supports for the child care industry for early 2021.