

**APPENDIX E
KENTUCKY**

**Survey Results on the Status of State Implementation Efforts
October 1, 2002 to May 31, 2003**



Southern Regional Initiative on Child Care: Action Plan to Improve Access to Child Care Assistance for Low-Income Families in the South

**Survey Results on the Status of Implementation Efforts
Current Report Period: October 1, 2002 to May 31, 2003**

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Goal 1 - Federal, State, Local and Private Funds Should Be Sufficient to Meet 100% of Need for Direct Child Care Assistance, Based on Initial Eligibility Levels at 85% of the State Median Income. Redetermination Levels Should Allow Families to Retain Child Care Assistance Until They Reach 100% of State Median Income.

(Action Step 1.1) - Educate federal and state policymakers on the need for action.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Quarterly reports are sent to state agency and legislative members, as well as collaborative partners. Policymakers are included on the Early Childhood Authority and local Early Childhood Councils who assess community/state needs, decide on funding priorities, and work on a comprehensive plan to meet the needs of Kentucky's children. Testimony is also given before Legislative committees.

(Action Step 1.2) - Educate the business community on the need for leadership in achieving state, federal and community resources to meet 100% of need.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

The Early Childhood Authority, the local Early Childhood Councils include the business community as members. An Early Childhood Business Council is also being formed as a result of KY's HB 706, which is to involve the corporate community, county judge/executives, and mayors in supporting issues of importance to working families with young children and to collect and disseminate information about the various ways business and local government can become involved in supporting early childhood.

(Action Step 1.3) - Increase federal funding for the Child Care and Development Fund to fulfill current policy allowing federal matching funds for child care assistance up to 85% of the state median income.

2003 Response:

See 2001 and 2002 responses. Additionally, budget constraints in 2003 have forced Kentucky to plan implementation of cost containment measures which include a suspension of intake of new applications for income eligible and non-TANF education/training clients. If this is not sufficient to prevent a deficit, Kentucky will be considering lowering the eligibility threshold rather than raising it to 85% of state median income.

2002 Response:

See 2001 response. Additionally, the Early Childhood Authority, the local Early Childhood Councils include the business community as members. An Early Childhood Business Council has been formed as a result of KY's HB 706, and involves the corporate community, county judge/executives, and mayors in supporting issues of importance to working families with young children. The Councils also collect and disseminate information about the various ways business and local government can become involved in supporting early childhood. Eligibility for participation in the Child Care Assistance Program may be increased, to the extent that funds are available, from 165% to 170% of the federal poverty level during the effective period of the FFY 2002 and 2003 CCDF Plan. However, to date budgetary constraints have not permitted this increase.

2001 Response:

HB 706 also mandates that the Cabinet for Families and Children shall evaluate at least annually the adequacy of the childcare subsidy to enable low income families in need of childcare services to obtain child care and shall file an annual report on its evaluation with the Early Childhood Authority and the Legislative Research Commission.

The Governor's Early Childhood Initiative, HB 706, was enacted during the 2000 Session of the General Assembly. This important initiative combines funding from the CCDF and Kentucky's Phase I Tobacco Settlement dollars. As a result, an increased focus on child care issues means that early care and education will be enhanced through the following: eligibility for participation in the Child Care Assistance Program may be increased, to the extent that funds are available, from 165% to 170% of the federal poverty level during the effective period of the FFY 2002 and 2003 CCDF Plan.

(Action Step 1.4) - Increase state funding to provide childcare subsidies to all eligible families who seek child care assistance.

2003 Response:

The child care assistance program has a projected budget deficit of \$16M for SFY'04 and was able to obtain \$5M in additional general funds in our SFY'04 budget. However, there is still a projected budget deficit that has required implementation of cost containment measures. Effective 5/1/03, Kentucky is suspending intake for new applications for low-income and non-TANF education/training clients. This will result in a waiting list for eligible families.

2002 Response:

No change.

2001 Response:

KY is currently able to serve all eligible families who seek child care assistance that meet income guidelines. At this time we have no waiting lists.

(Action Step 1.5) - Mobilize federal, state and community resources in support of families who need child care assistance.

2003 Response:

Please see 2001 response. Additionally, during the 2003 General Assembly, many child care advocates, providers and families came to Frankfort in support of obtaining additional funds for the child care assistance program. It was this community support that resulted in a \$5M increase in state general funds.

2002 Response:

No change.

2001 Response:

KY is working through the Early Childhood Authority, the Early Childhood Councils, and the Early Childhood Business Councils to achieve this goal. In addition some Child Care Resource and Referral agencies and Service Agents have accessed additional local resources to supplement child care assistance.

Goal 2: States and Communities Should Broaden Their Child Care Eligibility and Subsidy Policies to Meet the Economic, Work and Education Needs of Families

(Action Step 2.1) - Establish co-payments not to exceed 10% of gross family income.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY's co-payment schedule meets this guideline (sliding scale from 0-10%).

(Action Step 2.2) - Provide child care assistance to students who qualify under the income guidelines.

2003 Response:

KY is able to assist teen parents who are pursuing a high school diploma or GED. From 7/1/02 to 5/1/03, KY also assisted adults pursuing a GED, vocational training, or post-secondary education that leads to self-sufficiency. Policy established time frames for participation for adult students. Due to budget constraints, effective 5/1/03, new applications for adult students were suspended. Current recipients will be allowed to remain eligible as long as they meet criteria and do not allow their eligibility to lapse.

2002 Response:

No change.

2001 Response:

KY is able to assist teen parents who are pursuing a high school diploma or GED. We are also able to assist adults pursuing a GED, vocational training, or post-secondary education that will lead to self-sufficiency.

(Action Step 2.3) - Explore broad use of income exemptions to address affordability of childcare.

2003 Response:

KY exempts one time payments such as tax refunds, lottery winnings, educational loans or grants, and payments made specifically for the child such as child eligible SSI or Disability.

2002 Response:

No change.

2001 Response:

KY exempts one time payments such as tax refunds, lottery winnings, educational loans or grants, and payments made specifically for the child such as Kinship Care payments, child eligible SSI or Disability, etc.

(Action Step 2.4) - Eliminate asset testing (e.g. automobile or savings account) from criteria for childcare assistance.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does not utilize asset testing for child care assistance eligibility.

(Action Step 2.5) - Index income eligibility levels for inflation.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does not do this. Current budget shortfalls for the state will probably not allow us to consider this at any time in the near future.

Goal 3: Outreach Initiatives Should Be Designed and Aggressively Implemented to Assure That Families Have Accessible and Easy-To-Understand Information on Child Care Assistance and Are Provided Assistance in Applying.

(Action Step 3.1) - Provide information on child care subsidies through multiple sources, venues and the media.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY is accomplishing this goal through Early Childhood Councils, CCR&Rs and Service Agents. Multiple sources include distribution of pamphlets in local offices, newspaper articles, video tapes that are played in the Community Based Services offices, some radio spots and interviews.

(Action Step 3.2) - Ensure that information is accurate, family friendly, employer friendly, culturally sensitive and provided in multiple languages, as appropriate.

2003 Response:

See 2001 and 2002 responses. In 2003, budget constraints have impacted the timeframes and priorities for implementation.

2002 Response:

See 2001 response. Additionally, the Cabinet for Families and Children convened a workgroup to make recommendations for compliance with federal guidelines related to limited English proficiency. Those recommendations have been made and are currently under review.

2001 Response:

This is an on-going effort. Workgroups are currently working on translation of forms, revising them to be more user-friendly.

(Action Step 3.3) - Present information in a manner that would remove the stigma associated with receiving subsidies.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY attempts to promote child care assistance as a benefit/support to the parent rather than a subsidy/entitlement. Confidentiality is mandated and regulations require that policies for the general public must also apply to families receiving the child care assistance to alleviate some of the potential for stigma that might be associated with a family receiving child care assistance.

(Action Step 3.4) - Provide literature and assistance to help parents make informed provider choices.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This information is distributed through the CCR&Rs, Service Agents, Family Resource centers, Health Departments, and Healthy Start in Child Care staff.

(Action Step 3.5) - Coordinate ongoing and strategic outreach activities among common organizations and providers.

2003 Response:

See 2001 response. In addition, a Partnership Workgroup has been convened to collaborate and coordinate with key early care and education partners.

2002 Response:

No change.

2001 Response:

The Child Care Councils are working collaboratively to achieve this goal. CCR&Rs in some areas are also working with provider organizations and community partners. The Division of Child Care staff participates in collaborative efforts with Head Start, Health Departments, Division of Licensed Child Care, the Councils, and other child advocacy partners.

(Action Step 3.6) - Offer cross-training and information to providers, community organizations, faith organizations, and state agencies to inform them about child care assistance programs and how to assist families in filing applications.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Service Agents, CCR&Rs, and the Councils are working toward this goal under the oversight and guidance of the Division of Child Care and the Governor's Office of Early Childhood Development.

Goal 4: The Child Care Application and Redetermination Processes Should Be Uncomplicated and Family Friendly.

(Action Step 4.1) - Simplify applications for child care assistance.

2003 Response:

See 2001 and 2002 responses. Budget constraints have impacted development of the central data repository.

2002 Response:

See 2001 response. There is also an initiative to develop a central data repository for families receiving benefits from several Departmental agencies so that data can be shared and the application process for families simplified and streamlined.

2001 Response:

This is an on-going process. Division of Child Care consults with the Service Agents to work on ways to get parent feedback and incorporate recommendations.

(Action Step 4.2) - Allow filing by mail, phone, fax or internet.

2003 Response:

No change.

2002 Response:

Sew 2001 response. Redeterminations may be done by mail, phone or fax.

2001 Response:

While most contact is face-to-face, there is no mandate that it is required. KY is piloting a program that allows redeterminations by mail or fax in the county with the largest CCAP population. KY does not have the technology to allow for internet filing at this point.

We do have concerns that allowing filing without face-to-face contact does not allow counselors to develop an important relationship with the families and to perhaps identify other needs. KY's Comprehensive Family Services focus encourages staff to treat families in a holistic way, rather than just do eligibility determinations.

(Action Step 4.3) – Minimize requests for documentation at initial application and utilize documents already on file.

2003 Response:

See 2001 and 2002 responses. Budget constraints have impacted development of the central data repository.

2002 Response:

See 2001 response. The initiative to develop a central data repository, upon completion, would permit all agencies involved with a family to share data required for verification of eligibility. Families would then only have to document once for any services for which they might apply.

2001 Response:

Families that are referred by Community Based Services workers do not have to re-verify information that is provided on the referral form. If completed correctly, families do not usually have to provide any additional documentation. Once critical information is documented and on file, it is not required to verify again.

(Action Step 4.4) - Provide applications at multiple sites.

2003 Response:

No change.

2002 Response:

See 2001 response. Applications are system generated at this time and completed during the interview process. Without costly major system changes, we are not able to make this process available in as many locations as we would like.

2001 Response:

Several counties, primarily in the larger urban areas, offer multiple sites and outreach offices at this time. Counselors in other counties attempt to accommodate families when time and staffing permit. Some go to schools or places of employment when possible.

(Action Step 4.5) - Offer non-conventional hours of operation for eligibility offices and provide toll-free phone lines to include evening and weekend hours.

2003 Response:

See 2001 response. Budget constraints will further impact efforts.

2002 Response:

No change.

2001 Response:

Some offices are attempting to flex staff time in order to offer more hours. However, numbers of staff available, time constraints, and budget constraints have not permitted us to staff offices or phones during evenings and weekends. All of the Service Agents have toll-free lines, at least in their central offices, and can have counselors return calls to families. Service agents do have counselors that cover all 120 counties but there are not full time counselors in every county. There are, however, local phone numbers for families to call or to leave a message for the counselor. Accessibility issues are an on-going effort.

(Action Step 4.6) - Explore presumptive eligibility or otherwise provide immediate eligibility contingent upon final approval.

2003 Response:

Although regulations allow for 30 days to notify parents of their eligibility, most parents are advised of their eligibility on the date of application. Eligibility is normally immediate unless there is a different date specified if the family has an authorization from Community Based Services. With the suspension of new applications for low-income and non-TANF education/training clients, presumptive eligibility will be a moot point.

2002 Response:

No change.

2001 Response:

Although regulations allow for 30 days to notify parents of their eligibility, most parents are advised of their eligibility on the date of application. Eligibility is normally immediate unless there is a different date specified if the family has a referral from Community Based Services. Occasionally, counselors will need verification of income, immunization, or some other record to make a final determination. Most families in these situations are presumed eligible and allowed time to submit the necessary documentation.

(Action Step 4.7) - Eliminate requirements for a face-to-face interview both for initial application and for redetermination.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

While most contact is face-to-face, there is no mandate that it is required. KY is piloting a program that allows redeterminations by mail or fax in the county with the largest CCAP population.

We do have concerns that allowing filing without face-to-face contact does not allow counselors to develop an important relationship with the families and to perhaps identify other needs. KY's Comprehensive Family Services focus encourages staff to treat families in a holistic way, rather than just do eligibility determinations.

(Action Step 4.8) - Provide consultation on making appropriate choices when excessive requests for provider changes are filed.

2003 Response:

See 2001 response. At the time of application consumer education regarding quality child care is made available to the family as well as a referral to the local child care resource and referral agency.

2002 Response:

No change

2001 Response:

Current regulation limits families to 3 provider changes per year although a counselor may approve additional changes if appropriate. Counselors are also to advise families of this limit when application is made and to counsel them regarding the importance of stability for their children in an attempt to reduce frequent changes.

(Action Step 4.9) - Establish a 12-month redetermination period where there are no changes in income or job status.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This is KY's policy.

(Action Step 4.10) - Continue eligibility for full subsidy for 12 weeks if family loses employment but can document that a job search is underway.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Current policy allows a 30-day break in employment if the child care slot would be lost. Consideration of expansion of the time limit can be made for job searches that extend beyond the current 30-day limit.

Goal 5: Establish a Coordinated, Seamless Eligibility System So That Funding Sources Are Invisible to Families and Support Continuity of Child Care.

(Action Step 5.1) - Eliminate the need for families to reapply when eligibility categories change by automatically searching to exhaust all eligibility categories before closing cases.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

If funding forces changes in eligibility categories, families are transferred to that category automatically. An exception to this would be the elimination of a funding source and there were no other categories in which the family could qualify. If family circumstances change causing the family to no longer be eligible in a particular category, re-application is required but can be facilitated and may not require a face-to-face contact.

(Action Step 5.2) - Explore the potential for policy and procedural changes to achieve linkages with or combined applications for child care assistance, Head Start, Pre-K and Title I.

2003 Response:

KY continues to explore this possibility. This will be one area of discussion for the Partnership Workgroup.

2002 Response:

No change.

2001 Response:

We are beginning to explore this area.

(Action Step 5.3) - Continue eligibility in programs with multiple funding sources to assure continuity of care in the event that eligibility has expired or terminated in one program.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Kentucky is currently meeting this goal. In programs with multiple funding sources in which eligibility has expired or terminated in one program, the families that are still eligible have their eligibility switched through a batch process that does not require anything of the family. They are unaware of the change.

(Action Step 5.4) - Work collaboratively with all public and private programs and funding sources to assure that children receive stable and consistent early child care services.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This is the goal of the Governor's Early Childhood Initiative.

Goal 6: Establish Customer Service Outcome Goals and Set Standards to Ensure that All Families are Treated With Dignity and Respect and Are Served in an Efficient Manner.

(Action Step 6.1) - Provide professional and well-trained eligibility staff who are culturally and linguistically sensitive.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY has identified the need and is considering ways to minimize the gaps and barriers, including training possibilities.

(Action Step 6.2) - Facilitate quick eligibility determination through reasonable caseloads and/or administrative structure.

2003 Response:

See 2001 response. The suspension of new applications for low-income and non-TANF education/training will impact caseloads.

2002 Response:

No change.

2001 Response:

In most areas, eligibility determination is completed on the day of application and generally there is no more than a 1week wait for an appointment. In areas where caseloads are a concern and impact customer service, KY is working with the agencies to find ways to reduce the caseloads and improve customer service.

(Action Step 6.3) - Conduct periodic, independent and thorough consumer satisfaction assessments, assuring the confidentiality of information collected.

2003 Response:

Improvement in this area is an on-going process.

2002 Response:

No change.

2001 Response:

One Service Agent does a quarterly survey. A phone survey has been conducted as a part of the yearly monitoring of the Service Agent contract. Improvement in this area is an on-going process.

(Action Step 6.4) - Provide adequate support for child care resource and referral services.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY supports local CCR&Rs through their state association, KACCRRA. There are continuing efforts to improve services, to improve and increase training possibilities, and to bring all CCR&Rs to technological efficiency.

Goal 7: Design the Subsidy System So That Rate Structures Assure That Families Receiving Child Care Assistance Have Access to All Types of Child Care and Disallow Charges Above Established Co-Payments.

(Action Step 7.1) - States should cap reimbursement rates at no less than the 75th percentile based on a market rate survey conducted every two years that accurately reflects the price of all types of care in communities across the state.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does this.

(Action Step 7.2) - Establish and evaluate reimbursement policies that encourage provider participation and are responsive to family needs.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY has implemented a voluntary rating system which provides technical assistance, financial incentives, and recognition to improve the quality of care provided to KY's families. Parental involvement is a component of the requirements of this system. There are differentials for providers providing care during non-traditional hours, for providers that are accredited, and for children requiring special care. Differentials are allowed to be cumulative.

(Action Step 7.3) - Prohibit providers from charging above the established co-payments.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Parents are required to pay any difference between the state maximum rate and the provider's rate to the public, less the parental co-pay, unless waived by the provider. KY does not mandate that providers cannot charge CCAP families for any difference between their rate to the public and the state maximum rate.

We recognize that since our maximum rates are based on the 75th percentile of the market rates, that there will be care available for more than we reimburse. We do not feel that we can force the provider to accept a financial loss or to pass the loss along to private pay parents in order to meet this goal.

Goal 8: Create Partnerships With Employers to Expand Child Care Assistance for Working Families.

(Action Step 8.1) - Educate employers about the bottom line benefits associated with public and private child care assistance.

2003 Response:

The Early Childhood Business Council is addressing this. Additionally one area of the state is working with the National Economic Development and Law Center to report the economic impact of child care industry in that area.

2002 Response:

No change.

2001 Response:

This has not been a state-wide effort although some area agencies make this effort. This is seen as an effort that will be addressed through the Early Childhood Business Councils.

(Action Step 8.2) - Enlist business leaders to champion the involvement of southern businesses and to serve as mentors to other businesses.

2003 Response:

The Early Childhood Business Council is addressing this.

2002 Response:

No change.

2001 Response:

See response to action step 8.1.

(Action Step 8.3) - Provide information to employers on all available tax benefits related to child care assistance, including deductions for donations to tax-exempt child care organizations, capital costs for constructing a child care center and establishing a pre-tax dependent care assistance plan.

2003 Response:

The Early Childhood Business Council is addressing this.

2002 Response:

No change.

2001 Response:

Please refer to action step 8.1.

(Action Step 8.4) - Facilitate collaborative initiatives that enable employers to share ideas as well as pool their resources to address child care needs.

2003 Response:

The Early Childhood Business Council is addressing this.

2002 Response:

No change.

2001 Response:

Please refer to action step 8.1.

(Action Step 8.5) - Provide matching funds or other tax or financial incentives for employers to invest in childcare.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does not currently do this and budget shortfalls are not encouraging for development in the near future.

(Action Step 8.6) - Establish incentives for employers to create child care benefit programs for their employees or to contribute to child care purchasing pools in their state or community.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does not currently do this and budget shortfalls are not encouraging for development in the near future.

(Action Step 8.7) - Reduce the administrative burden on employers participating in any joint public/private childcare assistance program.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

The Early Childhood Business Councils will explore this.

Goal 9: Provide Child Care Assistance to Working Families Through Federal and State Tax Laws.

(Action Step 9.1) - Make the federal child dependent care tax credit refundable.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

Currently KY uses 20% of the federal amount and no change is anticipated.

(Action Step 9.2) - Establish refundable child and dependent care tax credits in states with income taxes.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY does not do this and no change is anticipated.

(Action Step 9.3) - Raise federal and state childcare tax credit expense limits to accurately reflect the price of quality care.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This is legislative action that may be considered in the next session, perhaps updated to 35% (e.g. \$288-\$420).

(Action Step 9.4) - Index for inflation the state and federal child and dependent care tax credit income eligibility and expense limits.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This may be another area that the Early Childhood Business Council can address.

(Action Step 9.5) - Ensure that child and dependent care tax credits are clearly identified and easy to claim by filers using either the short or long form.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

On KY's forms these are clearly identified.

(Action Step 9.6) - Encourage the use of effective state tax strategies to provide financial support for childcare.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This may be another area that the Early Childhood Business Council can address.

Goal 10: States Should Have Effective, Coordinated Systems to Guide Child Care and Early Childhood Policy Decisions and Direct Use of Resources.

(Action Step 10.1) - Facilitate greater coordination in eligibility policies across childcare and early childhood education programs at state and local levels.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

This is another area addressed in the Governor's Early Childhood Initiative.

(Action Step 10.2) - All southern states and the District of Columbia should participate in a collaborative effort to develop and collect common data elements across states.

2003 Response:

No change.

2002 Response:

No change.

2001 Response:

KY currently does this through the Child Care Information Center, part of ACF and is open to other collaborative efforts.