

KENTUCKY EARLY CHILDHOOD EDUCATION FUNDING

2020 ENACTED BUDGET AND HOUSE 2021 AND 2022 BUDGET PROPOSAL

AMOUNTS SHOWN MILLIONS OF DOLLARS

CHILD CARE ASSISTANCE PROGRAM • GENERAL FUND • HEALTH AND FAMILY SERVICES CABINET

| | FY 2020 Enacted Budget | FY 2021 House Budget Bill | FY 2022 House Budget Bill | 2020 to 2021 Change | Percent Change | 2021 to 2022 Added Change | Added Percent Change |
|--------------------------------------|------------------------------|---------------------------------|---------------------------------|---------------------------|-------------------|------------------------------------|----------------------------|
| Child Care Assistance Program (CCAP) | \$10.6 | \$15.0 | \$15.0 | \$4.4 | 42% | \$0.0 | 0% |

PRESCHOOL PROGRAM • GENERAL FUND • EDUCATION DEPARTMENT

| | FY 2020 Enacted Budget | FY 2021 House Budget Bill | FY 2022 House Budget Bill | 2020 to 2021 Change | Percent Change | 2021 to 2022 Added Change | Added Percent Change |
|-------------------|------------------------------|---------------------------------|---------------------------------|---------------------------|-------------------|------------------------------------|----------------------------|
| Preschool Program | \$84.5 | \$77.0 | \$81.2 | -\$8 | -9% | \$4.2 | 5% |

EARLY CHILDHOOD DEVELOPMENT • GENERAL FUND (TOBACCO) • MULTIPLE DEPARTMENTS

| | FY 2020 Enacted Budget | FY 2021 House Budget Bill | FY 2022 House Budget Bill | 2020 to 2021 Change | Percent Change | 2021 to 2022 Added Change | Added Percent Change |
|--|------------------------------|---------------------------------|---------------------------------|---------------------------|-------------------|------------------------------------|----------------------------|
| Early Childhood Advisory Council (Previously Early Childhood Development Council) | \$2.1 | \$1.4 | \$1.4 | -\$0.7 | -32% | \$0.0 | 0% |
| Early Childhood Development | \$9.8 | \$9.8 | \$9.8 | \$0.0 | 0% | \$0.0 | 0% |
| Early Childhood Adoption and Foster Care Supports | \$2.5 | \$3.2 | \$3.2 | \$0.7 | 26% | \$0.0 | 0% |
| Health Access Nurturing Development Services (HANDS) | \$9.0 | \$7.0 | \$7.0 | -\$2.0 | -22% | \$0.0 | 0% |
| Healthy Start initiatives | \$1.0 | \$0.9 | \$1.0 | -\$0.1 | -6% | \$0.1 | 6% |
| Folic Acid Program | \$0.1 | \$0.0 | \$0.0 | -\$0.1 | -100% | \$0.0 | 0% |
| Early Childhood Mental Health | \$1.0 | \$0.9 | \$1.0 | -\$0.1 | -6% | \$0.1 | 6% |
| Early Childhood Oral Health | \$1.1 | \$1.0 | \$1.0 | -\$0.1 | -6% | \$0.1 | 5% |
| Substance Abuse Prevention and Treatment (Pregnant Women) | \$1.5 | \$1.4 | \$1.5 | -\$0.1 | -6% | \$0.1 | 5% |
| Total | \$27.9 | \$25.6 | \$25.8 | -\$2.3 | -8% | \$0.2 | 1% |

Child Care Assistance Program Note

The \$10.6 million in General Fund revenue appropriated in the FY 2020 budget allows additional children to receive child care assistance by raising the eligibility requirements to include families with incomes of up to 160% of the federal poverty level. CCAP is largely funded by federal dollars not shown here, in addition to state General Fund and Tobacco Settlement dollars. State regulation 922 KAR 2:160 now establishes eligibility for CCAP at 160% of the federal poverty level. The House budget increases the line-item for CCAP to \$15 million to support an increase in the eligibility threshold to 175% of the federal poverty level.

Preschool Note

The House budget increases the eligibility threshold for public preschool from 160% to 175% of the federal poverty level in the second year of the biennium. Total funding is reduced by \$7.5 million in the first year with the removal of the Preschool Partnership grants. An additional \$4.2 million is added back in the second year to support the new eligibility level.

HANDS Program Note

The \$9 million appropriated for the HANDS program in the FY 2020 budget provided our state share of qualifying funds to participate in the federal Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV). As the budget process continues, it will be important to analyze how lowering that funding to \$7 million will affect Kentucky's eligibility for federal MIECHV support and continue to offer services at a level necessary to support new families.

Early Childhood Scholarships Note

Early childhood scholarships were an important component of Kentucky's early childhood development in years past. In more recent years, the scholarships have been left out of tobacco-funded early childhood investment plans. Limited funding for early childhood scholarships is currently being provided using by KHEAA using carry forward and restricted funds.