

February 23, 2024

The Honorable Senator Carroll  
Kentucky State Senator, District 58  
702 Capital Avenue, Room 228  
Kentucky Capitol Annex Building  
Frankfort, Kentucky 40601

Senator Carroll:

The Prichard Committee is grateful for your leadership in strengthening early childhood education through Senate Bill 203. We support your proposal to secure investments to the Child Care Assistance Program (CCAP) and for creative strategies such as the Innovations in Early Childhood Education Delivery Fund.

Of heightened interest to us is your proposal to incentivize public-private partnerships in the delivery of early childhood education services, as outlined in Section 4 of the Horizon Act. We ask for your consideration of the suggested enhancements below as steps toward creating the necessary conditions for the private early care and education business model to thrive as a valuable component of a robust, multifaceted early childhood education delivery system.

These enhancements will accomplish the following:

- Define explicitly what expansion of early childhood services encompasses, specifically:
  - Creating new early childhood education slots;
  - Extending duration of early childhood services to full day, full week and year-round; and
  - Extending duration of early childhood services to non-traditional hours (extended days) and non-traditional weeks (weekends and holidays).
- Incentivize quality and allow high-quality (3-star or higher on the ALL STARS quality rating improvement system) private early care and education providers to apply for and directly receive Innovation funds if they partner with a public sector entity;
- Allow public sector entity partners to count students served through the Innovation Fund grant towards a publicly funded early childhood program enrollment count for purposes of that program's funding allocation, if the services meet the publicly funded program requirements;
- Specify how public sector entities can leverage their assets to support public-private partnerships through in-kind matches; and
- Work to eliminate or reduce administrative and regulatory barriers, unrelated to quality and safety, for public-private partnerships through collaboration between state agencies.

The following are our suggested enhancements (in ***bold and italics***):

Section 4.

1. (b) "Eligible applicants" means entities seeking funds for an eligible project and includes:
  - i. ***For-profit and nonprofit entities whose primary business is the provision of early childhood services, and which have received a 3 -star or higher rating on the quality-based graduated early care and education program rating system as established in KRS 199.8943 and who partner or contract with a public sector entity as a joint eligible applicant; or***  
i. For-profit and nonprofit entities offering early childhood education services outside of traditional hours; and
2. "Eligible applicants" does not mean individuals or for-profit or nonprofit entities whose primary business is the provision of early childhood education services exclusively during traditional hours, except nothing in this section shall prohibit the eligible applicant from partnering with or contracting with an entity whose primary business is the provision of early childhood education services ***and which has received a 3 -star or higher rating on the quality-based graduated early care and education program rating system as established in KRS 199.8943, and nothing in this section shall prohibit for-profit or nonprofit entities whose primary business is the provision of early childhood education services and which have received a 3-star or higher rating on the quality-based graduated early care and education program rating system as established in KRS 199.8943 from partnering with or contracting with public sector entities;***
- (c) "Eligible project" means the establishment of new early childhood education services, or the expansion of current services, in the commonwealth, by the eligible applicant or applicants for the benefit of their employees, students, clients, community, or some combination thereof, ***for one or more of the following purposes:***
  1. ***Creation of new full-day, full week, or year-round early childhood education services;***
  2. ***Expansion of current services through extended duration from partial to full day (minimum of 6 hours per day), full week (five full days per week) and/or year-round; or***
  3. ***Expansion of current services through extended duration to non-traditional hours (extended day) and non-traditional days (weekends and holidays).***

(4) Eligible applicants shall:

- (a) Demonstrate that a grant is necessary for the success of the eligible project and demonstrate how the grant increases the project's financial feasibility;
- (b) Demonstrate evidence of a long-term sustainability plan for the project; and
- (c) Not receive a total award amount greater than one hundred thousand dollars (\$100,000) in a fiscal year, except that eligible applicants that feature a public-private partnership shall be eligible to receive an award that is one hundred twenty five percent (125%) of the maximum award available in a fiscal year. For the purposes of this paragraph, a "public-private partnership" means a public sector entity partnering with a private for-profit or nonprofit entity **which has received a 3-star or higher rating on the quality-based graduated early care and education program rating system as established in KRS 199.8943** for the purposes of providing early childhood education services.

**(11) If the grant award is for an eligible project that features a public-private partnership as defined in subsection (4) (c), the public sector entity partnering with the joint eligible applicant shall be required to provide a fifty percent (50%) in-kind match which shall be in direct and demonstrable furtherance of the applicant's eligible project and may include any of the following categories or some combination thereof;**

- (a) **Education personnel services;**
- (b) **Special Education Consultation services;**
- (c) **Professional Development services and programs;**
- (d) **Curriculum and instructional materials;**
- (e) **Meals;**
- (f) **Transportation services;**
- (g) **Facilities; and**
- (h) **Furniture and fixtures.**

**(12) If the grant award is for an eligible project that features a public-private partnership as defined in subsection (4) (c), nothing in this section shall prevent the public sector entity from including children served through this grant in publicly funded program enrollment counts for the purposes of receiving per-child funding through the publicly funded program if the services meet the publicly funded program requirements.**

**(13) If the joint application for an eligible project features a public-private partnership as defined in subsection (4) (c), the for-profit and nonprofit entities whose primary business is the provision of early childhood services which have received a 3-star or higher rating on the quality-based graduated early care and education program rating system as established in KRS 199.8943, entities with higher ratings shall be given priority consideration to receive the grant award.**

Section 5.

(4) Grants may be used by licensed child-care centers or certified family child-care home for the following:

- (a) Staff wages **or benefits**; or
- (b) Fixed expenses including but not limited to:
  - Rent or mortgage payments;
  - Utilities;
  - Insurance; and
  - Food expenses.

Section 10.

**(8) The council shall collaborate with the Kentucky Department of Education, the Kentucky Head Start Collaboration Office, and the Governor's Office of Early Childhood to remove regulatory and administrative barriers to public-private partnerships to provide new or expanded early childhood education services. For the purposes of this paragraph, a "public-private partnership" means a public sector entity partnering with a private for-profit or nonprofit entity for the purposes of providing early childhood education services.**

(9) The council shall make an annual report by December 1 that provides summaries and recommendations to address the availability, affordability, accessibility, and quality of child care in the commonwealth. A copy of the annual report shall be provided to the secretary, the Governor, and the Legislative Research Commission.

Thank you for your time and consideration of these suggested enhancements for the Horizon Act.

Sincerely,



Brigitte Blom  
President & CEO  
Prichard Committee for Academic Excellence