

METRO UNITED WAY CHILD CARE POLICY RECOMMENDATIONS

Stronger Families, Stronger Kentucky

At Metro United Way, our mission is to build a community where kids can thrive, families are strong, and everyone can contribute to Kentucky's success. We focus on **Thriving Kids** because every indicator of community well-being – from third-grade reading to workforce participation – starts with the earliest years of life.

Kentucky cannot have a strong economy if its children and families are struggling. The state's child care system is one of the most critical factors determining whether parents can work and children can learn.

- **Too many children start behind.** More than **50% of Kentucky children** enter kindergarten without the skills to succeed. Kentucky's kindergarten readiness rate is **48%**, below the national average. Access to high-quality early learning programs significantly improves academic and life outcomes.¹
- **Many parents want to work but can't afford care.** Child care costs often exceed housing costs for Kentucky families. According to the **U.S. Department of Labor**, prices for care for one child range from **7.5% to more than 19%** of median family income – or **\$6,000 to \$13,000 per year**, depending on the county.²
- **Child care availability is limited across Kentucky.** In **37 counties**, more than half of children who may need care have **no available slots**. Significant supply-demand gaps exist across both urban and rural areas.³
- **Child care is essential infrastructure for families and employers.** Expanding affordable child care would allow thousands more Kentuckians to join or rejoin the workforce. The **Kentucky Chamber of Commerce** estimates that improving affordability could add **6,452–28,349 workers statewide**, generating **\$600 million to \$1.1 billion** in new wages and tax revenues. That means Kentucky's economy can grow as Kentucky families sustain and support themselves.⁴

When families are supported, parents can work, children can learn, and communities prosper. That's why Metro United Way – alongside partners across Kentucky – is leading efforts to strengthen the state's child care system as both a family and workforce priority.

Shared Policy Solutions

- 1 Support Working Families through a Strong CCAP Program
- 2 Strengthen the Child Care Workforce
- 3 Support & Promote Quality
- 4 Improve Child Care Data
- 5 Encourage Employer Engagement
- 6 Encourage Community Engagement
- 7 Provide Critical Resources

1. First Five Years Fund

2. U.S. Department of Labor, Child Care Prices (2023)

3. Buffett Early Childhood Institute, Child Care Gap Assessment: Kentucky (June 2025)

4. A Workforce Solution That Works, Kentucky Chamber of Commerce (2025)

Average child care costs in Kentucky range from **\$6,000 - \$13,000 annually** per child - that's **7.5% to 19%** median family income.



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Child Care Policy Solutions

Metro United Way participated in the Kentucky Collaborative on Child Care – a broad coalition of business leaders, early childhood practitioners, advocates, and economic developers – to develop a set of consensus-based policy recommendations aimed at strengthening and stabilizing Kentucky’s child care sector.



For more details on the shared policy solutions summarized below, please see “A Foundation for Action: Shared Solutions to Child Care Challenges in Kentucky.”

Support Working Families

- Maintain a strong **Child Care Assistance Program (CCAP)**, the low-income subsidy for working families in Kentucky
 - Maintain maximum income threshold to qualify (85% of State Median Income)
 - Maintain reimbursements for providers at 80% of Market Rate Study
 - Move to “Cost of Care” Model for provider reimbursements
 - Continue Benefits Cliff Transitional Exit Program
- Strengthen the Employer Child Care Assistance Program
 - Privatize administration of this public-private partnership that makes it user-friendly for employers, employees, and providers
 - Allow public employers to participate

Strengthen the Child Care Workforce

- Continue and fund categorical eligibility for child care workers (aka “free child care for child care providers”)
- Continue and fund the Early Childhood Development Scholarship

Support and Promote Quality

- Reform the Kentucky All STARS program with a focus on emphasizing outcomes.
 - Provide more support and incentives for child care providers
 - Streamline compliance processes

Improve Child Care Data

- Implement an improved child care supply-and-demand dashboard
- Make public spending on child care more transparent and easier to understand

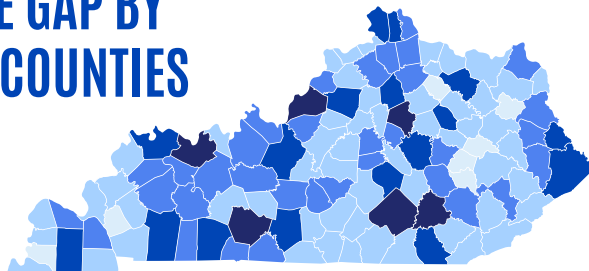
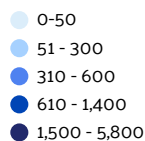
Encourage Employer Engagement

- Create a framework for the state to offer incentives to employers seeking to increase child care supply and capacity in their communities
- Complement new tax incentives and technical assistance in the private and nonprofit sectors

Encourage Community Engagement

- Strengthen and implement Certified Child Care Communities program
- Create local matching grants targeted at strategic planning and capacity building

CHILD CARE GAP BY KENTUCKY COUNTIES



Data provided by Buffett Early Childhood Institute & ChildCare Aware of America