



Metro
UNITED WAY

2026 STATE LEGISLATIVE OUTCOMES

A LETTER FROM OUR CEO

At Metro United Way, we know that lasting change requires working at every level – in our communities, through our investments, and in the halls of the legislature. Advocacy is how we address the root causes of inequity, not just its symptoms. And this legislative session gave us real reason to be encouraged. Child care was the headline story in Kentucky this year, and for good reason. The passage of House Bill 6, House Joint Resolution 50, and landmark investments in House Bill 500 represent the most significant child care legislation Kentucky has seen – the product of more than 18 months of sustained coalition work by the Kentucky Collaborative on Child Care, of which Metro United Way has been a proud leading member since its inception. These bills strengthen every part of Kentucky’s child care ecosystem: supporting working families, investing in the child care workforce, improving quality, and building the data infrastructure to make smarter decisions going forward. Kentucky has become a model for states across the country on child care policy, and this session builds on that legacy.

Housing advocates entered this session with real momentum, and while many of the Kentucky Housing Task Force recommendations advanced but did not make it across the finish line this session, we were encouraged to see meaningful first steps – including Yes In God’s Back Yard (YIGBY) legislation allowing religious institutions to develop affordable housing on their property and an unrestricted investment in the Affordable Housing Trust Fund. There is more work to do and we will continue to advocate alongside partners for comprehensive solutions that strengthen the entire housing ecosystem and protect those most vulnerable to housing instability.

In Indiana, this was a non-budget year, which makes the progress we saw all the more notable. Legislators found creative ways to expand access to child care through existing state funds and strengthened employer tax credits for child care expenses. They also took meaningful steps on housing, including reducing regulatory barriers to development. We hope these actions signal Indiana’s intent to go further when the biennial budget comes before the General Assembly next year.

Even as we celebrate these wins, we are clear-eyed about the environment ahead. Federal safety net programs that millions of our neighbors depend on are changing in ways that will ripple through state budgets, nonprofit organizations, and the households we serve. Philanthropic and government dollars alike are under pressure. This is the context in which we do this work – and it makes every legislative win more important, and every future opportunity more urgent.

We know that advocacy is a long game. The bills that did not pass this session represent real needs that have not gone away – for families who cannot afford diapers, for renters whose dismissed eviction records continue to close doors to housing, and for justice-involved workers who face unnecessary barriers to employment. We will keep showing up.

None of what we accomplish happens alone. Our successes are the result of strong partnerships with community leaders, advocates, policymakers, and the broader United Way network across Kentucky and Indiana. Together, we have demonstrated what collective action can achieve.

Thank you for being part of this work. We ask you to stay engaged – because building a better, Greater Louisville region requires all of us, and we are just getting started.



A handwritten signature in black ink, appearing to read 'Adria Johnson', with a long, sweeping underline.

Adria Johnson
President & CEO
Metro United Way

Child Care Funding Flexibility & Support

In a non-budget year, creative solutions to funding challenges matter. Senate Bill 4 (R. Mishler, C. Garten, G. Byrne) unlocks an existing state fund, the Financial Responsibility and Opportunity Growth (FROG), to support Indiana's child care voucher program – a pragmatic step that signals legislators recognize the child care challenges working families are facing and are committed to maintaining access to affordable care while longer-term solutions are pursued.

Electric Utility Affordability

House Bill 1002 (A. Shonkwiler) expands low-income assistance programs, requires levelized billing plans for eligible households, and limits service disconnections during extreme heat. These are important steps toward giving vulnerable families more predictable bills and stronger protections when they need them most.

Employer Child Care Tax Credit

House Bill 1177 (B. Cash) expands the Employer's Child Care Expenditure Tax Credit, allowing a wider range of child care-related expenses – including tuition payments, operating costs, and contracted services – to count toward the credit. By encouraging greater employer investment in child care, the bill helps working families access the reliable, affordable care they need to stay in the workforce.

Increasing Affordable Housing

Indiana took a meaningful step toward addressing its housing shortage with House Bill 1001 (D. Miller), which removes regulatory barriers and reduces local government zoning restrictions to drive down the costs of building and homeownership – including allowing religious institutions to develop housing on their property. By streamlining approvals and empowering community partners, the bill will help increase housing supply and improve affordability for families statewide.



Employee Child Care Assistance Partnership Program

To help employees access reliable, affordable child care, House Bill 1401 (W. Chesser) would have established the Employee Child Care Assistance Partnership Program. By creating a public-private partnership that matches employer contributions with state dollars, the program would have helped working families cover child care costs and stay in the workforce.

Kindergarten Readiness Indicators

To help families and educators understand and support children's early learning better, Senate Bill 66 (S. Yoder) would have required the Early Learning Advisory Committee to establish and publish clear kindergarten readiness indicators and make them easily accessible online. Parents, providers, and policymakers need tools to strengthen kindergarten readiness and improve long-term educational outcomes for Indiana children.

Raising Wage Garnishment Limits

Households and workers deserve protection from unexpected financial strain when facing debt collection. Senate Bill 197 (G. Walker, K. Walker) would have raised the limits on wage garnishment, protecting the first \$600 of weekly earnings from garnishment, with the amount adjusted for inflation. This legislation would have given households facing collections a better shot at keeping up on rent, utilities, groceries, and other necessities while they work to reduce their debt burden, helping Hoosiers maintain financial stability.



INDIANA WINS & FUTURE OPPORTUNITIES

Expanding Early Literacy

Fostering early literacy and eliminating barriers to books have been widely shown to enhance early literacy skills for children. House Bill 500 included an investment of \$2.5 million each year of the biennium for Dolly Parton's Imagination Library with the Commonwealth acting as a 50% match for local fundraising programs.

Family Preservation & Accountability Act

Kentucky has one of the highest rates of parental incarceration in the country, with nearly 12% of children experiencing a parent's incarceration. The Family Preservation and Accountability Act, Senate Bill 122 (J. Raque Adams), gives judges greater flexibility to use community-based sentencing alternatives for caregivers convicted of nonviolent, low-level offenses. By prioritizing treatment, supervision, and family stability over incarceration, this legislation keeps families together while maintaining accountability – and gives Kentucky's children a better chance at stability and success.

Investment in Kentucky Affordable Housing Trust Fund

House Bill 900 provides an allocation of \$5 million to the Affordable Housing Trust Fund over the biennium. The state trust fund is a critical tool that incentivizes affordable housing development across the state, from permanent supportive housing to home ownership.

Nonprofit Contracting

Nonprofits that contract with state or local governments rely on timely payments to deliver essential services for Kentucky communities – but delayed payments can create financial instability and uncertainty for organizations doing critical work. House Bill 480 (S. McPherson) fixes that, establishing clear policies to ensure timely payments and creating the financial stability and operational predictability these organizations need to keep serving Kentuckians.

Re-Entry Licensing

Many individuals with prior convictions face barriers to employment due to limited transparency in hiring and licensing decisions. House Bill 185 (E. Callaway) establishes a process for applicants to request advanced determinations on whether their criminal history disqualifies them from a position in state government or that requires a state license, before they spend time and resources on training and education. These provisions will reduce unnecessary barriers and support successful workforce re-entry.

Yes In God's Back Yard (YIGBY)

With broad bipartisan support and as part of the Kentucky Housing Task Force recommendations, House Bill 333 (M. Pollock) allows religious institutions to develop affordable housing on their property. With an estimated shortage of 206,000 housing units, the bill is intended to help expand housing supply and help boost affordable housing development across the Commonwealth.



Access to Doulas

Despite recent policy wins and investments in maternal health, Kentucky ranks 38th in the nation for maternal mortality and 40th for preterm birth rates. Access to doula services have been shown to reduce preterm birth rates, particularly for low-income mothers. House Bill 417 (L. Willner) would have expanded Medicaid coverage for doula services, a significant step in improving health outcomes for Kentucky's mothers and babies.

Diaper Trust

One in three Kentucky families struggles to afford diapers and currently, no state or federal safety net program covers the cost of this essential item. Senate Bill 58 and House Bill 302 (C. Chambers Armstrong, V. Grossl) would have established a permanent state fund that could help families meet this basic need.

Eviction Record Expungement

Kentucky sees an average of 147 eviction filings per day, but 55% of those filings do not result in an eviction judgment. Families with an eviction record - even a dismissal - encounter long-term barriers to securing stable housing. House Bill 338 (S. Witten) would have required dismissed eviction records to be expunged and would protect minors from being listed in eviction cases, giving families a fair chance to access stable, safe housing.

Housing Development Districts

Senate Bill 9 (R. Mills) would have given local governments new tools to support housing growth, including Residential Infrastructure Development Districts for roads and utilities and Housing Development Districts to provide developer incentives. These tools could increase flexibility for local communities to determine how best to support local housing growth, including affordable housing needs.

Justice and Workforce Engagement

When people fulfill their obligations to the judicial system, they should be able to return to the workforce with limited bureaucracy. Senate Bill 290 (B. Storm) would have streamlined the expungement process for eligible criminal records, easing barriers for justice-involved individuals to obtain employment and housing, and rebuild their lives.

Modernizing the Affordable Housing Trust Fund

The Kentucky Affordable Housing Trust Fund (AHTF) is a critical tool for developing affordable housing, but the current funding model - fees placed on real estate transactions - have not been updated or kept pace with inflation. House Bill 411 (S. Bratcher) would have increased the dedicated deed transfer fees that fund the AHTF and indexed them to account for inflation, ensuring that as housing costs rise, Kentucky's ability to respond rises with them.

Paid Parental Leave

Kentucky state employees currently have access to paid parental leave, but the existing policy is limited in scope. While Senate Bill 14 (M. Deneen) and House Bill 699 (L. Burke) represented efforts to improve upon this, Metro United Way will continue to advocate for meaningful paid parental leave that supports all state employees welcoming a child through birth or adoption.

Utility Disconnection Standards

Creating standards around utility disconnections in extreme weather events protects public health and safety for vulnerable, low-income households. House Bill 377 (L. Willner) and Senate Bill 88 (C. Chambers Armstrong) would have addressed this - ensuring that Kentucky's most vulnerable families are not left without heat in the dead of winter or cooling during dangerous summer heat waves.

Voting Rights Restoration

Voting is a foundational civic responsibility for all Americans. Individuals deserve to have their voting rights restored after completing specific sentences. Senate Bill 80 (J. Higdon, K. Herron) would have created a constitutional amendment to restore voting rights for certain felony offenses.

CHILD CARE

The passage of House Bill 6, House Joint Resolution 50, and landmark budget investments in House Bill 500 represent the most significant child care legislation Kentucky has seen. They are the next step in a legislative track record of sustained investment and policy leadership that have made Kentucky a leader in child care policy for states across the country. These bills are the culmination of more than 18 months of work by the Kentucky Collaborative on Child Care – of which Metro United Way was proud to be a leading member since its inception – bringing together stakeholders across the state to build consensus solutions that strengthen every part of Kentucky’s child care ecosystem.

The result builds on Kentucky’s growing foundation and delivers for everyone: children who deserve a strong start that sets them up for academic and social success; working families who need affordable, reliable care; child care providers who dedicate their lives to nurturing our youngest Kentuckians; and taxpayers who deserve to know their dollars are making a measurable difference.

The key policy provisions of HB6 and HJR50 include:

Supports Working Families:

- Maintains a strong Child Care Assistance Program (CCAP), the low-income child care subsidy, for Kentucky’s working families.
- Strengthens the Employee Child Care Assistance Program (ECCAP), the innovative public-private partnership matches employer contributions for child care expenses with state funding. HB6 will move ECCAP to a third-party administrator, improving efficiency and access - encouraging more employers to opt-in and helping more families with affordability.
- Funds CCAP transition benefit, providing families half of the CCAP subsidy for six months after their income rises above the eligibility threshold, ensuring a smoother transition and helping them adjust and avoid a benefits cliff.

Supports the Child Care Workforce:

- Codifies “free child care for child care providers,” a Kentucky-born policy innovation that has become a national model. This meaningful benefit helps recruit and retain child care providers who perform essential and demanding jobs despite low wages and delivers a strong ROI. As educators utilize this benefit and stay or return to the classroom, they open up more child care capacity for other children and families across Kentucky.
- Funds Early Childhood Development Scholarships, allowing early childhood educators to advance their own education and enhance the quality of care for the children they serve.

Supports and Promotes Quality:

- Modernizes the Kentucky All STARS, the quality rating improvement system, to emphasize outcomes and incentivize high-quality providers and experience – ensuring quality improvement efforts truly enhance children’s learning.

Supports Child Care Providers:

- Tasks the State Auditor with a review of existing regulations and policies to provide clarity and certainty for child care providers opening new centers and operating existing child care. A stronger, more streamlined system means more time and resources devoted to children – not paperwork.
- Supports providers with a fair payment formula for the Child Care Assistance Program, moving from the market rate system to reflect the true cost of child care delivery.



Improves Child Care Data & Financial Transparency:

- Creates better data systems, giving policymakers and advocates the information they need to identify where care is needed most, target resources effectively, and make better-informed future policy decisions.
- Improves financial transparency across the many taxpayer funding streams that are spent in Kentucky's child care ecosystem, so that policymakers, advocates, and the public can see how money is spent, what it's achieving, and whether it's truly making a difference for children and families.

Encourages Innovation:

- HB6 creates a new micro-center designation that can help to fill gaps in access, like non-traditional hours and in rural areas.
- Creates a Kindergarten Readiness Pilot, in collaboration with University of Kentucky, focused on kindergarten readiness and rewarding providers who successfully prepare kids – whether child care providers or parents. This portion of HB6 was originally Senate Bill 191, sponsored by Sen. Danny Carroll.

Supports Special Needs Training:

- Strengthens child care training requirements and support systems for children with special needs, which are especially critical at a time when many children with special needs are not being served in traditional child care settings.



**\$137 million
investment
in child care
in FY-27-28**

Thank you to our Child Care Legislative Champions!



Representative
Samara Heavrin



Senator
Danny Carroll



Senator
Julie Raque Adams

UNITED IS THE WAY



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