

Jordan Wildermuth
National Association of Social Workers
76. C Michael Daven Port Dr. Ste. 4
Frankfort, KY 40601

Tacasha E. Bingham
Tilford Dobbins Alexander PLLC
401 W. Main Street Suite 1400
Louisville, KY 40202

Lea Haynes Fischbach, Volunteer
Citizen Foster Care Review System
9113 Darley Dr.
Louisville, KY 40241

Becky Duke, Coordinator**
Every Child Succeeds Brighton Center Inc.
P.O. Box 325
Newport, KY 41072-0325

Rene' Bricking**
Children Inc.

Brittany Sharp**
St. Elizabeth Physicians CBO

Kathy Venneman Donelan, Owner**
Aunt Kathy's Child Care & Preschool

Nesha Parker**

Michelle Kolb, Account Manager**
Duke Energy

Andrea R. Woodward, Ph.D.**
Berea College
CPO 2156
Berea, KY 40404

Randall Strause, Attorney-At-Law**
804 Stone Creek Parkway, Suite 1
Louisville, KY 40223

Deneen Petty, Former Child Protective Services Investigator and **
Teacher, Rosenwald Center for Families and Children, Kentucky State University
315 Maryland Ave.

Frankfort, KY 40601

April Trent, Owner**
Amazing Creations Preschool
315 Maryland Av.
Frankfort, KY 40601

Sandy Flynn, Grandmother**
1233 Embry Avenue
Lexington, KY 40504

Kristen Tipton, Director**
Southside Christian Child Care
6111 Orville Drive
Louisville, KY 40213

Dorothy McNair, Kinship Caregiver
Grandmothers Running Against the Wind**
262 Marcellus Dr. Apt 2
Berea, KY 40404

Kathy Huber, Director**
Southside Christian Child Care in Shively
3815 Dixie Hwy
Louisville, KY 40220

Adrienne Howard Director**
Southside Christian Child Care
3620 Klondike Ln, Louisville, KY 40218

Brenda Bowman**
Child Care Advocates of Kentucky
10505 Clyde Moore Blvd.
Louisville, KY 40291

Richard Morris**
Child Care Advocates of Kentucky
705 Danes Hall Dr, Louisville, KY 40206

Judy Schroeder**
Parent Engagement Programs Metro United Way
334 East Broadway
Louisville, KY 40202

Tiffany Brown**
Metro United way Advocate

1023 Liberty Court Bld 35
Louisville, KY 40202

Daisy Mitchell, Advocate**
8417 Michael Ed Dr.
Louisville, KY 40291

Dreema Jackson, Parent Advocate**
2200 Osage Av
Louisville, KY 40210

Charlie Lanter**
Community Action Council
P.O. Box 11610
Lexington, KY 40576

Angel House Child Care Center submitted written comments from Bridgette Mack, Samantha Willman, Albany Robinson, Samantha Stoss, Sarah Ewing

Hikes Point Child Care Center, Outer Loop Child Care Center, Buechel Day Care Center Blue Lick Childcare II Center, Valley Childcare Center, Okolona Childcare Center submitted written parent survey responses.

Written Anonymous Commenter #1
Written Anonymous Commenter #2
Unidentified Speaker at the Hearing

(3) The following people from the promulgating administrative body attended this public hearing or responded to the written comments:

<u>NAME AND TITLE</u>	<u>AGENCY/ORGANIZATION/ENTITY/OTHER</u>
Mark Cornett, Deputy Commissioner	
Mary Beth Jackson, Director	
Robin Herring, Assistant Director	
Elizabeth Caywood, IPA IV	
Carrie Cotton, Assistant Counsel	
Jeff Jagnow, IPA IV	
Tricia Orme, Staff Assistant III	
Justin Dearing, IPA III	
Michelle DeJohn, IPA III	

Summary of Comments and Responses

(1) Subject Matter: Material Incorporated

(a) Comment: Ms. Jackson written comment states, "Material incorporated by reference, specifically the DCC-94B, Licensed or Certified Provider Information Form, and the DCC-94E, Child Care Daily Attendance Record, should be revised to make the forms easier to comprehend and use, clarify a provider's responsibilities, and correct any inconsistencies between each form and the administrative regulation."

(b) Response: The Department for Community Based Services agrees with Ms. Jackson's comments. The administrative regulation will be amended accordingly.

(c) Comment: Mr. Steve Magre provided the following written comments and similar public hearing testimony, "Sections 13 (c) 1., 13A, 13 B, 13-2, 13-6, 13-7 and Section 21 (f) need to be reviewed more fully by the Cabinet for their assurance that their staff is implement uniformed procedures to help providers fulfill completion of the new form titled DCC-94E. To date different staff members from the Cabinet have advised various providers who happen to be members of Child care Advocates of Kentucky. Though they have every intention of being helpful the reality is this. The employees are giving different bites of procedural information as to how providers should complete the form to assure compliance. No doubt the Cabinet desires to tighten up documentation on the ins and outs of children by every licensed child care center and this is an idea Child Care Advocates of Kentucky fully supports. But to institute a procedure that includes a new form and not assure providers expectation or understanding on how to complete the form is not fair. This is of particular concern given the potential for repercussions to providers as mapped out in 13-6 and 13-7. Indeed slip up on filling this out correctly has potential for devastating impacts to provider. We can assume if finding made by the Cabinet show that providers did not follow to the "T" what they determined as required then non-compliance on technical grounds could be a next step. The language in this area of the regulations needs to be amended to assure that the Cabinet specifies the way they will assist providers and a make certain what is being present by staff is uniformed in its nature. That is not the way it is right now. Our suggestion is that the Cabinet hold a workshop or two in the near future to train appropriate staff from the providers on how to assure compliance, and how to make certain the DCC-94E form is completed fully and appropriately."

(d) Response: Child care providers have been required to maintain a daily attendance or sign-in sheet; the requirement is not new. However, child care provider had discretion as to the format, organization, and some content of the sheet. The use of one standard form by all participating child care providers supports programmatic consistency, inspection, and confirmation of accurate billing. The new standardized attendance record allows more ready confirmation that a child received child care services as provided on the provider's CCAP billing form. The implementation of a standardized attendance record form was a federal recommendation for programmatic quality control. The form and the administrative regulation have been amended as

provided in item (1)(b) of this summary based on comments received during the initial implementation of the new form. Technical assistance will continue to be made available through the Department for Community Based Services' Division of Child Care and its contractual partners.

(e) Comment: Ms. Kristen Tipton attended the public hearing and expressed her concerns with the user friendliness of the form DCC-94E, Child Care Daily Attendance Record.

(f) Response: Please refer to responses provided in items (1)(b) and (1)(d) of this summary.

(g) Comments: Mr. Randall Strause also attended the public hearing and expressed his concerns with the user friendliness of the form DCC-94E, Child Care Daily Attendance Record.

(h) Response: Please refer to the responses provided in items (1)(b) and (1)(d) of this summary

(2) Subject Matter: Finding of Fraud

(a) Comment: Mr. Steve Magre's written comments state, "In review of how the Cabinet is defining 'Finding of Fraud' it is evident that this finding occurs without due process being followed fully for the individual (provider) being accused of fraud. The findings referred to in the proposed regulations are to be treated as final in form and suggest the Cabinet can take immediate action against the individual (provider) in question. To act in such an urgent manner without seeking a review by the judicial branch we believe will leave the Cabinet open for legal action. The exception of course is if the fraudulent act performed by the individual (provider) is knowingly impacting the health, welfare and safety of a child at the licensed child care center. But it is obvious that the Cabinet has chosen to include this new section and language definitions as tied to the experience of their documenting that a substantial amount of money has been paid out inappropriately. It is very public that OIG staff's recent investigations have found that the children who were claimed to be served at certain licensed child care centers were not being served at all. Thankfully it does appear obvious that a low % of providers choose to falsely report for reimbursement a vast number of CLAP attendees as attending when indeed they did not. The motive is to collect a substantial amount of income by knowingly charging for children NOT at the center and therefore NOT being served. Such providers need to be exposed and prosecuted by the fullest extent of the law. It is imperative that the Cabinet does not leave such an individual (provider) a technical out from realizing this goal. Basic 8th grade civics' class principals are not being applied by the Cabinet here. How can a staff division of the executive branch of government be given regulatory powers to in essence be allowed to issue judgment away from judicial branch participation? How can the executive branch find an individual guilty of a felony in their eyes without allowing the individual full process of the law? We are speaking to the age old USA concept that an accused person is innocent until proven guilty by the

judicial branch of government, not the executive branch. This definition and plan for the Cabinet to follow as regulatory is too far reaching. The other aspect of concern is what are the standards to be met? It all is so arbitrary and to what the Cabinet and/or OIG staff might consider "fraud" as well as what the Cabinet might consider to be "fraud". How is it possible for the licensed provider to know what they are complying to if no standards are identified or shared?"

(b) Response: The Department for Community Based Services (DCBS) has determined that there are alternatives to the policy and procedures presented in Section 17 of 922 KAR 2:160. The term, "finding of fraud", was defined in Section 1 for use in Section 17. If Section 17 is removed, the definitions in Section 1 must be aligned. As an alternative to Section 17 of 922 KAR 2:160E, DCBS and its contractual partners will continue to implement and enforce other policies and procedures outlined in 922 KAR 2:020 and 922 KAR 2:160. The administrative regulation will be amended as a result of this and similar comments.

(3) Subject Matter: Withholding of CCAP Payments

(a) Comment: Mr. Steve Magre's written comments state, "Section 17 needs to be redrafted completely. This section is about punitive action against providers and is based on the "Finding of Fraud" principal applied in Section 1 (13) of this regulation. Again, our position is that the Cabinet via OIG and DCC staff cannot serve as administrator, judge and jury. This Section needs to be redrafted in a way that centers language that is tied to the judicial branch making findings of fraud or, if you will, their finding the provider in question guilty. Due process of the law is a principle that is imperative to be followed here. This language does not do that."

(b) Response: Please refer to the response provided in item (2)(b) of this summary.

(c) Comment: In the public hearing, Mr. Randall Strause testified he was recently involved in representing ten daycares in Louisville concerning this regulation's implementation. The providers' motion for relief resulted in Judge Shepherd entering a temporary restraining order and order referring to mediation. Mr. Strause believes that child care centers will be unable to address intentional program violations if CCAP payments are withheld, and that the Cabinet has exceeded statutory authorities and infringed upon constitutional rights of the providers subject to CCAP withholding.

(d) Response: Please refer to the response provided in item (2)(b) of this summary.

(4) Subject Matter: Income Eligibility

(a) Comment: Mr. Steve Magre provided the following written comments, "This commentary is to be on record only and does not suggest that wording of Section 7 is non-compliant to law. We do believe it is non-compliant with Cabinet technocrats having a heart though. How else can one explain such a lack of regard for what is a known action. We will be the front line persons who will soon understand firsthand the

horrific effects this move will bring to thousands upon thousands of children. All of this is so maddening and disturbing. The impact of lowering the threshold from the poverty income line set at 150% to the new figure of 100% create an already calculated devastating loss to thousands of children who call the Commonwealth home. The 'Hand Up' administration of this program has lasted over a full generation dating back to the 1990's. Sadly what will occur July 1, 2013, and what will be formalized via this regulation being passed, will be so dramatic in its ill effect that CCAP will, for the first time ever, be viewed as chopping block material. Kentucky's Child Care Assistance Program will funnel down quickly to be seen as a non-impactful program and could end up having low support standing with powerful state leaders and elected officials. The once healthy and effective program will become a scary skeleton. Indeed the new program knowingly being formed via the criteria spelled out in Section 7 will have a horrific lasting significance and most disturbingly will hurt tens of thousands of Kentucky's youngest citizens. When asked we will be describing the 2013-14 CCAP as a 'Hand Gone' program. One senses that those working this issue at the Cabinet have become so immersed in the numbers balancing that they have not yet cringed at any of this; and thus via their sterile analysis will not cringe even when sending out their final goodbye "you are off the program" message to every adult and child who will fall off as eligible. Given our experiences with DCC professionals over decades we find it hard to believe we would be writing such commentary. But this Section 7 as now written is a shameful regulatory inclusion for what is most certainly a shameful action by our state. Within 6 months from July 1, 2013 the CCAP will be changed so dramatically that it will no longer be a program of broad impact. By July 1, 2014, if no funding is found, the program will be so fully stripped by the 12 month timeframe of the Cabinet having applied the ridiculously low threshold of 100% of federal poverty income line that any taxpayer would be right to ask state leaders as to why bother with the program at all. This we fear most."

Mr. Magre also read from the following written comments during the public hearing: "This is more of a wake than a public hearing. Not reversing this specific emergency regulation means that what was needed to gap fund the program did not happen. With or without this hearing it is obvious full and adequate funding for CCAP will be delayed through at least the end of this year and more likely through June 30, 2014. The impact of the program to thousands of children and families will be depleted and the program itself will become unrecognizable as compared to its hay day. Over a generation of time CCAP had developed into a meaningful partnership. The beneficiary was Kentucky children. The entities making up the partnership were DCC and the licensed child care centers. In economic terms over recent years this partnership had become a bit one sided. There has not been a rate increase from the state since 2004. There has been a litany list of unfunded mandates paid for by the licensed centers. These mandates implemented have helped to improve the quality of the centers and thus helped assure children served a higher degree of early childhood education. But from a strict financial sense they have equated into higher cost with no ability to generate from those cost higher revenue. In spending time in Frankfort over this last legislative session our group heard many kind words. We have many elected officials and staff support people from administration and legislative branches telling us how important the early childhood education issue is to Kentucky and how it has to be made a top priority. Today licensed

child care centers stand poised to partner in making that happen. We have facilities and staff in place. We know about standards and how they need to be met. If invited to the table we can help expedite any state strategy, and participate to make state goals that are set to be met by helping reduce cost. But the economic reality of what is happening now and into the foreseeable future means that child care centers will likely not be around. Consider these business numbers tabulated as projections because of the Cabinet changing its regulations tied to rate and qualifications.

“1. Income reduction will be at least 30% and more likely 35% on average.

“2. Unfunded mandate cost generated by actions from state and federal governments will continue to increase the expense line with no possibility of offset by increasing the rate.

“3. The Obama care impact has yet to be fully determined. But all good business people have enough of the basics to speculate on new cost of this. It is anticipated that cost of this alone will take hundreds if not a majority of licensed child care centers deep into the red.

“Anyone putting pencil to paper can see that within 9 months of today the financial projections will be causing devastation and to a large degree death to a one time thriving industry. The state officials will conclude that the onetime partnership of state and licensed child care centers will be on life support and serving so few families one could ask why bother. In a short time all of this could mean an end to the economic impact that the licensed child care industry holds to the Kentucky economy. This would no small thing. Thousands of employees will be laid off. Thousands upon thousands of parents will have to consider quitting their jobs. Or worse yet keeping their jobs and sending their child off to non-licensed, and I cringe when I say this word, ‘CARE’.

“I come today to get these comments on record. The freedom Cabinet staff has to generate what I believe is called ‘A Statement of Consideration’ equates to this talk being limited in its impact to those listening today. But I do appreciate the opportunity. The reality is this. A regulation that was once in the emergency category is soon to be, even with objection, permanently in play.

“The Cabinet can never say that their inability to politic in a way to assure full funding of CCAP did not have at least one person predicting the dire results this ineffectiveness has caused to thousands of Kentucky children. And to think "We haven't seen anything yet in terms of the human hurt this one regulation will be causing." Leaders are letting this happen in our old Kentucky home. How sad. This is a wake.

“All of us; we need to wake up and change this NOW.”

(b) Response: As a result of economic pressures placed on human services programs over the past six years, the Department for Community Based Services (DCBS) is facing a projected budget shortfall of nearly \$87 million in State Fiscal Year 2014, which runs July 1, 2013, to June 30, 2014. Federal Temporary Assistance for Needy Families Block Grant (TANF) carry-forward and stimulus dollars helped programs meet record demands for services; however, those funds are now depleted. In addition to reduction in federal funding, DCBS has experienced state fund budget reductions like many other state agencies. Compounding the budgetary context, caseload growth and increased acuity levels of families being served continue to be realized by DCBS.

DCBS aggressively managed revenues and expenditures over the past six years, which helped DCBS avoid drastic reductions in services before now. No optimal solutions remain to balance State Fiscal Year 2014. DCBS finds itself in circumstances comparable to that of many other states' human services agencies. Twenty-three other states had waiting lists or froze intake in their child care assistance/subsidy programs in 2012 due to similar public demands for services and budgetary constraints.

Impacts to Kentucky's citizens were primary considerations in determining the actions to be taken. Unfortunately, significant programmatic changes are required in addition to continued aggressive monitoring of revenue and expenditures, cash management, and operating savings and efficiencies. The federal poverty level change in the Child Care Assistance Program's income eligibility criteria is one of three programmatic changes necessitated by DCBS' budgetary context. DCBS publicly announced the three programmatic changes in late January.

Other cost containment options that were considered for the Child Care Assistance Program did not contain costs to the extent necessary and did not assure that the program would avoid complete shutdown. The change in income eligibility criteria will assure that the following child populations can continue to receive assistance:

- Children receiving child protective or preventive services to avoid removal from the home;
- Children whose parents need child care to meet work participation requirements for the Kentucky Transitional Assistance Program (K-TAP);
- Children with special needs requiring specialized care;
- Teen parents; and
- Children whose CCAP cases were active before April 1st and whose households meet ongoing eligibility requirements at date of redetermination.

These programmatic changes have been the most difficult decisions that DCBS has had to make in recent history. The decisions were not made without much research and deliberation; however, the agency's context left no other options.

DCBS will continue to focus on its primary mission and commitment to providing services to our children, vulnerable adults, and low-income families. When the context improves, DCBS will adjust its program(s) accordingly. At this time, DCBS does not have the resources to restore the Child Care Assistance Program to its prior level in calendar years 2012 and early 2013. The administrative regulation will not be amended as a result of these comments.

(c) Comment: Ms. Janet Masterson testified on this subject matter and provided the following written comments: "...The freeze on low income working parent's applications for child care subsidy as well as the severe adjustment to the income eligibility criteria will have devastating effects on parent's ability to work and will essentially destroy the child care infrastructure in Kentucky. The cuts to child care in Kentucky are the steepest in the country!

"I STRONGLY oppose the cuts to the Child Care Assistance program due to the negative impact it will have on children, families and the Commonwealth's economy.

"Thousands of children and families will be denied the proven poverty-fighting solution of quality early childhood development. This hurts economic development in

Kentucky by impacting education outcomes and will have significant long term consequences.

“It will ultimately cost taxpayers and society more in the long run due to the loss of jobs by parents and child care employees. Many parents are just one unstable child care arrangement away from losing their job. When unaffordable child care forces parents to choose low quality or unreliable child care, or when it forces parents to step outside the work force, everyone is affected including employers. These cuts will force parents to make drastic decisions. Their economic stability will be severely comprised, as well as their peace of mind and their children's development. It's important to remember that Child care is not a luxury; and it's often the difference between welfare and work.

“We ask the Cabinet to find a way to continue to support low income working families in order to provide the best care possible for our youngest children and save taxpayers money in both the short and long term. Child care assistance is important to low income working families. But it's also important to our economy. ALL Kentucky citizens depend on a strong economy for our future.”

(d) Response: Please refer to the response provided in item (4)(b) of this summary.

(e) Comment: Ms. Anne Marie Whelan's written comments state, “The reduction in eligibility for families applying for CCAP from 150% to 100% of poverty as set out in 922 KAR 2:160 will cause an extreme hardship on children and working parents in low-wage jobs and it will likely cost the state more in other services than it saves.

“Low-wage parents are generally low-skilled workers. They move into higher paying jobs only after they get training and job experience. The problem is that low-wage jobs don't pay enough to support a family. Instead of raising the minimum wage to a level that would, welfare reform in the 1990's established a basic set of supports for them. Child care assistance is one of the most important of those services. With the drastic cut in eligibility outlined in this regulation, a working parent in a minimum wage job will no longer qualify for child care assistance. They would have to use up 2 days' worth of wages to pay for it and not have enough left to pay for rent, food, transportation or for any other basic needs. Many or most parents in this situation will be forced to quit their jobs or place their children where they won't receive stable and safe care where they can learn. In both cases, the costs to society are significant.

“If working parents gives up their jobs, they stop the slow move out of poverty. They might qualify for welfare, but that does nothing to help them become self-sufficient and it would cost the state as much or more than it would save by cutting CCAP. The parent that quits would lose whatever health insurance they had through their employer and many will qualify for Medicaid. The Cabinet has not set out in the Fiscal Note what these additional costs might amount to.

“The Fiscal Note also fails to account for loss of state and local income and payroll tax revenue from working parents that will lose their jobs. Working parents also spend more income from wages and that produces economic benefit to local economies — which generates additional tax revenues. The impact of that spending was also not mentioned in the Fiscal Note.

“For those desperate parents who try to keep working and find child care that they can afford, too many of their children will suffer from inappropriate and unsafe settings that not only do not help the child grow well, but actually harm them. The Cabinet should be required to demonstrate the impact of poor quality care. It is reasonable to assume that such care will lead to an increase in abuse which will result in more child protection cases and greater use of the courts. The Cabinet did not mention this cost in the Fiscal Note.

“The Cabinet acknowledges that the cuts will affect child care providers, but does not estimate the cost associated with the cuts. If the cuts eliminate 35-40% of children receiving assistance, it's reasonable to assume that child care providers will reduce staffing by a comparable amount. Center staff will be cut back and laid off. The latter will qualify for unemployment, which will cost the state. The Fiscal Note does not mention that. Some of the laid-off teachers and staffs will qualify for Medicaid and other public benefits which will cost the state. Again, there's no estimate of those costs in the Fiscal Note nor is there mention of the loss to local economies and state and local governments for the reduction in spending that will result.

“Businesses that rely on low-wage workers have benefited from childcare assistance for their working parents. What impact will the cuts have on them? Has the Cabinet made any attempt to survey employers to find out? It's more than likely that businesses will suffer.

“The CCAP cuts have a huge impact on families, children, employers and state and local government.

“It's hard to imagine a public policy decision that has such an effect. The Cabinet needs to study the ramifications of the cuts more thoroughly before implementing the changes. Not to fully consider the impact and costs is bad public policy.

“I strongly urge the Cabinet to restore the cuts.”

(f) Response: Please refer to the response provided in item (4)(b) of this summary.

(g) Comment: Ms. Adrienne Bush's written comment states, “I serve as the Executive Director of a nonprofit designed to meet the social needs of our community, primarily Perry County. Community Ministries provides early childhood education and after school enrichment through two licensed Type I child care centers, New Beginnings Learning Center and Starland Academy. In addition, we serve people who have fallen through the social safety net; we operate a homeless shelter, transitional and permanent supportive housing, and case management for families on K-TAP. I write from both perspectives, as well as the most important one — that of a parent to my 4 year old daughter.

“My comment is specific to p. 13, lines 5-14: the reduction in eligibility from 150% to 100% FPL will cause families and children to not be able to afford child care, which places children at risk and parents at risk of losing employment. The families we serve in the 100-150% FPL bracket cannot go from making a copayment of \$10 or \$12 per day to paying \$125 per week, which is our market rate. Therefore, we will be seeing these families in our other programs, particularly our homelessness prevention and K-TAP mentoring, or in the worst case scenario, in our transitional housing for families experiencing homelessness. We barely have enough resources to serve the families

already coming through our doors; the last thing our community needs is an increase in people falling through the social safety net. In addition, since the moratorium on new assistance has taken effect, we have had 20 inquiries that never came to fruition, because the parents could not obtain assistance. We are just two small centers in rural Eastern Kentucky; the cumulative effect on the labor force in the entire state has to be enormous. I know that the Cabinet has attempted to estimate the number of families affected, but the spiral effect on families bears repeating.

“This in turn will affect our centers. In fact, it already has, as I had lay off our center's director of 30 years to cut costs in anticipation of the CCAP cuts. She was not at full retirement age, and she is collecting unemployment. Who knows what additional costs the state will incur with Medicaid and SNAP benefits? In addition, all my staff members are waiting anxiously to see if we will be able to maintain our current children and jobs. My current staff members are working an average of 50 hours a week trying to maintain legal ratios and keep our center afloat. Again, I know that the Cabinet is 2 ware of this effect, but it bears repeating that we too are aware of this consequence. I live with it every day. I act as afternoon receptionist, because we cannot afford to keep someone it the front desk.

“Then I think of my daughter in the four year old preschool room down the hall from my office. She has received the best early childhood education I could wish for, but the Cabinet's decision puts her at risk She won't go into Kindergarten until she is nearly six, but she is already prepared. We as a program have worked hard to improve our quality with STARS for KIDS NOW, as asked by the Cabinet. We have participated in our Community Early Childhood Council, as asked by the Governor's Office for Early Childhood, to align our standards with Head Start and public funded preschool. We have attended trainings on the Brigance Kindergarten Screening and implemented what we learned in the classroom so that our children are as prepared as possible for entry into public school, as asked by the Kentucky Department of Education. We have done everything the Commonwealth of Kentucky has asked of us, because our children-all of our children, especially ones in low-income households need the best education and early care we can provide. We all know that Kentucky schools are already struggling, and the cut to early childhood education in private centers will make our children even less prepared. This administrative regulation amendment puts all of our children at risk. As a mother, this breaks my heart.

“I appreciate that the Cabinet is in a difficult place financially. In my position, I have had to make tough and unpopular decisions for an organization that was on the brink of collapsing financially. However, my decisions were always considered with both short- and long-term impacts. I did not ever knowingly make a decision that would have kept us afloat in the short-term, only to cost us more later on. I challenge the Cabinet to do the same.”

(h) Response: Please refer to the response provided in item (4)(b) of this summary.

(i) Comment: Mr. Michael J. Hammons read from the following written comments during the public hearing: “The reduction in eligibility for families applying for CCAP from 150% to 100% of poverty as set out in 922 KAR 2:160 will cause an extreme hardship on

children and working parents in low-wage jobs; it will cost Kentucky businesses and it will likely cost the state more in other services than it saves.

“Low-wage parents are generally low-skilled workers. They move into higher paying jobs only after they get training and job experience. The problem is that most entry level jobs don't pay enough to support a family. With the drastic cut in eligibility outlined in this regulation, a working parent in a minimum wage job will no longer qualify for child care assistance. They would have to use half of their wages to pay for it and not have enough left to pay for rent, food, transportation or for any other basic needs. Many or most parents in this situation will be forced to quit their jobs or place their children where they won't receive stable and safe care where they can learn. In both cases, the costs to society are significant.

“If working parents gives up their jobs, they stop the slow move out of poverty. They might qualify for welfare, but that would cost the state as much or more than it would save by cutting CCAP. Parents that quit would lose whatever health insurance they had through their employers and many will qualify for Medicaid. The Cabinet has not set out in the Fiscal Note what these additional costs might amount to.

“The Fiscal Note also fails to account for loss of state and local income and payroll tax revenue from working parents that will lose their jobs. Working parents also spend more income from wages and that produces economic benefit to local economies — which generates additional tax revenues. The impact of that spending was also not mentioned in the Fiscal Note.

“For those desperate parents who try to keep working and find child care that they can afford, too many of their children will suffer from inappropriate and unsafe settings that not only do not help the child grow well, but actually harm them. The Cabinet should be required to demonstrate the impact of poor quality care. It is reasonable to assume that such care will lead to an increase in abuse which will result in more child protection cases and greater use of the courts. The Cabinet did not mention this cost in the Fiscal Note. The Cabinet acknowledges that the cuts will affect child care providers, but does not estimate the cost associated with the cuts. If the cuts eliminate 35-40% of children receiving assistance, it's reasonable to assume that child care providers will reduce staffing by a comparable amount. Center staff will be cut back and laid off and will qualify for unemployment, which will cost the state. The Fiscal Note does not mention that. Some of the laid-off teachers and staffs will qualify for Medicaid and other public benefits which will cost the state. Again, there's no estimate of those costs in the Fiscal Note nor is there mention of the loss to local economies and state and local governments for the reduction in spending that will result.

“Businesses that rely on low-wage workers have benefited from childcare assistance for their working parents. CCAP has served as a business subsidy. What impact will the cuts have on these businesses? Has the Cabinet made any attempt to survey employers to find out? One large local employer estimates that more than 10% of its workforce will lose childcare assistance. It's likely that many other businesses will suffer as well.

“The CCAP cuts have a huge economic impact on families, children, employers and state and local government. It's hard to imagine a public policy decision that has such an adverse affect. The Cabinet needs to study the ramifications of the cuts more thoroughly before implementing the changes. Not to fully consider the impact and costs

is bad public policy. Furthermore, the cuts appear to violate an agreement that the Cabinet made with the federal government pursuant to the Improving Head Start Readiness Act of 2007 to increase access to early care and education.

“I strongly urge the Cabinet to withdraw the regulation and restore the cuts. “

(j) Response: Please refer to the response provided in item (4)(b) of this summary.

(k) Comment: Ms. Judy Schroeder testified at the public hearing on this subject matter and submitted Mr. Joe Tolan’s written comments, which state, “Please accept this letter as our expression of deep concern regarding proposed regulation 922 KAR 2:160 that reduces eligibility for working families from 150% of the poverty level to 100% and enacts a freeze for new children to be enrolled in the Child Care Assistance Program (CCAP).

“At Metro United Way, our vision is a community whose people achieve their fullest potential through education, financial stability and healthy lives. We share your priority of school readiness for the children of the Commonwealth of Kentucky, and we work in four Kentucky counties to improve school readiness through family engagement and quality early childhood programs.

“This decision by the Cabinet for Children and Families will have a negative impact on kindergarten readiness for at least 11,000 children in the Kentucky counties we serve. These cuts will make Kentucky's eligibility the lowest in the nation. A single mother with one infant will no longer qualify for CCAP if she makes \$14,750 per year while the average cost of child care in Jefferson County is \$7,020 per year.

“Cuts to child care subsidies will force some families to make tough choices with many unintended consequences. Some may have to quit their jobs or leave school. Those who lose child care subsidy will likely require more safety-net services because they can no longer pay for such necessities as food, rent, or utilities.

“Child care centers that provide quality early learning opportunities serving children from low-income families — like the centers Metro United Way supports - will be forced to close their doors to all of the children they care for. Not only will this have an economic impact on the families affected, but the reduction of child care centers as small businesses will result in layoffs and further destabilize fragile communities. The economic impacts of these cuts are far greater than the budget savings that these proposed cuts are aimed to address.

“I implore you to allow this emergency regulation to expire after 120 days rather than to make these CCAP cuts permanent.”

(l) Response: Please refer to the response provided in item (4)(b) of this summary.

(m)Comment: Jordan Wildermuth’s wrote, “The reduction in eligibility for families applying for CCAP from 150% to 100% of poverty as set out in in 922 KAR 2:160 will cause an extreme hardship on children and working parents in low-wage jobs and it will likely cost the state more in other services than it saves.

“As the trade association for social workers, NASW Kentucky is deeply concerned at how these cuts will impact the profession of social work and especially how they will impact the lives the individuals and families that we serve. As social workers, our main

goal is to enhance the functioning and well-being of individuals, families, and communities. The eligibility reduction is another leg of the stool that is being pulled out from under Kentuckians working low-wage jobs and trying to make ends meet. As political and societal rhetoric are telling individuals and families that they must pull themselves up by their bootstraps, we are also destroying any safety net that allowed them to do so. By reducing the eligibility, Kentucky is telling our residents that we do not value families or family values and most certainly do not want to promote parents in the workplace. Lack of child care is going to force parents to make tough choices, choices that should not have to be made.

“If working parents give up their jobs, they stop the slow move out of poverty. They might qualify for welfare, but that does nothing to help them become self-sufficient and it would cost the state as much or more than it would save by cutting CCAP. The parent that quits would lose whatever health insurance they had through their employer and many will qualify for Medicaid.

“We also have to frame these cuts through an employer's perspective. Many businesses rely on low-wage workers that have benefited from childcare assistance. Without childcare assistance, Kentucky loses that incentive to maintain and recruit workers. This is not a time when we want to de-incentivize employment.

“The CCAP cuts have a huge impact on families, children, employers, and state and local government. It is hard to imagine a public policy decision that has such an effect. The Cabinet, legislature, and Governor's office need to take into account the ramifications of this decision before we dive off of a cliff into water that is too shallow. NASW Kentucky strongly urges the Cabinet to restore the cuts.”

(n) Response: Please refer to the response provided in item (4)(b) of this summary.

(o) Comment: Tacasha E. Bingham's written comment states, “The following comments are in response to the Cabinet for Health and Family Services; Division of Child Care's regulations filed for the Child Care Assistance Program 922 KAR 2:160.

“I STRONGLY oppose the cuts to the Child Care Assistance program due to the negative impact it will have on children, families and the Commonwealth's economy.

“The freeze on low income working parents' applications for child care subsidy as well as the severe adjustment to the income eligibility criteria will have devastating effects on parents' ability to work and will essentially destroy the child care infrastructure in Kentucky. The cuts to child care in Kentucky are the steepest in the country!

“Thousands of children and families will be denied the proven poverty-fighting solution of quality early childhood development. This hurts economic development in Kentucky and will have significant long term consequences. It will ultimately cost taxpayers and society more in the long run due to job losses of parents and child care employees. Many parents are just one unstable child care arrangement away from losing their job. These cuts will force them to make drastic decisions. Child care is not a luxury; it's often the difference between welfare and work.

“The Cabinet should find a way to offset the deficit without cutting the opportunities for the Commonwealth's children. They are our future and should not be denied the resources they need to grow and develop in safe, nurturing, and educational environments. Child care assistance is important to low income working families and to

our economy as a whole. All Kentucky citizens depend on a strong economy for our future.”

(p) Response: Please refer to the response provided in item (4)(b) of this summary.

(q) Comment: Ms. Lea Hayes Fischbach wrote, “...I have been a volunteer in the Citizen Foster Care Review system since 1979. In addition I have been involved in an extension of that program, Interested Party Reviews, for more than 5 year.

“During that span I have reviewed several thousand files of families caught up in both the need for alternative care for abused and neglected children as well as the grips of poverty and the ‘welfare system.’

“For many many years the only way relatives could gain care and custody of children in need of alternative care, was to become certified foster parents. If children were lucky enough to be placed with relatives informally before the legal processes began, children were informally but legally placed with relatives. But all too often, that did not happen soon enough, that is before substantiated abuse and neglect had taken place and been documented.

“From a Citizen Foster Care Reviewer’s perspective, there were a few pitfalls in the Kinship Program that were not always addressed. Some children did not receive the services that were needed in order to deal with the abuse and neglect they were removed from. And many children remained in a quasi-permanent status as relatives did not seek permanent custody of the children. BUT THE PROGRAM DID DO MANY POSITIVE THINGS AND SHOULD NOT BE ELIMINATED. If this is for cost cutting reasons this cut makes no fiscal sense. Many of these sibling groups will have to go into specialized homes that can take three or four children. Such home cost the State much more than the \$10 per day paid to relatives. As I understand it, the therapeutic focus of keeping siblings together is a tenant of the Cabinet and is to be supported at all times. So, what could have been a healthful \$30 a day placement for three children rapidly becomes a \$120 a day placement, as most of the sibling group homes are under the supervision of private child care (PCC) providers. At least that is the case in Jefferson County where more than ¼ of the children in foster care come from. The mast is just not there. The ‘savings’ just are not there.

“BUT MORE IMPORTANTLY, SAFE RELATIVE PLACEMENTS SHOULD BE FOUND FIRST. THAT IS WHAT IS BEST FOR EACH AND EVERY ABUSED AND NEGLECTED CHILD. If a relative becomes a certified home, the cost per child more than doubles.

“In regard to the severe cuts in the CCAP Program. AGAIN THE MATH IS JUST NOT THERE. Many parents struggle to make a go of working and caring for their children even WITH THE CCAP subsidies. Without the subsidies all too many will throw in the towel and give up their barely more than minimum wage jobs and most probably go back to an even more substandard way of living with and raising children. No one has been able to escape the fact that so many folks live perilously from paycheck to paycheck, even with subsidies. The die is cast when these subsidies are no longer available for so many families.

“Now here is the irony in all of this...put your children in situations where abuse or neglect can take place, be the cause of abuse and neglect, and your children will still be

eligible for child care subsidies after they have been placed in foster care, as Kinship Care is no longer an option. HOW IN THE WORLD DOES THAT MAKE FISCAL SENSES? This is not a conjecture on my part; it has happened and will happen after these cuts. In all of the focus on balancing fiscal realities, the harm to children, as all say, OUR COMMONWEALTH'S FUTURE, cannot be quantified. The results of these cuts should weigh heavily on the hearts of all those who see them as the best way out of a bad budgetary reality. It just can't be so. One less pothole filled, one less shrub planted on a golf course, even one less mowing of grass along a highway, can't compare to the harm that is about ready to be done to children and their families."

(r) Response: Please refer to the response provided in item (4)(b) of this summary.

(s) Comment: Ms. Bridgette Mack commented, "My name is Bridgette Mack and I'm writing this letter in hopes that your decision to cut back funding for child care assistance will be retracted. I'm a mother of 3, a full time student and I work full time. Needless to say I'm a very busy lady and I rely heavily on child care assistance for many reasons. Even though I work a full time job I still do not have the income to pay more for the cost of childcare. I already struggle to pay our normal living expenses as it stands. If the funding for childcare is cut back I will be forced to quit my job and stay at home with my children. I will then have to possibly sign up for Welfare due to not having any other source of income. Another downside to having the funding cut would be that I could no longer attend classes to further my education.

"Without being able to continue my education I won't be able to better myself or the lives of my children. The reason that I work so hard on a daily basis is to be a role model for my children. I want them to understand that with hard work, determination anything is possible. Having to quit school and my job would simply would make me look like a failure to not only myself but my children. Being a failure at my education or my career is unacceptable. I don't plan to need or use childcare assistance for the remainder of my children's up bringing but for right now and until I finish school child care assistance is an important vital part of our life. My lively hood and the lively hood of my children will diminish greatly. I humbly plead with you to sincerely reconsider the idea for cutting back funding for childcare assistance."

(t) Response: Please refer to the response provided in item (4)(b) of this summary.

(u) Comment: Ms. Samantha Willman states, "I am a single mother of a two-year-old. I work full time just making a little over minimum wage. Between all of my bills and necessities for my daughter I am barely making it. I am, doing everything I can to better my child and my life, but at this moment I am grateful that I have the support of CCAP. Without CCAP my child would not be able to attend daycare. I would have to pull her out, quit my job and in the meantime find a job that would support the full price of child care and bills.

"By no means am I asking for a free ride or an easy way out, I am truly a person who needs the support of CCAP. I believe child care is great for children because they can learn many things as well as how to socialize and be a part of a group. You would not only be affecting my life but also my child's if I did not have the support of CCAP. if

you are concerned with the money going out maybe look at your cases better. There are a few that do not deserve it. Thank you for your support.”

(v) Response: Please refer to the response provided in item (4)(b) of this summary.

(w) Comment: Albany Robinson written comments state, “If I was not to get CCAP, I would be one of many who would not be able to afford child care. I am a single parent of an infant that is 5 months old. I am struggling now as it is to pay all of my bills plus all of my medical expenses from when I was pregnant. If I lose CCAP I will have to pull my child out of daycare and keep her home. Which means I will lose my job because I have to call in so much because I no longer have anyone to keep my child.

“If I have no job, I now have no other way of supporting my child and I. I have no money to pay for rent, to buy food, to put gas in my car, nor can i pay other necessities like gas and water. I am truly dependant on CCAP and really do benefit from it. My child is in a safe environment and I know she is learning and being taken care of. If you all choose to keep the freeze going my child life will suffer majorly. Thank you for your time.”

(x) Response: Please refer to the response provided in item (4)(b) of this summary.

(y) Comment: Ms. Samantha Stoss wrote, “If I lost CCAP it would affect me because as a young teen mother, money is a lot less. Many responsibilities come along; I have to pay for my daycare, car insurance, my son's daily needs and mine as well. It would be even harder for me then it already is, if you all took my CCAP away completely. Being a single parent it helps me out a lot that you all provide me with the chance to use your services.

“I do not make much now as it is, and it would be so hard for me and my son to make it on our own. I am doing the best that I can, the way I know how. And I greatly appreciate all you all do for my child and I. If I lost CCAP now I know that my son's life will be dramatically different in negative ways.”

(z) Response: Please refer to the response provided in item (4)(b) of this summary.

(aa) Comment: Ms. Sarah Ewing stated, “My daughter Alexzandria currently attends Angel House on Taylorsville Rd in Louisville, KY. This is the first daycare facility that she has attended and she amazing has adjusted well. She has really come out her shell thanks to her teachers and the staff at Angel House. However, without the \$50.00 assistance that I receive Alex would not be able to attend childcare. I do not receive any support from Alex's father and the \$80.00 that I am to pay on my own now seems like too much with all other weekly expenses. Without the constant interaction of children I believe that Alex will not be socially ready for the school system. Also, the doctors tell me that her being in child care will really strengthen her immune system and it takes on average a year for small bodies to adjust and if she is not in daycare she will more than likely miss the majority of her kindergarten year.

“Myself, I could not financially take on the additional \$50.00 a week to keep her in childcare at this time if the program changes. The only family member that lives in the

Louisville area is my mother but her only day off is Tuesdays. I also could not trust her with a private provider that may charge less due to how much information that can be fabricated and I value my daughter's life. If I am not able to keep my assistance I will not be able to keep my job.”

(bb) Response: Please refer to the response provided in item (4)(b) of this summary.

(cc) Comment: Anonymous written commenter #1 states, “I send this letter on how I fill about the changes to the child care assistant program. It has made things a lot difficult for those parents that work or go to school which I think that was the goal. But to do it to clean up a mess that your program made years ago is truly wrong. I say this because parents that are trying to make a change and provide for their families can't afford to now because it has become hard to apply for help. Its funny how you are giving the assistants to those lazy parents that are donating time to the L&N building for a government check each month or you have some parent that has ended in the Cps system that can get these services while hard working parents have to find another alternative. I also think you all made the mistake buy giving to CONTRACTS to parents that are going to school and working because of your requirements. I think that could have been handle a different way. Everyone is not trying to get over on the government people are trying to provide for their families but with the crap that you all have done most will have to go back on this government assistant program just to get ahead. This in Frankfort need to be done and handle a whole lot better than what is going on today. Times have changed and so has the economy. A VERY UPSET and CONCERN Parent and PROVIDER”

(dd) Response: Please refer to the response provided in item (4)(b) of this summary.

(ee) Comment: Anonymous written commenter #2 states, “I feel that you have really messed up the system. There are lots of parents that are trying to work to take care of their children. This program has been a success by helping low income families in need. Do to some bad seeds you take it away from those that are trying to get one step ahead. First I would like to understand if there was any mistake on Frankforts/L&N part. Everyone is quick to jump the gun on pointing at the parents and the providers. I just think when coming to a major deciesion like this one there should have been a great alternative other than getting rid of the program. This is just like the JCPS, they offer early headstart to non working parents but are forcing working parents (who now cant get 4c)to pay for free public schooling that is the same as daycare. Are state is pretty much jacked up when it come to who and how they should help folks. We need this system back and if we don't get back asap we have a lot more problems that we as tax payers will have to deal with. Concern Director of 19yrs”

(ff) Response: Please refer to the response provided in item (4)(b) of this summary.

(gg) Comment: Rene' Bricking's written comments read, “Please do not allow the CCAP cuts. These changes will drastically affect the families and children in our community.”

(hh) Response: Please refer to the response provided in item (4)(b) of this summary.

(ii) Comment: Ms. Brittany Sharp's stated in written comments, "I am sure and completely understand that this is not your decision and you had no part in the decision to lower the income limits of the child care assistance program. If you would like to make a complaint who would you let know? Or maybe you can just forward this on.

"My name is Brittany I am 26 years old with two children 5 years and 13 months old. I work at St. Elizabeth and I have for 5 years now. I make decent money and it still is never enough. My daycare would be almost \$400 a week without assistance. My childcare is still 147.50 a week and that is hard on me being a single mother.

"My mother also had a brain aneurysm this past year and I now take care of my younger sister and help my 22 year old twin brothers because they have no one else our father passed in 1993. I literally will not be able to work if I do not receive the help. I do not understand how this is going to help anyone, this will only cause people to go out of work. I am very sad and I have been nervous about it since I heard this was happening I'm not really sure what I'm going to do. I have no parents or family to watch my children for me. This is truly upsetting. I feel like me quitting my job I will be quitting everything else I have. There is no way I will be able to work and that means I will not be able to take care of my family! What is a person supposed to do here? This is absolutely terrible to do to people. I take pride in the fact that I can work and provide for my children, and now my brothers and sister. This is going to make it impossible for me."

(jj) Response: Please refer to the response provided in item (4)(b) of this summary.

(kk) Comment: Ms. Becky Dukes submitted the following written comments: "I am the coordinator of a HANDS home visitation program in northern KY. The part of the changes that deeply affect the families that we see is the change in income eligibility. A family with working parents is often above the 100% of poverty because that figure is so low. However, the added cost of child care would either cause them to quit their jobs to care for their child or find a friend or family member on a day by day basis who could watch their child. If what we truly want to encourage is self-sufficiency there needs to be some supports in place for low income working families. I think this change will backfire when the long term outcomes of low quality child care are factored in. We will be paying for that in the future in our schools. I would like to see the persons at the state level who are making this change create a family budget that is reasonable based on earning 101% of poverty without assistance."

(ll) Response: Please refer to the response provided in item (4)(b) of this summary.

(mm) Comment: Ms. Kathy Venneman Donelan's commented, "I am against the CCAP cuts. I own a daycare center in Campbell County. I have families that work and depend on their subsidy to reduce their costs of the child care. If these benefits are cut they will be forced to quit their jobs and stay at home. I believe that they will then use more of the other programs that the state offers. I also firmly believe in supporting parents who want to work instead of living off the state programs."

(nn) Response: Please refer to the response provided in item (4)(b) of this summary.

(oo) Comment: Nesha Parker stated, "I am writing in reference to the childcare cuts. I think that it is a terrible thing that is happening there are a lot of low income families as well as families that are working jobs that can not afford childcare. It is a shame that they are making cuts. Parents really depend on the CCAP funds to support them while they work to help society as far as jobs go in this country. I believe one hand has to shake the other in order for everyone to come together to work. They really need to find a way to keep it around or there will be more unemployed parents out here without a job. Which means the unemployment rate will skyrocket again. Because they can not afford childcare payments along with regular bills. They really need the help especially childcare centers that are doing everything legal to run their daycare in the proper statutes and by the rules and regulations of the law. Should have those payments around to keep their daycare facilities running for the parents that can afford childcare as well. But the real problem lies with the government and how they will change their decision. They need to look at the fact that people will work as long as they get good quality care for their children. And that they will not have to worry about high out of pocket expense for childcare. Some can afford to pay something if they are working but not so much especially when they have more than 2 children, that means the price goes up higher. So those payments towards childcare would help them greatly. I am now apart of a daycare center that just opened called My Little Tippy Toes. As a Director I know I would love to accept low income families. And 3's will be a big part of my success as a Director their to help families also take very good care of any children we will enroll. So please reconsider your decision to make life easier for these hard working parents out here that really want to make it in their life raising their children with our help as providers and/or directors. Thanks so much."

(pp) Response: Please refer to the response provided in item (4)(b) of this summary.

(qq) Comment: Michelle Kolb's written comment states, "As a resident of the Commonwealth of Kentucky and the County of Boone, I'm extremely concerned with the decision to cut the amount of childcare assistance for families. The families that receive this benefit are working to provide for their families. The key work is they are WORKING. By reducing this benefit, I understand many families will no longer receive this benefit which may lead them to make decisions that are not in the best interest of their family, community and commonwealth. From my perspective, I see them having limited options such as 1) stop working and apply for other assistance through the commonwealth and the county; 2) turn down a promotion or pay raise to remain under the cap; 3) send their child(ren) to an unapproved childcare center; 4) have a relative or friend who is not engaged with educating the child(ren). All 4 of the options are not in the best interest of the child. I believe it is our responsibility to ensure the children in our communities receive the best possible care available. The cost savings by cutting the benefit, may cost more in the long run due to families applying for other assistance. The childcare assistance helps people work or become self-sufficient. Please consider keeping the childcare assistance for working families."

(rr) Response: Please refer to the response provided in item (4)(b) of this summary.

(ss)Comment: Andrea R. Woodward wrote, “I am writing you because I’m deeply concerned about the recent cuts to the Child Care Assistance Program and what these mean for working families and their children in Kentucky—indeed, what these mean for the state of Kentucky as a whole. I am fortunate that I can afford the cost of the quality child care my children receive, but I know many other parents who cannot afford such care and who are able to attend my children’s school only because of the Child Care Assistance Program. In a sad irony, it’s some of the very teachers who provide such quality care for my children who will no longer be able to send their own children to our school due to these cuts.

“The importance of early childhood education and enrichment could not be greater for the children who receive it, their families, and their communities, and in the long run these cuts will cost Kentuckians far more than they’re saving by implementing them. As Federal Reserve Bank economists looking into this issue have stated, “Investing in early childhood development yields a much higher return than most government funded economic development initiatives” (Rolnick and Grunewald, p. 13). Research shows time and again the return on investment in early childhood education: low-income children are less likely to use public assistance, get into trouble with the law, abuse drugs and alcohol, or fail out of school later in life if they have had access to quality childcare before the age of five. I wish we didn’t have to use fear of our kids turning to drugs, being in jail, or dropping out of school to garner support for working families—I wish it were enough to simply say that all children deserve to have care-free, safe, and enriching childhoods, but if the moral argument isn’t convincing enough, I hope that the economic one is.

“I am urging you to do whatever you can to guarantee that low-income parents and caretakers have access to the affordable, high-quality child care they need to do their jobs, and to see to it that their children are safe, nurtured, and enriched while their parents do those jobs.”

(tt) Response: Please refer to the response provided in item (4)(b) of this summary.

(uu) Comment: Ms. April Trent representing Amazing Creations Preschool, Kristen Tipton the director for Southside Christian Child care in Louisville, Kathy Huber. who is another director at Southside Christian Child Care in Shively and Adrienne Howard, also a director at Southside Christian Child Care testified at the public hearing regarding the changes in income eligibility for CCAP. Each child care provider shared their concerns and how this change will impact child care services. These concerns included children being improperly supervised and not having quality child care and also the increase in unemployed parents.

(vv) Response: Please refer to the response provided in item (4)(b) of this summary.

(ww) Comment: Ms. Brenda Bowman, Mr. Richard Morris representing Child Care Advocates of Kentucky and Tiffany Brown a Metro United Way advocate, Ms. Dreema

Jackson a parent advocate, Ms. Deneen Petty, Ms. Sandra Flynn, Ms. Dorothy McNair, Mr. Randall Strause, Ms. Daisy Mitchell, and an unidentified speaker attended the public hearing and provided comments expressing their concerns with this cost containment measure and change in income eligibility for the Child Care Assistance Program, frequently referring to this as a programmatic cut. All of the advocates shared their concerns which included children being improperly supervised, not having quality child care, improper child socialization, continued education for parents, the economic impact such as reductions in the number of child care centers, and also the increase in unemployed parents. They called upon the state to find money to not change the CCAP program.

(xx) Response: Please refer to the response provided in item (4)(b) of this summary.

(yy) Comment: Mr. Charlie Lanter, a child care provider and advocate, attended the public hearing and testified about this cost containment measure and change in income eligibility for the Child Care Assistance Program. He commented on the inconsistency in public assistance programs and the many reductions to public assistance programs all at once. He finds contradiction to the welfare reform message of the 1990's and in proposed child care cost containment measures.

(zz) Response: Please refer to the response provided in item (4)(b) of this summary.

(aaa) Comment: Hikes Point Child Care Center, Outer Loop Child Care Center, Buechel Day Care Center Blue Lick Childcare II Center, Valley Childcare Center, and Okolona Childcare Center submitted a combined total of thirty-four written parent survey responses to: "The way my life will change when I no longer have CCAP (Child Care Assistance Program):"

(bbb) Response: Please refer to the response provided in item (4)(b) of this summary.

(5) Subject: KRS 13A

(a) Comment: Mr. Randall Strause testified at the public hearing that he believes this administrative regulation is in violation of KRS Chapter 13A.

(b) Response: The Department for Community Based Services has drafted the administrative regulation and followed the promulgation processes outlined in KRS Chapter 13A as the department understands the statutory chapter and its application. The administrative regulation will be subject to review by the Administrative Regulation Review Subcommittee, its staff, and possibly a subject matter committee; therefore there will be additional review by at least one external body and additional opportunity to ensure congruency and compliance with KRS Chapter 13A. The administrative regulation will not be amended as a result of the comment.

Summary of Statement of Consideration and
Action Taken by Promulgating Administrative Body

(1) Summary of Statement of Consideration:

This Statement of Consideration addresses public hearing and written comments submitted by Mary Beth Jackson, Steve Magre, Janet Masterson, Anne Marie Whelan, Adrienne Bush, Michael J. Hammons, Joe Tolan, Jordan Wildermuth, Tacasha E. Bingham, Lea Hayes Fischbach, Bridgette Mack, Samantha Willman, Albany Robinson, Samantha Stoss, Sarah Ewing, Rene' Bricking, Brittany Sharp, Becky Duke Coordinator, Kathy Venneman Donelan, Neshia Parker, Michelle Kolb, Andrea R. Woodward, Randall Strause, Deneen Petty, April Trent, Sandy Flynn, Kristen Tipton, Dorothy McNair, Kathy Huber, Adrienne Howard, Brenda Bowman, Richard Morris, Judy Schroeder, Tiffany Brown, Daisy Mitchell, Region Dreema Jackson, Charlie Lanter, Bridgette Mack, Samantha Willman, Albany Robinson, Samantha Stoss, Sarah Ewing, Hikes Point Child Care Center, Outer Loop Child Care Center, Buechel Day Care Center, Blue Lick Childcare II Center, Valley Childcare Center, Okolona Childcare Center, Written Anonymous Commenter #1, Written Anonymous Commenter #2, Unidentified Speaker at the Hearing. The comments concerned the following aspects or content of 922 KAR 2:160: material incorporated by reference, the finding of fraud, the withholding of a CCAP payment, changes to income eligibility requirements, and compliance with KRS Chapter 13A.

(2) The administrative regulation is being amended due to the written comments received. The administrative regulation is amended as follows:

Pages 3-4
Section 1(13)
Lines 22-1

After "(13)", delete:

Finding of fraud" means a suspected intentional program violation referred in accordance with 922 KAR 2:020, Section 4(4)(a)1 that is accepted for investigation and substantiated by the cabinet's Office of Inspector General.

(14)

Renumber the remaining subsections of this section.

Pages 33-34
Section 17
Lines 3-16

After "Section 17.", delete the remainder of the section in its entirety.

Page 34
Section 18

Line 17

Before “Informal”, delete “Section 18”
Renumber the remaining sections of the administrative regulation accordingly.

Page 37

Section 20(1)(e)

Line 1

After "edition", insert "7/13"
Delete “4/13”

Page 37

Section 20(1)(f)

Line 3

After "edition", insert "7/13"
Delete “04/13”

Material Incorporated by Reference

Page 1

DCC-94B

Header

After “R.”, insert “7/13”
Delete “4/13”

Page 2

DCC-94B

Footer

After “R.”, insert “7/13”
Delete “4/13”

Repeat footer revisions on pages 3 through 6.

Page 3

DCC-94B

Provider Rights and Responsibilities

After “Responsibilities”, insert:

To receive payment under CCAP, I understand and agree that I shall:

1. Meet all regulatory and statutory requirements related to my child care provider type (Licensed or Certified) as listed below, which can be found at <http://lrc.ky.gov/kar/title922.htm>:

922 KAR 2: 020 Child care assistance program (CCAP) improper payments, claims, and penalties

922 KAR 2: 090 Child care center licensure

922 KAR 2: 100 Certification of family child care homes

922 KAR 2: 110 Child-care center provider requirements

922 KAR 2: 120 Child-care center health and safety standards

922 KAR 2: 160 Child Care Assistance Program

2. Give permission to the cabinet or the local CCAP staff to verify any information necessary.

3. Maintain capacity to no more than the number approved by Fire Marshal, which includes both children and adults, at any given moment of the day.

4. Maintain information and records concerning children and families in a confidential manner, including information and records of children who do not receive CCAP benefits.

5. Not use any form of abusive language and/or corporal physical discipline, including spanking, shaking, hitting or paddling.

6. Report to the local CCAP staff the opening of a new site, an address change, a change of ownership, a negative action, or a change in provider type (licensure, certification, or registration) within five (5) days of the change.

7. Charge the parents of children receiving CCAP benefits no more than the rate charged to parents of children who do not receive CCAP benefits.

8. Notify the local CCAP staff and the parents of children receiving CCAP benefits of any rate changes ten (10) days in advance of making the change.

9. Not charge the parents of children receiving CCAP benefits for any days the facility is closed if the provider does not bill parents of children who do not receive CCAP benefits.

10. Collect daily family co-payment fees regularly. If the co-payment is not paid on time, I will contact the client to set up a payment plan to get the co-pay current.

11. Not permit an employee receiving CCAP benefits to provide direct care for the employee's own child.

CCAP BILLING AND PAYMENT

12. Sign and return the DCC-94, Child Care Service Agreement and Certificate, within ten (10) days of it being issued. Payment will not be made until the signed Service Agreement has been received.

13. Complete a Form W-9, Request for Taxpayer Identification Number and Certification, and submit it to the local CCAP staff. I understand that I am not an employee or contractor of the Cabinet for Health and Family Services or the local CCAP agency. I may be subject to federal, state, and local taxes and other requirements. If I provide services in the child's home, federal law (the Fair Labor Standards Act (FLSA) (29 U.S.C. Section 206(a)) considers me to be a domestic service worker employed by the parent and therefore covered under minimum wage laws. If I have questions regarding my status or the tax implication of any payments made to me on behalf of a parent by the cabinet, I should contact a tax professional, the Kentucky State Revenue Cabinet, or the Internal Revenue Service.

14. Be reimbursed by the Cabinet for State or Federal holidays for which the provider is closed only if the provider bills parents of children who do not receive CCAP benefits. Payment under CCAP will not be made to a licensed or certified provider for more than ten holidays per calendar year.
15. Not give any part of the CCAP payment to any employee of the cabinet or the local CCAP staff as wages, compensation, or gifts in exchange for acting as an officer, agency, employee, sub-contractor, or consultant to me.
16. Not receive payment from CCAP for any child that I care for who resides in the same home as I do.
17. Understand that if I operate a child care business in my home, my child(ren) is not eligible for CCAP benefits during the time I care for (an)other child(ren).
18. Promptly pay back any child care payment received to which I was not entitled to receive.
19. Ensure that CCAP payments are made only to the center approved for care. When a center is closed, the center cannot move children to another center and expect payment.
20. Maintain payment records for a period of five (5) years. This includes the DCC-94E, Child Care Daily Attendance Record.
21. Not be paid for payment requests or adjustment requests ninety (90) or more days after the service month.
22. Not give false information or withhold information as I may be subject to CCAP disqualification or prosecution for fraud.
23. Be required to pay back any overpayment and the overpayment may be pursued as an intentional program violation in accordance with 922 KAR 2:020 if I or staff acting on the child-care center or home's behalf does not bill accurately in accordance with 922 KAR 2:160.
24. Be reviewed after a monthly DCC-97, Provider Billing Form, has been processed and paid. CCAP staff has the right to review and verify the accuracy of the form and the payment. CCAP payment(s) shall be adjusted if an overpayment or an underpayment has been identified. I will pay back any money I receive in error, even if the mistake is not my fault.
DCC-94E, CHILD CARE DAILY ATTENDANCE RECORD
25. Maintain the DCC-94E, Child Care Daily Attendance Record in which the daily arrival and departure times of each child is recorded. The child's name must be legible and must be written the same as it is given on the DCC-97, Provider Billing Form.
26. Sign the DCC-94E, or an employee acting on my behalf shall sign the DCC-94E, at the end of each week. I shall ensure that a client or designated person does not sign the DCC-94E prior to the end of care for a given week.
27. Not receive a payment for days or weeks during which a child(ren) is not signed in or out on the DCC-94E. If I or a person acting on my center or home's behalf fails to secure the appropriate initials daily and the client's signature weekly, any payments received will be recouped.
28. Not be paid for any absences or holidays for a child who does not have attendance during a calendar month.
29. Submit the DCC-94E sheets upon request of the Cabinet or designee.

30. Complete the monthly DCC-97, Provider Billing Form, accurately, promptly and according to instructions.

31. Complete the DCC-97, Provider Billing Form, as documented on the DCC-94E, Child Care Daily Attendance Record.

Reasons CCAP payments could stop:

1. I understand that CCAP payments may be withheld or terminated:

- Upon thirty (30) days notice due to a shortage or unavailability of funding;
- Upon ten (10) days notice due to failure by the provider to comply with the terms of this agreement;
- Upon notice of the Office of the Inspector General, Division of Regulated Child Care, that failure to comply with provisions of applicable administrative regulations has caused my license or certification to be suspended or revoked;
- When not in good standing with the Cabinet; or
- While a disqualification is imposed due to fraud in accordance with 922 KAR 2:020.

2. Child care arrangements and all CCAP payments may be terminated immediately if the cabinet initiates a Child Protective Services investigation involving me or a member of my family, and the cabinet determines that I have not satisfied the cabinet's safety concerns by preventing further contact between the subject of the investigation and child(ren) served by me.

I understand and agree to all of the requirements included in this Provider Information form.

DATE _____

Licensee or Certified Provider SIGNATURE

"Licensee", as defined by 922 KAR 2:090, is an owner and operator of a child care center to include sole proprietor, corporation, Limited Liability Company, partnership, association or organization.

PRINT NAME AND TITLE:

In order to receive payment under the CCAP, you must complete, sign, and return this form and Form W-9 to the address below. These forms must be updated annually, and if any changes occur, they are to be resubmitted to the CCAP Staff. Keep a copy for your files.

Service Agent Staff: (INSERT CCAP AGENT ADDRESS)

Address: _____ Phone: _____

() FAX: () _____

Delete:

To receive payment under the CCAP I understand and agree that I shall:

1. Meet all regulatory and statutory requirements related to child care registration.
2. Give permission to the cabinet or the local CCAP staff to verify any information necessary.
3. Agree not to care for more children than legally permitted.
4. Maintain information and records concerning children and families in a confidential manner, including information and records of children who do not receive CCAP benefits.

5. Not use any form of abusive language and/or corporal physical discipline, including spanking, shaking, hitting or paddling.
6. Report to the local CCAP staff the opening of a new site, an address change, a change of ownership, a negative action, or a change in provider type (licensure, certification, or registration) within five (5) days of the change.
7. If required sign and return the DCC-94, Child Care Service Agreement and Certificate, within ten (10) days of it being issued.
Payment will not be made until the signed Service Agreement has been received, if required.
8. Charge the parents of children receiving CCAP benefits no more than the rate charged to parents of children who do not receive CCAP benefits.
9. Not charge the parents of children receiving CCAP benefits for any days the facility is closed if the provider does not bill parents of children who do not receive CCAP benefits. The cabinet shall reimburse the provider for State or Federal holidays during which the provider is closed only if the provider bills parents of children who do not receive CCAP benefits.
10. Notify the local CCAP staff and the parents of children receiving CCAP benefits of any rate changes ten (10) days in advance of making the change.
11. Complete the monthly Provider Billing Form, DCC-97, accurately, promptly and according to instructions. I understand that if I give false information or withhold information, I may be subject to prosecution for fraud. CCAP staff will not make payments or accept adjustment requests ninety (90) or more days after the service month. After a monthly Provider Billing Form has been processed and paid, CCAP staff still have the right to review and verify the accuracy of the form and the payment. CCAP payment(s) shall be adjusted if an overpayment or an underpayment
has been identified. I will pay back any money I receive in error, even if the mistake is not my fault.
12. Not receive payment from CCAP for any child that I care for who resides in the same home as I do.
13. I understand that if I operate a child care business in my home, my children are not eligible for CCAP benefits during the time I care for other children.
14. Collect daily family co-payment fees regularly. If the co-payment is not paid on time, I will contact the client to set up a Payment plan to get the co-pay current. If this is unsuccessful, I will contact the Service Agent to report that the co-pay obligation of the client is not being met within two (2) weeks.
15. Not give any part of the CCAP payment to any employee of the cabinet or the local CCAP Staff as wages, compensation, or gifts in exchange for acting as an officer, agency, employee, sub-contractor, or consultant to me.
16. Complete a Form W-9, Request for Taxpayer Identification Number and Certification, and submit it to the local CCAP staff. I understand that I am not an employee or contractor of the Cabinet for Health and Family Services or the local CCAP agency. I may be subject to federal, state, and local taxes and other requirements. If I provide services in the child's home, federal law (the Fair Labor Standards Act (FLSA) (29 U.S.C. Section 206(a)) considers me to be a domestic

service worker employed by the parent and therefore covered under minimum wage laws. If I have questions regarding my status or the tax implication of any payments made to me on behalf of a parent by the cabinet, I should contact a tax professional, the Kentucky State Revenue Cabinet, or the Internal Revenue Service.

17. Pay back any child care payment received to which I was not entitled to receive.

Reasons CCAP payments could stop:

1. I understand that CCAP payments may be withheld or terminated:

- Upon thirty (30) days notice due to a shortage or unavailability of funding;
- Upon ten (10) days notice due to failure by the provider to comply with the terms of this agreement; or
- Upon notice of the Office of the Inspector General, Division of Regulated Child Care, that failure to comply with provisions of applicable administrative regulations has caused my license or certification to be suspended or revoked.
- When not in good standing with the Cabinet.
- While a disqualification is imposed due to fraud in accordance with 922 KAR 2:020.

2. Child care arrangements and all CCAP payments may be terminated immediately if the cabinet initiates a Child

Protective Services investigation involving me or a member of my family, and the cabinet determines that I have not satisfied the cabinet's safety concerns by preventing further contact between the subject of the investigation and child(ren) served by me.

I understand and agree to all of the requirements included in this Provider Information form.

SIGNATURE _____ DATE _____

PRINT NAME AND TITLE

In order to receive payment under the CCAP, you must complete, sign and return this form and Form W-9 to the address below. These forms must be updated annually and if any changes occur, are resubmitted to the CCAP Staff. Keep a copy for your files.

(INSERT CCAP AGENT ADDRESS)

Service Agent Staff:

Address: _____

City: _____ County: _____ State: _____

Zip: _____

Phone: (_____) _____ FAX: (_____) _____

Page 1
DCC-94E
Header

After "R.", insert "7/13"
Delete "04/13"

In the right margin, insert "Page – of –"

Page 1
DCC-94E
First Paragraph

After "Record:", insert:

Enter the child's full name as listed on the DCC-97, Provider Billing Form. The physical arrival/departure time, including a.m. and p.m., of each child must be recorded daily. A parent or the parent's designated person (i.e., someone other than a child care employee) must sign at the end of each week for each child to verify accuracy. If a child arrives/departs by bus, the child care employee must record the time and initial daily. DO NOT RECORD THIS INFORMATION IN ADVANCE or make alterations to this form. No other version of this form will be accepted. This form must be fully completed.

Delete:

Enter the child's full name as listed on the Provider Billing Form (PBF). Beside child's name, record the actual time the child arrives and departs (do not record this information in advance). **The parent or authorized person must initial after each entry of time in or out of the center.** If the parent or authorized person fails to initial each entry in or out, funds may be recouped. Times must be recorded immediately upon the child's arrival and departure, defined as the physical arrival or departure of the child to/from the center. It is recommended that providers have the parents review this form for accuracy at the end of the week and sign the form as verification that it is correct. The PBF and sign in sheets should be compared to ensure accuracy of the child's attendance, absences and holidays that are being billed.

Page 1
DCC-94E
First Chart

Before "In" and "Out" within each column under each day of the week, insert "Time".

Page 1
DCC-94E
First Chart

