

1 AN ACT relating to child care.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 199 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Cabinet" means the Cabinet for Economic Development; and

7 (b) "Council" means the Council of Area Development Districts.

8 (2) The cabinet shall work in partnership with the council and the area development
9 districts to establish a Certified Child Care Community Designation Program.
10 The purpose of the program shall be to create new opportunities for local
11 governments to help increase the supply of child care and early childhood
12 education services in their communities through voluntary actions related to
13 zoning reform and programming at the local level.

14 (3) To administer the program, the cabinet may:

15 (a) Delegate authority to a subsidiary department;

16 (b) Coordinate and share information with other executive branch agencies
17 and the council;

18 (c) Enter into contracts with third parties to administer the program or specific
19 parts of the program; and

20 (d) Promulgate administrative regulations in accordance with KRS Chapter
21 13A to implement the program.

22 (4) (a) By December 1, 2024, the cabinet shall make available, on its website and to
23 the Legislative Research Commission for referral to the Interim Joint
24 Committee on Families and Children, recommendations and best practices
25 for local governments to utilize when evaluating local ordinances,
26 regulations, and land-use rules pertaining to the availability of child care
27 services in local communities. These recommendations and best practices

1 shall focus on balancing safety with increasing the supply of child care and
2 early childhood education services and easing local regulatory barriers, and
3 shall include but not be limited to the following topics:

4 1. Local land-use policies related to center-based, in-home, and
5 employer-based child care services, including:

6 a. Recommendations for definitions for terms such as "child care,"
7 "child care center," and "family child care home";

8 b. Recommendations on where child care services should be
9 permitted by right, with special standards, and with conditional
10 use permits;

11 c. Recommendations for requirements for compliance with
12 conditional use permits and special standards;

13 d. Best practices for safely permitting child care services in or near
14 industrial areas;

15 e. Best practices for playgrounds associated with child care
16 services; and

17 f. Recommendations for parking requirements where applicable;

18 2. Policies pertaining to local permitting fees for starting and operating
19 child care services; and

20 3. Policies related to other local ordinances and regulations that may
21 pertain to the availability of child care services in local communities.

22 (b) The cabinet may enter into a contract with a third party to produce the
23 recommendations and best practices required in accordance with this
24 subsection.

25 (c) The cabinet, or a third party under contract with the cabinet, shall solicit
26 feedback and input on these recommendations and best practices from the
27 council, area development districts, and organizations in the

1 Commonwealth representing child care providers and in-home family child
2 care providers, local governments, local elementary and secondary school
3 officials, the business community, economic developers, and community
4 planning and design professionals.

5 (d) The recommendations and best practices required pursuant to this
6 subsection shall take into consideration the unique needs and differences
7 between urban and rural areas of the state and shall also include
8 recommendations for local jurisdictions that have not adopted local land
9 use rules in accordance with KRS Chapter 100.

10 (5) By December 1, 2024, the cabinet shall submit a draft standardized application
11 for certification and draft instructions for the Certified Child Care Community
12 Designation Program to the Legislative Research Commission for referral to the
13 Interim Joint Committee on Families and Children.

14 (6) By April 1, 2025, the cabinet, after consulting with the council, shall make
15 publicly available a standardized application for certification and instructions for
16 the Certified Child Care Community Designation Program.

17 (7) The cabinet shall:

18 (a) Begin receiving and approving applications from local governments no
19 earlier than April 1, 2025; and

20 (b) Send notice of approval or denial to applicants no later than thirty (30) days
21 after receiving an application. If the cabinet denies an application, the
22 cabinet shall include the reason for the denial in its notice and shall invite
23 the applicant to resubmit.

24 (8) (a) To attain certification by the cabinet, applicants shall be required to
25 demonstrate that the local government has:

26 1. Developed clear and actionable strategies, including at least two (2)
27 action items from the list below, to help address local child care

1 challenges and raise awareness of state and local child care resources
2 for working families, current and prospective child care providers,
3 current and prospective employers, and economic developers. Action
4 items include but are not limited to:

5 a. Creating a community-wide child care task force that includes
6 representatives from local government, the business community,
7 education, health care, and early childhood education
8 professionals;

9 b. Making available and maintaining a public list of certified and
10 licensed child care services in the community;

11 c. Designating a local agency or nonprofit to serve as a point-of-
12 contact for local child care issues;

13 d. Helping raise awareness of certification and licensing
14 requirements for child care providers;

15 e. Making available an accessible guide to assist prospective child
16 care service providers in navigating the jurisdiction's
17 ordinances, regulations, and land-use rules that pertain to child
18 care; and

19 f. Conducting a study of child care challenges in the local
20 community or actively participating in a study of child care
21 challenges in the local region; and

22 2. Analyzed local ordinances, regulations, and land-use rules that could
23 create barriers to the availability of child care services and developed
24 an action plan to implement reforms. To comply with this
25 subparagraph, the applicant shall demonstrate that it has:

26 a. Gathered community input from child care providers and child
27 care organizations, local residents and homeowners, local

1 elementary and secondary school officials, the business
2 community, civic and nonprofit organizations, and economic
3 developers through meetings, listening sessions, or surveys;

4 b. Conducted a comprehensive analysis of the jurisdiction's
5 ordinances, regulations, and land-use rules that may pertain to
6 the provision of child care services and identified ordinances,
7 regulations, and land-use rules that create barriers to the
8 availability of child care services in the community; and

9 c. Established a clear and specific action plan to amend
10 ordinances, regulations, and land-use rules that create barriers
11 to the availability of child care services in the community as
12 identified through the comprehensive analysis in subdivision b.
13 of this subparagraph.

14 (b) For the purposes of paragraph (a)2. of this subsection, "ordinances,
15 regulations, and land-use rules that create barriers to the availability of
16 child care services" in the community means local ordinances, regulations,
17 or land-use rules that local officials and community stakeholders have
18 determined to be overly restrictive or unnecessary and have the effect of
19 discouraging or limiting the availability of child care services without
20 meaningfully supporting safety or preserving the character of the
21 community.

22 (c) In fulfilling the requirements of paragraph (a)2. of this subsection, an
23 applicant shall demonstrate that it has taken into consideration the
24 recommendations and best practices for local ordinances, regulations, and
25 land-use rules pertaining to child care made available by cabinet pursuant
26 to subsection (4) of this section. The applicant may satisfy this requirement
27 by demonstrating that it has taken into consideration recommendations and

1 best practices produced by its area development district, provided that they
2 are substantially similar to those produced by the cabinet and were
3 developed with stakeholder input as described in subsection (4) of this
4 section.

5 (d) If the applicant has not adopted land-use rules pursuant to KRS Chapter
6 100, it may exclude, and the cabinet shall not consider, land-use rules from
7 its analysis and action plan.

8 (9) Prior to submitting an application to the cabinet for certification, an applicant
9 shall first submit its application to the area development district in which the
10 applicant is located and receive approval. The area development district shall
11 review the application and, within thirty (30) days, recommend the application for
12 approval or deny it based on the criteria in subsection (8) of this section. In cases
13 where the area development district denies an application, it shall provide a
14 detailed explanation of the reason and allow the applicant to resubmit. The
15 cabinet shall not accept an application for review or approval unless the area
16 development district in which the applicant is located has recommended the
17 application for approval.

18 (10) The cabinet shall make publicly available on its website a list of communities that
19 have obtained the certified child care community designation.

20 (11) By December 1, 2025, the cabinet shall submit a report to the Legislative
21 Research Commission for referral to the Interim Joint Committee on Families
22 and Children specifying the communities that have obtained the designation, a
23 summary of the different strategies used by local communities to expand access to
24 child care and remove barriers, and recommendations for improvements to the
25 program.

26 ➔Section 2. KRS 199.881 is amended to read as follows:

27 The General Assembly finds and declares that the purpose of KRS 199.881 to 199.888

1 and 199.990(8) is to support Kentucky families by incentivizing employers to contribute
2 to the child-care costs of its employees. In enacting this legislation, it is the intention of
3 the General Assembly to enable the Cabinet for Health and Family Services to facilitate
4 this public and private partnership ~~[pilot]~~ program, herein known as the Employee Child
5 Care Assistance Partnership, and administer program funds to achieve this purpose.

6 ➔Section 3. KRS 199.887 is amended to read as follows:

7 (1) Termination of an active contract between an employer, employee, child-care
8 provider, and the cabinet pursuant to this program shall occur in the following
9 circumstances:

10 (a) If the relationship between the employee and employer is severed, the
11 employer shall notify the child-care provider and the cabinet within three (3)
12 business days of the separation, and the contract is terminated on the calendar
13 date provided by the employer in the notification. If the employer fails to
14 make this notification and the cabinet issues a state match to the provider on
15 behalf of that employer's employee, then the employer shall reimburse the
16 cabinet for the unnecessary state match;~~[or]~~

17 (b) If the employer fails to make a contribution or contributions for the eligible
18 child-care costs in accordance to the terms of the contract, the child-care
19 provider shall notify the cabinet within five (5) business days. After receiving
20 notification from the provider, the cabinet shall temporarily cease providing a
21 state match and shall notify the employer that the contract will be terminated
22 unless the employer remedies the nonpayment within five (5) business days of
23 receiving notification from the cabinet. If the provider fails to make this
24 notification and receives a state match from the cabinet on behalf of that
25 employer's employee, the provider shall reimburse the cabinet for the
26 unnecessary state match; or

27 (c) If the relationship between the employee and the child care provider is

1 severed and the employee ceases to utilize the child care provider's services,
2 the employee shall notify the employer within three (3) business days, and
3 the employer shall notify the cabinet and terminate the contract.

4 (2) Termination of an active contract between an employer, employee, child-care
5 provider, and the cabinet pursuant to this program may occur in the following
6 circumstances:

7 (a) If the employee fails to pay the child-care provider for costs not covered by
8 the employer contribution and the state match in accordance to the terms of
9 the contract, the child-care provider may give the employee reasonable time to
10 remedy the nonpayment. The child-care provider may notify the cabinet and
11 terminate the contract on the date that the notification was issued. If the child-
12 care provider voluntarily excuses the employee's nonpayment or the child-
13 care provider does not notify the cabinet within two (2) calendar months from
14 the date of the employee's nonpayment and continues to provide services, then
15 the contract made between all the parties will automatically reflect the
16 reduction in value;

17 (b) If the child-care provider ceases participation or otherwise loses its rating in
18 the rating system described in KRS 199.8943, it shall notify all parties to the
19 agreement immediately; and

20 (c) The employer, employee, or child-care provider may terminate the contract at
21 any time and for any reason. The terminating party shall notify all the parties
22 to the contract and specify the desired termination date, which shall occur no
23 sooner than two (2) weeks from the date of notification unless the child-care
24 provider gives its consent to an earlier termination date. All parties to the
25 contract shall be financially obligated, according to the provisions of the
26 contract, up to the termination date.

27 (3) Any child-care provider who receives an employer contribution as part of this

1 program or a state match for services not rendered and which will not be
2 rendered after the relationship between the employee and child care provider is
3 severed or after the termination of an active contract in accordance with this
4 section shall return those employer contributions and match funds to the
5 respective parties within five (5) days of receipt of the funds.

6 ➔ Section 4. KRS 199.888 is amended to read as follows:

7 (1) The Cabinet for Economic Development may coordinate with the Cabinet for
8 Health and Family Services to incorporate this program into agreements with
9 employers seeking economic development incentives in Subchapters 31 and 32 of
10 KRS Chapter 154, if the employer agrees to participate in the program.

11 (2) The Cabinet for Economic Development shall develop and implement strategies
12 and programs to promote awareness of the Employee Child Care Assistance
13 Partnership among employers to whom they provide services or with whom they
14 conduct business. The Cabinet for Economic Development may consult with the
15 Cabinet for Health and Family Services in developing and implementing
16 promotional strategies and programs.

17 (3) The Education and Labor Cabinet shall develop and implement strategies and
18 programs to promote awareness of the Employee Child Care Assistance
19 Partnership among employers to whom they provide services or with whom they
20 conduct business. The Education and Labor Cabinet may consult with the
21 Cabinet for Health and Family Services in developing and implementing
22 promotional strategies and programs.