



Kentucky Collaborative on Childcare

Discovery and Design Report

Authored by Convergence Center for Policy Resolution
October 2024



Table of Contents

- Executive Summary* 2**
- Project Overview*..... 3**
- Background* 4**
- Challenges and Opportunities*..... 4**
 - Challenges*..... 5**
 - Opportunities*..... 7**
- Process Design*..... 9**
- List of Interviewees*..... 10**



Executive Summary

The Kentucky Collaborative on Childcare aims to address the critical need for a comprehensive, high-quality childcare system in the state. It seeks to build a unified vision for early childhood education that meets the needs of children, families, and the economy. Through this initiative, a diverse stakeholder workgroup will be convened to develop consensus-driven solutions for expanding access to high-quality childcare across the state. The project, initiated by the Kentucky Chamber of Commerce Foundation, the Kentucky Chamber Center for Policy and Research, and the Convergence Center for Policy Resolution, is supported by the Lift a Life Novak Family Foundation.

This effort comes in response to the significant challenges that Kentucky's childcare sector faces, including a lack of access, affordability, and workforce shortages. With less than one high-quality childcare slot available for every four children under the age of five and declining Kindergarten readiness rates, there is an urgent need for innovative solutions. The project acknowledges that while progress has been made through legislative actions, more work is required to build a sustainable system.

In August, September, and October 2024, the Convergence team conducted interviews with 34 leaders from various sectors, highlighting key challenges and opportunities. The major concerns included defining what constitutes "childcare" and "high-quality childcare," balancing quality with affordability, determining the proper roles of government and the private sector, and aligning stakeholders on how to frame the issue for policymakers. The interviews revealed a consensus among interviewees that Kentucky must prioritize affordability, workforce development, and collaboration across sectors to achieve lasting change. Additionally, government regulations, political realities, and the role of public-private partnerships were identified as key factors influencing the success of the sector.

The workgroup will begin convenings in October 2024, with the goal of producing a "Blueprint for Action" by early 2025. This blueprint will outline the shared vision and strategies for implementing high-quality childcare initiatives in Kentucky, which will be disseminated to state leaders and policymakers to drive future policy and programmatic efforts.

By integrating diverse perspectives and building consensus, the Kentucky Collaborative on Childcare aims to position the state as a national leader in childcare innovation, ensuring that every child has access to the high-quality care they need to thrive.



Project Overview

While access to high-quality childcare in Kentucky has gained more attention since the COVID-19 pandemic, there remains a critical need for consensus on how to shape an early care and education system that meets the needs of children, families, and the economy. In collaboration with the Kentucky Chamber of Commerce Foundation, the Kentucky Chamber Center for Policy and Research, and the Convergence Center for Policy Resolution, and with support from the Lift a Life Novak Family Foundation, this project will convene a diverse stakeholder workgroup that reflects a range of perspectives and lived experiences. With the support of professional facilitation and resources, this workgroup will strive to build consensus around a unified vision for early childhood education in the Commonwealth and cultivate the relationships and momentum needed to champion its implementation. A statewide initiative of this scale has yet to be undertaken in Kentucky, but now is the moment to create a consensus-driven roadmap for expanding access to high-quality childcare and ensuring a brighter future for Kentucky's children.

With support from the Lift a Life Novak Family Foundation, the Kentucky Chamber Foundation, the Kentucky Chamber Center for Policy and Research, and the Convergence Center for Policy Resolution have launched a collaborative workgroup with stakeholders from diverse backgrounds. This group includes early childhood education advocates, public and private service providers, employers, business leaders, representatives from both urban and rural areas, policy experts, and economic and workforce development professionals. Their objective is to engage in structured, honest dialogue to identify areas of consensus and prioritization across these varied perspectives.

The workgroup will focus on answering key questions such as:

- ⇒ What are the essential components of a shared vision for high-quality childcare in Kentucky?
- ⇒ What public policies and programmatic structures must be in place to bring this vision to life?
- ⇒ Which initiatives should be prioritized, and what is the most effective sequence for their implementation?
- ⇒ What messaging and narratives resonate most with stakeholders?

The first phase of this project will run from August 2024 to February 2025, starting with interviews of diverse leaders from various sectors from across the state. Beginning in October 2024, the work group will begin a series of convenings to collaborate to tackle these complex issues. These convenings will culminate in a final Blueprint for Action report. As this group's work enters future phases, this Blueprint report will be shared widely with Kentuckians, including state leaders and policymakers, and will serve as a consensus-driven foundation for future policy and programmatic action on high-quality childcare in Kentucky.



Background

Access to high-quality childcare has become a critical issue for both working families and businesses, particularly since the COVID-19 pandemic. While challenges in Kentucky's early childhood education system existed beforehand, 2020 laid bare its fragility and underscored its vital role in sustaining our economy and workforce. Childcare providers have consistently raised concerns about the viability of their operations, echoed in surveys and media coverage. Meanwhile, Kentucky's economy continues to struggle with workforce challenges and a labor force participation rate that remains below pre-pandemic levels. Yet, it is Kentucky's children who have suffered the most. As of September 2024, there was less than one high-quality childcare slot for every four children under the age of five.¹ Additionally, only 46 percent of Kentucky's youngest learners are Kindergarten-ready, a decline from 51.4 percent in 2018.

Fortunately, early childhood education advocates, business leaders, and state policymakers have recognized the importance of this issue and helped address it. In Kentucky's 2024 legislative session, stakeholders worked with policymakers on both sides of the aisle to make historic investments and pass meaningful legislation in support of childcare providers, working families, and children. However, much more work remains to be done.

Challenges and Opportunities

This report highlights the key themes shared by leaders from across Kentucky, reflecting diverse perspectives on the current state of childcare. The following sections provide a deeper examination of the specific challenges impacting the childcare sector, along with opportunities to address these issues. These insights offer a broad view of the obstacles and solutions that can shape the future of childcare.

Interview Process

In August, September, and October 2024, Convergence interviewed 34 diverse leaders from various sectors, including:

- childcare center operators/owners/directors,
- public policy experts,
- school district leaders,
- workforce development and economic development professionals,
- childcare advocates,
- business owners and executives, and
- faith leaders.

In addition to diverse sector representation, these leaders represented rural and urban communities, all aspects of the political spectrum, and individuals from a wide array of backgrounds and experiences.

¹ High-quality childcare slot is defined as a slot in a childcare home or center with a three-star rating or higher.



Challenges

The interviews revealed a unanimous concern that the childcare industry in Kentucky is not only struggling, but that the industry was increasingly challenged to adapt to a landscape that does not include federal COVID-era funding. Lack of access, lack of affordability, and lack of workforce were often cited as key challenges. The lack of a cohesive, multi-sector vision and strategy were also cited as barriers to influencing meaningful public policy dialogue and change.

In addition to these well-known and widely accepted challenges, there are several other more nuanced challenges that were shared by interviewees, including:

- defining “childcare,”
- defining “high quality,”
- creating a system that is high-quality *and* affordable,
- framing the childcare issue in a way that would engage diverse stakeholders,
- role of the government and private sector,
- who should receive financial support,
- government regulations, and
- political realities.

Defining “Childcare.” Interviewees used various and inconsistent terms to describe “childcare,” including early childhood education, child/childhood development, babysitting, daycare, and childcare. This lack of consistent language created confusion when communicating to audiences unfamiliar with the topic and projected varying levels of professional legitimacy onto the field. For example, interviewees noted that the term “early childhood education” suggested a higher level of professionalism and quality than the term “daycare,” yet these terms were often used interchangeably.

Defining “High Quality Childcare.” Interviewees agreed that the term “high quality childcare” lacked a commonly understood and agreed-upon definition, and this lack of clarity created barriers to developing solutions. During the interview process, it was common to hear the question, “What does quality mean?” While there was acknowledgment that the state’s ALL STARS system served as one measure of quality, there were also concerns that the system was outdated and did not reflect the nuances of childcare providers, particularly in-home providers.

High-Quality and Affordability. Many interviewees highlighted the significant challenge of delivering high-quality childcare *and* ensuring it remains affordable for families. They recognized that maintaining rigorous quality standards was essential to creating safe, nurturing environments for children, including qualified staff, well-maintained facilities, and enriching educational programs. However, they also acknowledged that these high standards came with increased operational costs, which often translated into higher fees for families. This tension between maintaining quality and keeping services affordable was particularly pronounced in low-income areas, where parents struggled to afford rising costs while providers faced tight margins and limited resources to sustain high standards. Interviewees stressed that innovative solutions, such as stronger public subsidies or sliding-scale fees, could help bridge the gap between affordability and quality without compromising the well-being of children.

Framing the Childcare Issue. There was misalignment among interviewees regarding how to communicate the childcare issue to legislators and other key audiences. Some leaders strongly advocated for framing the issue as an economic and workforce development matter, while



others preferred positioning it as a public infrastructure or public good concern. This lack of consensus prevented the childcare sector from presenting a united voice, which in turn reinforced skepticism about the sector's organizational capacity.

Role of Government and Private Sector. Interviewees acknowledged the challenge of defining the role of state government in solving the state's childcare challenges. Some interviewees viewed government as the primary party responsible for addressing the childcare industry's struggles, while others saw this approach as a "political non-starter" and considered innovative partnerships across sectors—childcare, government, employers, parents, and others—as the most viable solution. However, regardless of how interviewees assigned levels of responsibility, there was a general sense that all sectors could accomplish more together than if they continued to operate in silos.

Who Should Receive Support? There was a divide among interviewees regarding who should receive financial support to address childcare affordability. Some felt that government-provided financial assistance should be directed primarily to families, ensuring parents had the resources to choose the best childcare options for their children. Others argued that support should be funneled to childcare providers and employers through tax credits or subsidies to help reduce operating costs and incentivize employer-sponsored childcare programs. Interviewees also differed on who should qualify for financial assistance. Some advocated for prioritizing the state's most vulnerable families, focusing resources on those with the greatest need. Others, however, pointed to middle-income families, who were often caught in a gap—earning too much to qualify for government aid but not enough to comfortably afford childcare. This financial strain, they noted, frequently forced parents out of the workforce, exacerbating the childcare crisis and limiting economic mobility for these families. Interviewees suggested targeted support, whether for families or providers, needed to consider the diverse financial realities that impacted access to affordable childcare.

Government Regulations. Interviewees agreed that government regulation was essential to ensuring standardized programming, safety, and quality across the childcare system. They recognized that oversight helped protect children and maintain uniform standards, such as staff qualifications, facility requirements, and safety protocols. However, many interviewees also viewed current regulations as significant barriers to expanding the number of childcare providers. They pointed to the overwhelming amount of paperwork, compliance requirements, and bureaucratic hurdles that made it difficult for potential business owners to enter or sustain the childcare market. Additionally, interviewees expressed frustration with what they viewed as a lack of support from state agencies, noting that aspiring providers often faced confusing processes with minimal guidance. They argued that this regulatory burden, along with a lack of administrative/operational capacities, not only discouraged new providers from opening but also stifled the growth of existing providers—exacerbating the childcare shortage in many areas. Some suggested that streamlining regulatory processes or offering more resources for providers could strike a better balance between maintaining safety and encouraging growth in the sector.

Political Realities. Interviewees felt that, while the politically conservative supermajority remained uncommitted about the government's role in supporting the childcare sector, there was a genuine opportunity to build a collective vision that could shape public policy in future legislative sessions. Some interviewees also noted that the best opportunity lay in convincing legislative leadership, who were positioned to create alignment within the legislative chambers, to prioritize and address the childcare issue.



Opportunities

There was an overwhelmingly positive sense among the interviewees that this project presented a unique opportunity to deepen understanding of the childcare issue in the state, align key stakeholders around a collective vision, messaging, strategy, and solutions, and position Kentucky as a national leader in childcare innovation.

Interviewees felt that creating a high-quality childcare industry would require developing a collective vision that addressed the diverse needs of children, families, childcare providers, employers, and policymakers.

Interviewees listed the following as some of the key components of a strong, high-quality childcare system.

- ⇒ Affordability and Accessibility
- ⇒ Professional Workforce
- ⇒ High-Quality Standards and Accountability
- ⇒ Partnerships and Collaboration
- ⇒ Family Engagement
- ⇒ Sustainability and Innovation
- ⇒ Child Health and Safety
- ⇒ Equal Opportunity
- ⇒ Community-Based Solutions

Affordability and Accessibility. Many interviewees noted that this vision should prioritize affordability and accessibility, ensuring that every family, regardless of income or location, could access the childcare services they needed. This could include expanding subsidies and financial support to both low- and middle-income families, incentivizing employer benefits to include childcare, and creating innovative public-private partnerships to reduce costs, while also ensuring that both rural and urban communities had access to high-quality care. Many interviewees cited the Employee Child Care Assistance Partnership (ECCAP) as a promising program in the state focused on affordability by spreading the costs between employers, state government, and families. They also noted that the program needed to grow through targeted and aggressive outreach from state agencies, local Chambers of Commerce, and the Kentucky Chamber of Commerce.

Professional Workforce. Interviewees also discussed the importance of a well-trained and well-compensated childcare workforce. This included the expansion of professional training and certification to equip childcare providers with the skills needed to offer developmentally appropriate care and education. Just as important was ensuring that these professionals were compensated fairly, with competitive wages, benefits, and opportunities for career advancement. By investing in the workforce, Kentucky could ensure that childcare providers were not only skilled but also retained long-term, which was essential for maintaining quality and stability.

High-Quality Standards and Accountability. There was a high degree of agreement among interviewees regarding quality standards and accountability measures to achieve and maintain high standards. Additionally, some leaders discussed the need to implement a research-based curriculum across childcare settings, promoting children's cognitive, social, emotional, and physical development, and better preparing Kentucky's children for kindergarten. However,



several interviewees noted that these quality and accountability standards required a careful balance, as they could deter new centers from opening and impact the operations of existing centers.

Partnerships and Collaboration. Interviewees consistently emphasized that a thriving childcare sector hinged on robust partnerships and collaboration. They highlighted the critical role of partnerships between local employers and childcare providers, whether through offering onsite childcare or pooling resources to subsidize costs for employees. Additionally, they stressed the need for innovative funding models driven by public-private sector collaborations to bolster existing childcare infrastructure and enable expansion, particularly in "childcare deserts" where services were scarce. Finally, interviewees underscored the need for the childcare industry to strengthen partnerships both within the industry and with external stakeholders to enhance its influence with decision-makers.

Options for Family. Ensuring a broad range of options for families was another crucial element in the collective vision. The options included a range from large childcare centers to small, in-home family childcare services, and everything in between. Additionally, interviewees expressed the importance of these providers in offering flexible services that met the diverse needs of families, including part-time care, drop-in options, and extended hours.

Sustainability and Innovation. Sustainability was identified as vital for the long-term success of the sector. Interviewees noted that stable and diverse funding streams were essential, including state and federal funds, tax credits, and private investments. Additionally, interviewees stressed the importance of innovation to develop sustainable programs, such as partnerships between childcare providers, employers, government agencies, and faith-based organizations to create programs that met the unique needs of communities.

Child Health and Safety. There was unanimous agreement that child safety was another essential element to include in the vision. Interviewees emphasized the need for strict enforcement of health and safety standards, including proper sanitation, nutritional guidelines, and mental health supports. While these standards were considered important, some interviewees also stressed the need to offer flexibility to families who had children with special needs, such as those with restricted diets and unique mental health needs. Finally, they asserted that child protection protocols had to be established to ensure children were safe from abuse or neglect, with providers trained to identify and respond to any concerns.

Equal Opportunity. Interviewees noted that a childcare system should promote fairness and equal opportunity. Every child, regardless of their background, should have access to high-quality care. This included ensuring that all families, including those with children who had disabilities or spoke a different language, could benefit from the same opportunities. Providers were to receive training to ensure they treated every child with respect, creating a welcoming environment where all children felt supported and valued.

Community-Based Solutions. Finally, interviewees noted that the vision should support community-based solutions, empowering local childcare networks to collaborate on shared services and resources. This not only reduced operational costs but also strengthened community ties, allowing for tailored solutions that met the specific needs of families within each community.

By integrating these elements, Kentucky can create a robust, sustainable, and high-quality childcare sector that supports both child development and economic growth. When families have access to affordable, reliable, and high-quality childcare, they can fully participate in the workforce, contributing to a stronger economy while ensuring that their children are in safe and nurturing environments.



Process Design

The collaborative problem-solving process designed and facilitated by Convergence will:

- ⇒ improve relationships between participants,
- ⇒ build shared understanding of the issues,
- ⇒ build a shared vision for the future, and
- ⇒ create consensus solutions to address childcare challenges across the state.

As discussed above, the first phase of this project will run from August 2024 to February 2025. After the interview process in August and September 2024, a large, multi-sector working group will meet monthly from October 2024 through spring 2025 to address these complex issues. In addition to this working group, a yet-to-be-determined number of small working groups will also meet monthly to focus on specific challenges, including the following examples.

- ⇒ Defining the role of government, employers, parents, and others in funding childcare.
- ⇒ Developing innovative partnership models between various sectors that can be replicated across the state.
- ⇒ Defining terms like, “childcare” and “quality childcare.”
- ⇒ Framing the childcare issue for legislators and other audiences.

Starting in the summer of 2025, the group will enter the next phases of the project by working together to share and socialize the solutions developed during the collaborative problem-solving process and taking action to pursue meaningful change through advocacy and implementation.



List of Interviewees

The following individuals participated in one-hour interviews with the Convergence team during August, September, and October 2024.

Marli Baumann	Baumann Paper Company
Emily Beauregard	Kentucky Voices for Health
Candance Brake	Greater Owensboro Chamber of Commerce
Susan Brewer	Gray Construction
Candra Bryant	KY Council of Society for Human Resource Management
Kenneth Calloway	Century Aluminum
Rachael Chamberlain	Frost Brown Todd
Kristin Collins	Foundation for Appalachian Kentucky
Seth Cutter	CVG Airport
Amanda Davenport	Kentucky Association for Economic Development
Alison Davis	University of Kentucky
Cathe Dykstra	Family Scholar House
Valerie Frost	Prevent Child Abuse Kentucky
Ashley Gibson	Wonderschool
Rina Gratz	Prichard Committee for Academic Excellence
Todd Griffin	Kentucky Retail Federation
Colby Hall	Shaping our Appalachian Region (SOAR)
Mike Hammonds	Learning Grove
Dustin Howard	Clark County Public Schools
Gus LaFontaine	LaFontaine Prep
Daniel London	Lincoln Trail Area Development District
Mandy Marler	Community Coordinated Child Care & Child Care Council of Kentucky
Andrew McNeil	KY FREE
Liz McQuillen	Metro United Way
LaKisha Miller	Kentucky Chamber Foundation
Beth Morton	Baptist Health
Ashley Novak Butler	Lift a Life Foundation
Scott Porter	KY Catholic Conference
Jean Scott	PNC
Kate Shanks	KY Chamber of Commerce
Lesile Sizemore	KY Council on Postsecondary Education
Sarah Vanover	Kentucky Youth Advocates
Jennifer Washburn	Ikids
Theresa Zawacki	Russell Place of Promise



About Convergence

Convergence is the leading organization bridging divides to solve critical issues. Through our time-tested collaborative problem-solving methodology, we bring people together across ideological, political, and identity lines to improve the lives of Americans and strengthen democracy. For more information, visit convergencepolicy.org.

About the Kentucky Chamber Foundation

The Kentucky Chamber Foundation supports research, programs and training initiatives that advance the economic and social well-being of the citizens of the Commonwealth of Kentucky. Learn more about the Kentucky Chamber Foundation [here](#).

About the Kentucky Chamber Center for Policy and Research

Established in 2022, the Kentucky Chamber Center for Policy and Research drives solutions to complex economic and public policy issues in Kentucky through high-quality research and analysis. The Center has become a go-to resource for decision makers across the state looking to solve some of Kentucky's most pressing challenges. The Center's work has been at the center of statewide conversations on key issues such as tax reform, workforce development, the housing crisis, and more. Learn more about the Center for Policy and Research [here](#).

About Lift a Life Novak Family Foundation

The Lift a Life Novak Family Foundation, founded by David and Wendy Novak in 1999, is a private family foundation dedicated to empowering individuals and communities to reach their full potential. Originally founded as a charitable trust, the Foundation has been dedicated to providing grants and scholarships to those in need.

The Lift a Life Novak Family Foundation partners with organizations that possess strong leadership, expertise, and a deep passion for their work to empower communities and uplift lives. The Novak family's philanthropic passions are reflected in their focus on student leadership development, food insecurity, early childhood education, juvenile (type 1) diabetes, and support for military families. For more information, please visit www.liftalifefoundation.org.
