

CARES Act Investments in Child Care 2020

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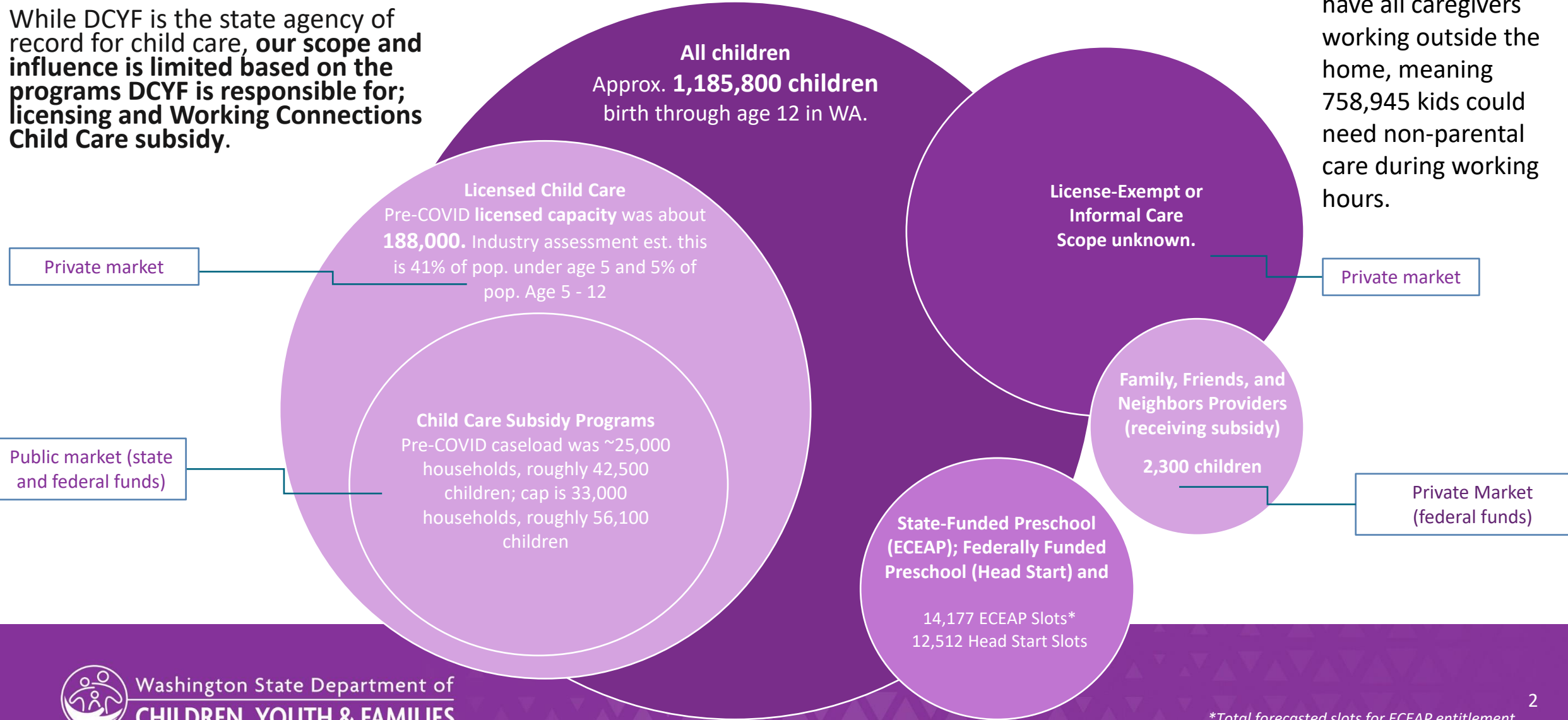
Washington State Department of
CHILDREN, YOUTH & FAMILIES

DCYF Role in Child Care

Relative Scale of Care Options in the Child Care Market

While DCYF is the state agency of record for child care, **our scope and influence is limited based on the programs DCYF is responsible for; licensing and Working Connections Child Care subsidy.**

Its estimated that 64% of children under 12 have all caregivers working outside the home, meaning 758,945 kids could need non-parental care during working hours.



*Total forecasted slots for ECEAP entitlement by the 2022-23 school year: 18,231

COVID-19 and Our Child Care System

Realities

- Child care market was fragile prior to COVID-19 pandemic
- Impact of Statewide ‘Stay Home’ orders, school closures, and COVID DOH response guidance
- Child care site temporary closures & re-openings

Guiding Principles During Crisis

- Stabilize the child care industry now and into the future
- Facilitate a functional and resilient early learning system
- Support low-income families to have access to care



\$85.1mil Child Care COVID-19 Investments Allocated in Spring/Summer 2020

INVESTMENT	PURPOSE
Sustainability Grants	One time grants to support COVID impacts. Grants between \$6,500 and \$14,000 went to 3,670 licensed child care providers.
Family, Friend, and Neighbors incentives	Incentive payment of \$250.00 were made to 1,782 FFN providers serving families, friends and neighbors.
Full day authorizations from March- June	Accommodates parents with school-age children needing full-day child care beginning mid-March due to school closures.
Co-payment relief for families from April –June	Waived the monthly child care co-payments in order to provide working families relief and keep provider whole.
Enrollment based payment March-September	Temporarily suspended the attendance based billing requirement in lieu of enrollment based payments to account for fluctuating attendance and provide predictable revenue to child care providers accepting subsidy.
Funded in the 2020 Legislative Session:	
Rate increases beginning July 1, 2020	Increases Working Connections Child Care rates to the 65th percentile of market rate at Level 2 for centers and licensed family homes -assumed ongoing.

\$78.1mil Child Care COVID-19 Investments Allocated in Fall/Winter 2020

INVESTMENT	PURPOSE
Sustainability Grants	Direct support to licensed child care providers for stabilization, to assist with reopening and staying open, to offset increased costs associated with the COVID-19 pandemic and to incentivize providers to serve school-age children. DCYF provided 3,129 providers grant between \$6,500 and \$44,000.
Family, Friend, and Neighbors incentives	Incentive payment of \$250.00 were made to 1,888 FFN providers serving families, friends and neighbors.
Family co-payment relief	Co-pays waived October through December 2020 and capped at \$115 January through June of 2021.
Full day care authorizations	Assumptions of funding increases needed to cover full-day care for school age children while schools are in distance learning or hybrid models.
Emergency child care reimbursement	Reimbursement for some emergency child care programs who stood up and operated March through June.
Foster care education supports	Extra support for families caring for foster children to ensure they can manage dealing with the school and childcare impacts of the pandemic.

Future Investment Needed in Child Care

Investment	The Why
Relief for Providers: One time incentive grants	Continue to support providers to help off-set the financial impacts of COVID due to increased costs, family choices, and smaller group sizes, particularly in the school-age space (hoping this gets at the rate incentive up to the preschool rate).
Relief for providers: Monthly Rate	Remove barriers for child care providers who accept state subsidy by mirroring the private market with a consistent, average monthly rate.
Relief for Families: Co-Payment Fix	Create predictability and ease the financial burden for families on child care subsidy who often experience dramatic increases in payments by capping family contributions for child care for eligible families.
Relief for Families: Increase Eligibility	Expand eligibility for more working families to help pay for quality child care.
Shift from Market Rate Survey to Cost Model	Expenses with operating high-quality child care are often more than what families can pay. Shifting to cost of quality model breaks down cost drivers such as; personnel and non-personnel costs, by region, provider type, and child age versus just what the market can bear (market rate survey)
Increase Rates for Subsidy Payments	Operating high-quality child care is expensive, this is especially true during a pandemic with increased costs and smaller groups. Child care reimbursement rates should increase to reflect the true costs of offering quality care.



Conclusions

- Families are making choices about utilization of child care for their children; choices are likely impacted by the pandemic and employment realities.
- Providers are impacted by family choices; when children are not attending care parents are not paying for care.
- Investments made in response to COVID have help stabilize the industry through the pandemic.
- Families and providers will continue to need financial support to access and offer child care through the recovery.

Thank you!

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