

NORTH CAROLINA'S CHILD CARE CRISIS DURING COVID-19

The NC Early Education Coalition urges state policymakers to assess the status of the child care industry and provide additional resources to prevent the collapse of North Carolina's early education system. The availability of high-quality child care is essential for working families and North Carolina's economic recovery.

Families rely on our early education system in order to keep working, and our state's economy does too. The COVID-19 crisis underscores the importance of the child care industry to the health and economic well-being of North Carolina's children and families. North Carolina's response and recovery from COVID-19 is not possible without the child care sector. Child care providers have stepped up to stay open – often at considerable loss – to support essential workers and first responders during this hazardous time. Once the COVID-19 crisis passes, North Carolina will not be able to go back to work without affordable, reliable child care in all 100 counties.

Federal funding is a good start but not enough. North Carolina has received \$118 million in federal funding for child care relief through the federal CARES Act. DHHS/DCDEE projects that it will expend these funds by the end of June.

About 50% of all child care programs closed during the state shut down (see attached), and most will need financial support to reopen and meet the increased health and safety standards through the duration of COVID-19. Programs that reopen will not have sufficient operating revenue and will face additional expenses because of increased health and safety standards and higher staffing costs due to social distancing requirements limiting group size to 10 children. Also, child enrollment will be down because parents can no longer afford to pay the cost of care or will be reluctant to enroll their children because they're worried about the health risks for their children.

Emergency child care policies need to continue through 2020. It is important to continue the support for the important DHHS/DCDEE emergency Child Care Payment Policies¹ as the state transitions to complete reopening. Several policies supporting both working families and early education programs are set to expire at the end of May or June. These policies will be necessary for months to come as the state deals with the continuing impact of COVID-19 and reopening North Carolina. Additional funding will be needed to effectively rebuild a stronger early care and education system for all children and families in all 100 Counties.

Here are the most urgently needed short-term priorities:

- **Continue Bonus Payments for child care teachers and staff**
Child care teachers are the workforce behind the workforce. They are risking their own health to care for the children of essential workers, yet many have no health insurance or sick leave themselves. The average wage for a child care teacher in North Carolina is just \$10.50/hour. Although DHHS/DCDEE has provided bonus payments for teachers and staff, this funding is only available for April and May. Bonus Payments must continue support child care staff who are working now and to incentivize qualified teachers to return to the classroom as more child care programs reopen. Additional strategies must be

¹ Covid-19 Child Care Policies, NC Department of Health and Human Services, retrieved from https://ncchildcare.ncdhhs.gov/Portals/0/documents/pdf/C/COVID-19_Child_Care_Payment_Policies.pdf

developed to provide living wages, health benefits, sick leave and family leave for child care teachers and staff in order to recruit and retain a qualified early childhood workforce.

Note: The NC Early Education Coalition estimates this item could cost \$56.8M for June and July.

- **Support Working Parents through Waiving of Parent Co-Pay Fees**

With so many parents unemployed, families are struggling to pay their co-pay fees to ensure that they can retain their child care space in the program and that child care programs have a portion of parent fees to continue to operate. As families begin to rebuild their own economic security, parents need access to affordable child care services. DHHS/DCDEE is waiving parent co-pay fees for all parents enrolled in the child care subsidy program through June, and families will need ongoing support at least through July.

Note: The NC Early Education Coalition estimates support for this item could cost \$3.8M for July.

- **Continue Essential Child Care Subsidy Assistance Program with Expanded Income Eligibility**

DHHS/DCDEE started the Essential Child Care Subsidy Assistance program to ensure that front-line workers in health care, law enforcement, public safety, grocery workers, and transportation have access to essential child care services, and increased family income eligibility to 300% FPL. DHHS is closing this program at the end of May, leaving 16,000 children of essential workers will no access to child care assistance when this program ends. This will drastically impact whether these same front line and emergency workers will be able to continue employment and provide much needed services.

Note: The NC Early Education Coalition estimates this item could cost \$29.2M for June and July.

- **Expand Access to Child Care Health Consultation, Training, Technical Assistance**

Across the state, child care programs continue to struggle to find and purchase the necessary emergency sanitation supplies, equipment and deep cleaning services to meet the required health and sanitation standards and to safely protect the health of the staff, teachers and children in their care. Although the NCGA designated child care programs as priority recipients of protective equipment and supplies, child care providers still do not have local, regional or state-level access to these supplies. A centralized PPE equipment distribution system is needed for child care programs to be able to access PPE supplies and equipment. In addition, child care programs needs access to professional health care consultation to assist programs in meeting and maintaining the required higher health and safety guidelines, and for immediate assistance when a child, family, or staff member becomes ill due to COVID-19. Child Care Health Consultants provide some of these services but are not available in every county.

Note: The NC Early Education Coalition estimates support for this item could cost \$5.7M.

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Child Care Programs Closure:

Data provided by the NC Division of Child Development & Early Education

Number of Open/Closed Programs			
	Centers	Homes	Total
Total Facilities	4,412	1,354	5,766
Total Open	2,221 (50%)	1,189 (88%)	3,410 (59%)
Total Closed	2,191 (50%)	165 (12%)	2,356 (41%)

*Data as of 5/12/2020

Closed Child Care Programs April 2020

