

April 7, 2021

The Honorable Mayor Muriel Bowser
1350 Pennsylvania Avenue NW
Washington, DC 20004

Dear Mayor Bowser,

We, the undersigned 29 organizations, write to urge you to spend incoming federal American Rescue Plan child care funds swiftly to stabilize and strengthen DC's child care sector. We are grateful for your administration's speedy allocation of the December 2020 federal child care relief funds as COVID-19 continues to destabilize the child care sector. As you are well aware, child care is an essential public good. Few industries in the District are as closely linked to the success of our children, families, educators, and businesses as the child care sector. Yet, our city's early education and care community - which has long operated on razor-thin margins and inadequate pay - has been one of the industries most heavily burdened by the pandemic. In fact, [national child care reports](#), [local surveys](#), and our coalition members' firsthand experiences operating businesses find child care expenses have increased anywhere from 45% to 70% during the pandemic.

The American Rescue Plan Act of 2021, passed earlier this month, is an unprecedented opportunity to preserve the District's current supply of child care and make investments to set up our early childhood education system to be strong, high-quality, affordable, and accessible. This plan promises nearly [\\$65 million in funding](#) to support the child care community in DC. ***This is the time to be bold:*** the federal Administration for Children and Families (ACF) has encouraged states to make long-term early learning systems improvements using American Rescue Plan (ARP) funds. This is an opportunity DC families and early educators cannot afford for District leaders to shy away from.

We believe the need for investment is large enough that all \$39.8 million in relief funds should be dispersed to the early learning sector immediately and that efforts to develop a multi-year approach to supporting a strong child care system using ARP Child Care and Development Block Grant (CCDBG) funds should begin right away.

Our recommendations for use of these funds include:

- **Urgently increase the amount and reach of relief grants for all types of child care programs**
- **Pay programs participating in the child care subsidy program based on child enrollment, rather than attendance**
- **Provide wage supplements to early educators and child care staff**
- **Pay early learning programs to cover the true cost of high-quality early learning during the pandemic and beyond.**

More detail on each of our recommendations is below:

Urgently increase the amount and reach of relief grants for all types of child care programs using the child care stabilization portion of the funds

As families continue to navigate fears about COVID-19 and barriers to work due to the impact of the pandemic, child care enrollment remains low. One illustration of this drop in enrollment over the last year is infant and toddler child care subsidy enrollment in FY 20 (3,344) was [36% lower](#) than enrollment in FY 19 (5,173). This, along with the decrease in families making private tuition payments, has left many programs that were already barely making it without sufficient revenue to sustain their businesses. We appreciate DC’s support for the child care sector to date, but more is needed to keep our early childhood education system intact. As attendance remains low for the foreseeable future, early learning programs will need immediate help covering basic expenses and paying off debt accumulated as a result of higher costs and lower revenues during the pandemic.

Like previous public health emergency grant opportunities through the Washington Area Community Investment Fund (WACIF) and the Low-Income Investment Fund (LIIF), the majority of American Rescue Plan funds, including all child care stabilization funds (section 2202), should be distributed through a low-barrier grant program that is open to all licensed early learning programs, including those not participating in the subsidy program. We ask that OSSE reserve a portion of funds for targeted grants to programs that serve critical needs and underserved populations within the District’s early childhood system.

Funds should be distributed equitably among programs of different types and sizes, and OSSE should publicize the funding formula for these dollars. Programs have already applied for multiple grant programs administered by OSSE and Deputy Mayor for Planning and Economic Development (DMPED). We recommend that OSSE reduce barriers to funding by minimizing application requirements, if any, by drawing data needed to make award determination from applications for previous relief grants.

Beyond this one-time relief funding, we need to make long-term investments in the early learning system as stipulated by the Birth-to-Three for All DC law. This is the only path to a resilient future for child care.

Pay programs participating in the child care subsidy program for child enrollment, rather than attendance.

DC’s current model of subsidy payments based on in-person child attendance, rather than enrollment, is an outdated practice that creates barriers for programs to bring in sufficient revenue to cover the cost of providing high-quality care, including fairly compensated early educators. Under this model, programs are shorted funds meant to cover the cost of care when a child is absent from their early learning program through no fault of the program. While a child may stay home, programs must still cover the cost of their teacher’s salary, the portion of the facility’s rent covered by that child’s subsidy reimbursement payment, and other overhead costs that do not change whether or not a child attends. Federal guidance in recent months [has encouraged](#) education agencies to modify reimbursement policies to include payments to providers based on enrollment, rather than attendance. We ask you to

work with all agencies (OSSE, DHS, etc) that contribute funds to the child care subsidy program to make any adjustments to the child care subsidy financing structure necessary to make this possible.

In addition to using one-time federal funds as a temporary way to support enrollment-based subsidy payments, OSSE should include enrollment-based payments as the District's permanent approach to paying early learning programs participating in subsidy in its Child Care and Development Fund (CCDF) state plan. Now is the time to do so: OSSE is currently updating this state plan, as required every three years by federal law.

Provide wage supplements to early educators and child care staff for the duration of the public health emergency.

Early education is among the lowest paid of all professions, with many educators making just over minimum wage. Their salaries are not only much lower than other educators (for example, an entry level DC kindergarten teacher makes [more than double](#) experienced early educator wages, on average), but they also fail to compensate early educators for their skills or credentials, and disincentivizes the pursuit of the further education and credentialing associated with higher quality instruction (as is required by OSSE licensing regulations). Low wages push overworked and undercompensated child care teachers into other professions with fewer barriers and more competitive pay. Early educators are skilled professionals and the time to compensate them fairly for their important work is long overdue.

A [recent survey](#) of DC early learning programs confirms that staffing is a growing challenge exacerbated by COVID-19. Educators fears about COVID-19 in a high-contact environment like child care, along with educators' need to care for their own children, long periods of child care closures, and pay on par with low-wage work with fewer barriers to entry are some of the factors that have pushed educators to look to other sectors for work. When early educators depart from the sector, it is nearly always permanent. As families return their children to care, a ready workforce will be needed.

Wage supplements to increase incomes for child care staff who have sacrificed so much throughout the pandemic is one avenue to retaining the early learning workforce as the District's economy begins to recover and more children return to care.

Efforts to increase child care staff wages using federal funds should tie into long-term work - as mandated by the [District law](#) and through DC's CCDF state plan update - to improve compensation for early educators. Higher compensation is a critical systems improvement that would play an important role in (1) preserving the workforce needed to maintain our current early learning system and (2) facilitating compliance with yet-to-be-implemented early educator credentialing requirements designed to build the District's supply of the highest-possible quality of child care.

Pay early learning programs to cover the true cost of high-quality early learning during the pandemic and beyond.

OSSE's public health emergency subsidy rate has been an important business-sustaining tool for partially filling the gaps in subsidized early learning program budgets due to COVID-19's increased costs and

decreased revenue. We thank OSSE for its work to date to implement this emergency rate. While program attendance remains low and COVID-related costs persist, continuing to provide an emergency rate similar to or higher than the current emergency rate will be needed to protect the viability of these important businesses that provide the District with a valuable public good. American Rescue Plan funds can help to cover a portion of the cost of the emergency rate, if the current subsidy budget is not sufficient. So that programs have time to plan and to give families time to return their children to their early learning program once public health conditions improve, we ask that the emergency rate continue until the end of the fiscal year, and for at least 90 days after the end of the public health emergency.

Beyond the public health emergency rate, there is a need to improve child care subsidy payment rates to cover the true cost of high-quality child care. While some of the gaps can be addressed by increasing early educator compensation, the District has the opportunity to work with the early learning community during the CCDF state planning process to understand how current subsidy payment rates are creating barriers to sustainability and quality in programs for children in families facing economic barriers to opportunity.

Early learning has been under-prioritized for far too long. As the District passes the one-year mark of the pandemic, we ask that you urgently spend the American Rescue Plan child care funds as outlined above to provide immediate relief to the thousands of families, providers, and educators still struggling to make ends meet. We believe that an equitable and inclusive funding distribution process is essential to a just recovery for the early learning sector, and we encourage OSSE to engage in a transparent process to gather feedback from the early learning community and determine the use of federal funds.

Finally, while these federal funds are an important opportunity to fortify DC's early learning sector, long term local investment to increase the accessibility, affordability, and quality of child care remains necessary. Child care is too valuable to lose even a single seat. We must guarantee full and stable funding for early childhood education the way we do for the rest of our education continuum. That is the vision of the Birth-to-Three for All DC law - it is the roadmap we need to build a better, more stable, more equitable system from the ground up. This is why we urge your administration to enhance the DC child care subsidy budget by \$60 million on a recurring basis, while maintaining all existing child care subsidy funding. This initial investment in the Birth-to-Three law will allow OSSE to increase subsidy reimbursement rates to begin to truly cover the cost of providing great care to infants and toddlers, including ensuring our early educators are paid fair, pathway-to-the-middle class wages (the FY22 funding level called for by the Birth-to-Three law - for early childhood education improvements alone - is \$84.6 million). While federal aid can be used to keep providers whole from the financial impacts of lowered enrollment and attendance throughout the coming year, recurring revenue invested in strategies that build quality and equity into our system is what will ensure our child care sector has a just recovery and creates brighter futures for all DC families.

Sincerely,
Advocates for Justice in Education
American Academy of Pediatrics, DC Chapter

AppleTree Institute for Education Innovation
Bright Beginnings, Inc
CentroNia
Children's Law Center
Community Educational Research Group
Community of Hope
Director's Exchange
DC Action
DC Appleseed
DC Association for the Education of Young Children
DC Early Learning Collaborative
DC Family Child Care Association
DC Fiscal Policy Institute
DC for Democracy
DC Head Start Association
DC Hunger Solutions
DC PAVE
Easterseals DC MD VA
Jews United for Justice
Jobs with Justice
Martha's Table
Mary's Center
Moms Rising
National Children's Center
SPACES in Action
Washington Area Women's Foundation
Washington Association of Child Care Centers