

# Open Strong

## **Five Crucial Issue Areas for State Early Childhood Advocates and Policymakers to Promote the Reopening of a Strong, Safe, Equitable, and Viable Child-Care Sector in Their States**

A strong, safe, equitable, and well-funded child care system is essential in order to provide developmentally appropriate care for young children and enable parents to participate in the labor market.

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### **Introduction: Child Care is Essential**

Our youngest children are experiencing this pandemic during the most critical period of their brain development, when they are laying the foundation for future learning and lifelong success. While the threat of the COVID-19 virus may be temporary, the impact on our youngest children and their families will be long lasting. Parents and caregivers should not have to choose between work and their children's safety and healthy development.

A strong child care sector is necessary to bolster a robust economic recovery. With no child care, there is no recovery. This fundamental truth, however, must be balanced equally with the health and developmental needs of our future workforce, our children. State governments have a role in ensuring that essential child care infrastructure is in place to support working parents and child development and, now, to jump start the economy. This Open Strong document was developed to assist state advocates in raising key issues and questions, to provoke conversations and solutions that are particular to operating child care programs during the COVID-19 pandemic.

Race, geography, gender, and physical and intellectual ability, among other social factors, play a determinative role in the gaps that emerge early and persist throughout the lifespan, and these gaps emerge earlier than state

and federal policy recognize. As the public health and economic devastation of COVID-19 has ravaged the nation, it has laid bare and confirmed again that the public systems that are supposed to protect the most vulnerable among us are often undermining these same children and families. The failure to view child care policy choices and systems with an equity lens has resulted in our current child care systems, affirming and even exacerbating the racial and geographic disparities perpetuated by decades of institutional racism and structural inequities.

Our youngest children and families of color, those living in poverty, and those from rural communities will continue to be disproportionately impacted by COVID-19. Just as there must be a commitment to protecting all people from contracting and ultimately dying from the virus, there must also be a recognition that the economic impact of the pandemic falls disproportionately upon these populations. Accordingly, policy choices regarding the reopening and rebuilding of the child care system without consideration of equity will exacerbate inequities among these children, families, and early childhood professionals. Swift state action is critical to address the disparate impact of the pandemic and recession.

**Open Strong means a significant investment of state and federal funds.** According to a survey conducted by the National Association for the Education of Young Children (NAEYC), 50% of child care centers and 27% of family child care homes have closed.<sup>1</sup> Revised health and safety standards, including lower staff-child ratios, smaller group sizes, and required cleaning supplies and personnel to ensure safety will all require additional funding.

**Open Strong means clear and timely communication.** Child care programs, the child care workforce, and families need to understand new health and safety guidance, regulations, and procedures to slow the spread of COVID-19.

**Open Strong means collecting real-time supply and demand data.** States need reliable data on where care is available and parent preferences in order to better direct resources.

**Open Strong means building the essential child care infrastructure.** The way we fund and deliver child care requires new ways of thinking to meet the needs of children, parents and employers.

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***In order to keep families safe and strong, and support economic recovery, states must ensure the strength and viability of their child care infrastructure.***

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For this to happen, leaders must carefully address five crucial issue areas: Health, Safety, and Quality; Parents' Ability and Willingness to Send Children to Child Care; Child Care Availability and Affordability; Transitioning from Emergency Child Care; and Child Care Infrastructure. These guiding principles, considerations, questions, and recommendations support economic recovery by advancing the needs of children, families, and child care staff through a safe, strong, and supported child care reopening.

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## **About This Guidance**

The purpose of this document is to assist state advocates working to ensure that state policymakers are considering the many aspects of reopening child care, including the implications of operating under COVID-19, as well as policies and strategies that could support the entire child care sector. We recognize that every state is different; therefore, this document is meant to raise key issues and questions to provoke conversations and solutions that are particular to child care during these unprecedented times. As such, this tool provides guiding principles, considerations, questions, and recommendations that support a strong, safe, equitable, and viable child care sector. The child-care sector is essential and serves as a foundation to our economic recovery.

This document was compiled by the Open Strong Working Group of the Alliance for Early Success. The Alliance wishes to acknowledge and thank the state and national advocates who spent many hours collaborating to create this document. The Open Strong working group members are:

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We are living in rapidly evolving times, and as child care opens more broadly, there may be additional issues to consider, such as operating during a subsequent severe resurgence of the virus or the impacts of decisions regarding the reopening schools in the fall. Recognizing this, this document is the Open Strong Working Group's best thinking on issues impacting the reopening of child care as of June 7, 2020.

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<sup>1</sup> [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/topics/naeyc\\_coronavirus\\_ongoingeffectsonchildcare.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/topics/naeyc_coronavirus_ongoingeffectsonchildcare.pdf)

## ISSUE AREA 1: Health, Safety, and Quality

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**Guiding Principle 1:** The physical and mental health of children, families, and child care staff are the primary decision drivers of when and how to reopen child care.

**Guiding Principle 2:** All child care providers have the knowledge, support, and financial resources needed to ensure the health, safety, and social and emotional well-being of the children and families they serve and the staff they employ.

**Guiding Principle 3:** States adopt health and safety standards of care and protocols that are scientifically based and responsive to the developmental needs of young children and the unique circumstances of working with young children. Incorporate the comprehensive Centers for Disease Control and Prevention (CDC)<sup>2</sup> and American Academy of Pediatrics (AAP)<sup>3</sup> child care standards of care into state child care reopening plans.

**Guiding Principle 4:** The early care and education workforce have the provisions necessary to protect their health and well-being, including access to supplies, unemployment benefits, and health insurance.

**Guiding Principle 5:** Expert advisors are available when health and safety measures interfere with the developmental needs of children or are very difficult or impossible to implement.

### Key Considerations and Questions

**1.** Child care health and safety guidance and protocols should be motivated by the goal of preventing community spread of the virus and with grave concern for the health of the individual children, families, and child care staff. Children are not just asymptomatic carriers of COVID-19; new evidence indicates children are also susceptible to medical complications. The best available evidence and medical science on COVID-19 must be applied to child care settings. Standards of care and recommendations are available through the CDC<sup>4</sup>, AAP<sup>5</sup>, Rutgers Medical School<sup>6</sup>, and NIEER<sup>7</sup>.

**2.** Child care health and safety guidance and related state policy changes, including screening and social distancing protocols, must be timely, specific, and inclusive of varying child care settings, including licensed centers, licensed or registered home-based providers, and family, friend, and neighbor care. Safety policies and social distancing measures must be responsive to the unique needs of children in child care, including the unique developmental needs of infants, toddlers, and children with special needs.

How can staff remain six feet away from children or for staff to keep children six feet away from each other?

**3.** States stand to benefit from including provider voices as they develop guidance and protocols for reopening child care. Their experiences, expertise, and creative ideas lead to the development of guidance and protocols which are more realistic and implementable.

**4.** The additional costs of following important CDC standards of care and health and safety protocols will be financially impossible for most child care providers. The new maximum group size, reduced ratios, sanitation protocols, and screening will mean many providers cannot stay in business, and others will be severely challenged.

**Example:** In some cases, new group size and ratio limitations may mean dividing large classes, which typically have two teachers, into smaller groups with one teacher each; in other cases, it will reduce previous enrollment capacity. In nearly all cases, these changes will increase operating costs.

**Q.** How can states provide adequate operating funding for programs to maintain consistent staffing of stable small groups of children to minimize the spread of the virus and allow for contact tracing if a case presents? How will reimbursement rates or other financial supports be adjusted to accommodate these increased operating costs?

**5.** Guidance should be provided to all child care programs on how to implement health and safety protocols in a manner that is logistically feasible and developmentally appropriate. Implementation of protocols ought to be supported by trained public health professionals, community health workers, child care technical assistance providers, and/or child care resource and referral agencies (CCR&Rs). Entities that provide technical assistance will need additional funding to support providers in their implementation of new protocols.

<sup>2</sup> <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/index.html>

<sup>3</sup> <https://services.aap.org/en/pages/2019-novel-coronavirus-covid-19-infections/clinical-guidance/guidance-related-to-childcare-during-covid-19/>

<sup>4</sup> <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/index.html>

<sup>5</sup> <https://services.aap.org/en/pages/2019-novel-coronavirus-covid-19-infections/clinical-guidance/guidance-related-to-childcare-during-covid-19/>

<sup>6</sup> <https://www.rutgers.edu/news/childcare-policy-makers-advised-take-extra-precautions-against-covid-19>

<sup>7</sup> [http://nieer.org/wp-content/uploads/2020/05/Recommendations\\_for\\_Safer\\_Effective\\_Emergency\\_Childcare\\_for\\_Children\\_of\\_Essential\\_Workers.pdf](http://nieer.org/wp-content/uploads/2020/05/Recommendations_for_Safer_Effective_Emergency_Childcare_for_Children_of_Essential_Workers.pdf)

**Q.** How can states facilitate multi-agency partnerships (departments of health, public health workers, mental health) in order to support child care providers during the pandemic? How can existing online professional development platforms in some states be used to facilitate health and safety trainings?

**6.** Programs need to assess if they are ready and can viably open. States should encourage programs to use the CDC Child Care Decision Tool<sup>8</sup> to assess their preparedness for reopening.

**7.** Programs need access to and funding for an adequate supply of personal protective equipment (PPE) and disinfecting supplies. Child care programs are having trouble procuring their own supplies, even when they do have the funds to purchase them.

**Q.** How can states develop and implement a centralized procurement and distribution strategy to ensure programs have all necessary supports and supplies to keep children, families, and staff safe?

**State Examples:**

**Illinois** is using its Child Care and Development Block Grant (CCDBG) to buy supplies for open child care providers. The state human service agency identified sources for supplies and procured them centrally by sending out kits. The supplier is creating a web store to provide supplies for the longer term.

**Texas:** The Texas Workforce Commission has collected provider needs using an order form, ordered supplies centrally for delivery to a warehouse, then shipped out to providers.

**Colorado:** The child care agency worked with FEMA to order diapers, wipes, and some food supplies and to distribute them to regional family resource centers where providers could pick them up.

**Oregon:** The Oregon Department of Early Learning partnered with the state emergency management team to be part of centralized procurement of supplies, including PPE. They opened an additional warehouse, centralized purchasing, and delivered all supplies directly to home care providers or places of business.

**8.** To contain community spread as a result of child care programs operating, child care programs need priority access to rapid COVID-19 testing for staff, children, and families, with a commitment to cover testing and treatment costs as well as support in accessing and paying for health insurance.

**State Example:**

**New Mexico** is prioritizing child care staff for COVID-19 testing. New Mexico is also providing uninsured child care workers access to state health insurance.

**9.** Child care providers need guidance, protocols, and reporting information if a positive COVID-19 case presents at their program.

**10.** Providers need guidance regarding what they can do to prepare if there is a spike in COVID-19 cases that necessitates the closures of operations. States' child care plans should include advance directives in the case of additional outbreaks.

**11.** Child care programs need clear guidance and policy support regarding Human Resource policy and staffing decisions. These include, but are not limited to, occupational health and safety (OHS) guidelines specific to early care and education sector; exclusion of staff, children, and families with elevated risk for serious complications; what to do with staff who cannot return to work; and policies regarding unemployment insurance.

**12.** Many child care programs do not offer paid sick days, paid leave policies, or health insurance.

**Q.** If child care staff are exposed to COVID-19, what supports can child care providers utilize so their staff can quarantine the necessary 14 days? Are there substitute pools available with qualified, vetted child care staff to fill staffing gaps and maintain required ratios?

**State Example:**

**Colorado** has a job board, hosted by Healthy Child Care Colorado, listing open positions, including temp and sub positions. <https://healthychildcareco.org/early-childhood-education-jobs/>

<sup>8</sup> <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/child-care-decision-tool.html>

## ISSUE AREA 2: Parents' Ability and Willingness to Send Children to Child Care

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**Guiding Principle 1:** Data about parents' needs and preferences drive policy and funding decisions about which child care services reopen. Data on the demand for child care is collected in multiple ways and with special attention to hearing the voices of underrepresented communities.

**Guiding Principle 2:** Parents are able to find safe, affordable, quality child care in a variety of settings (centers, family child care homes, care by a family member, friend or neighbor, care in a child's home provided by a consistent trained professional).

**Guiding Principle 3:** Parents have easy access to clear information regarding new health and safety protocols.

### Key Considerations and Questions

**1.** As policies and procedures are developed for reopening child care, states need to create mechanisms for regular communication with families to understand what the demand will be for child care, how parents will be choosing among child care options, how their preferences are changing, and what they need in order to feel comfortable when taking their children back to child care.

**2.** Child care options have been limited during the pandemic and are likely to look different post-COVID-19 — families may prefer and public health experts may recommend care options in smaller settings, such as care by a consistent family member, friend, or neighbor or care in a licensed family child care home. States can implement/expand staffed family child care networks as a strategy to support this type of care.

**Q.** How can resources be redistributed to support quality in these settings, and how can the delivery of comprehensive supports such as child mental health consultation adapt to ensure they continue to reach caregivers, children, and families?

**3.** Communication mechanisms should take steps to reach ALL families, including underserved communities, incorporate trusted community-based entities, and ensure linguistic and cultural access. Families of color have been most impacted by this pandemic, and therefore, there should be concentrated efforts to reach these families and communities and listen to their concerns and needs.

**4.** Surveys indicate that as parents contemplate sending their children back to child care, they are particularly concerned about their child's potential exposure to COVID-19.<sup>9</sup> Parents look to the government to ensure that child care meets high health and safety standards.

**Q.** How can state licensing agencies support a mixed delivery system of child care to meet new health and safety protocols? How can state and local regulatory bodies collaborate to ensure that child care programs meet new standards? How can states communicate to all parents, including those in underserved communities and those with linguistic and cultural barriers, what they should expect from their child care providers during COVID-19?

**5.** Surveys also indicate that many parents are concerned they will not be able to afford child care or their child care provider will not reopen.<sup>10</sup> Growing unemployment rolls may indicate more families could be eligible for child care subsidies based on income. Unemployed parents looking for work still need child care support, and states can include job search in their eligibility criteria for subsidies.

**Q.** How can states promote continuity for children and support economic stability for families during times of high unemployment?

**Q.** How can states increase financial supports for working parents and those searching for jobs who need child care, including family, friend, and neighbor care, when they return to work? If the state expands eligibility, how can they expand outreach to parents who may be newly eligible? Is there a way to do this through unemployment services, etc.?

### State Example:

**Missouri** increased eligibility levels and included job search as an allowable use for child care.<sup>11</sup>

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<sup>9</sup> <http://www.earlysuccess.org/covid19-resources-by-topic> (Research: Polls and Surveys)

<sup>10</sup> <http://www.earlysuccess.org/covid19-resources-by-topic> (Research: Polls and Surveys)

<sup>11</sup> <https://dss.mo.gov/covid-19/pdf/CARES-act-child-care-plan.pdf>

**6.** Recent national and state parent surveys<sup>12</sup> indicate that approximately a third of families do not plan to or are unsure if they will return to previous child care arrangements. Understanding changing trends regarding parents' child care needs, as well as changes in employment status, hours of work, etc. will be key to ensuring that the supply of child care is sufficient. States can use state real-time supply and demand data to make child care policy and funding decisions and prioritize resources. States should also use other sources of information and data to ensure hard to reach families are represented.

**7.** Families will need support in finding new care arrangements if their typical/pre-COVID-19 arrangement is still closed or not reopening. States can — and should — create automated systems that make it possible for families to search for an available slot by age of child, location, hours, and price and to reserve a space online. Working closely with technologists, Child Care Resource and Referral agencies can facilitate this process.

**8.** The needs of families will be dependent on upcoming changes, such as the end of remote learning, availability of summer programs, end of unemployment, and return to school. Policymakers should remain flexible in their responses with a willingness to pivot actions as needed to adjust to the rapidly changing situation.

**Q.** How can states be responsive to these transitions in the midst of COVID-19?

**9.** Phased and limited approaches to lifting stay at home and social distancing orders are requiring changes to standard working hours, such as staggering shifts or alternating schedules. Many industries, particularly low-wage service sectors, already required workers to be available for unpredictable, variable, and non-traditional schedules.

**Q.** How can child care policy and funding decisions consider the growing need for nonstandard hours of care to meet the needs of essential and non-essential workers? What resources and technical assistance are necessary to support providers who are able to provide nonstandard hours of care?

**State Examples:**

**Minnesota:** Peacetime Child Care Grants, which are for licensed child care providers serving essential workers, have made an additional \$1,000 available for programs providing care during nontraditional hours.

**Missouri** is paying a stipend to all licensed or license-exempt providers that provide care during nontraditional hours.

**10.** Family, friend, and neighbor care is a widespread care option for parents and should be included in states' quality system discussions and decisions.

**Q.** How can family, friend, and neighbor care be supported and recognized as a viable care option, with parameters such as group size - linked with supports and coaching? How can states ensure children are safe and receiving developmentally appropriate care in the more informal or unregulated settings?

**State Example:**

**Michigan's** Child Care Relief Fund, which provides grants to the state's child care providers, allows license-exempt subsidized providers to be eligible for a one-time payment of \$550.

**11.** Families may need new arrangements for school-age children if their typical summer program is not available and/or schools do not re-open promptly in the fall.

**Q.** How can plans be developed that do not shift the care of school age children only to child care providers?

**12.** Families have traditionally utilized elementary school as a significant component of their child care plans, yet many families have received mixed messages from their early care and education providers and school staff. As school districts and state education agencies make decisions about operating schools in the fall, child care providers and leaders, including people from the afterschool community, need to be involved in order to anticipate child care needs and develop solutions.

**Q.** How can states facilitate connections between local child care providers and school districts to ensure plans are coordinated?

**Q.** As parents return to work, if plans do not allow for a complete return for all children to school, how can states encourage school districts to coordinate with local businesses, families, and child care providers to address the gaps in care?

<sup>12</sup> <http://www.earlysuccess.org/covid19-resources-by-topic> (Research: Polls and Surveys)

## ISSUE AREA 3: Child Care Availability and Affordability

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**Guiding Principle 1:** Increasing the availability and affordability of safe, quality child care is critical to getting America back to work and to supporting children’s development and learning.

**Guiding Principle 2:** Use state and federal funding to ensure that parents have equitable access to quality care that meets their needs, with focused attention on ensuring adequate supply in underserved communities.

### Key Considerations and Questions

**1.** According to national and state provider surveys, many child care programs may not re-open their doors when states re-open for business<sup>13</sup> Many child care programs did not have access to the liquidity necessary to maintain staff, cover building leases, etc., and many were not banked with large commercial banks and did not have access to pandemic supports such as the Paycheck Protection Program. Most grant programs have not been strategic, nor have they lead to equitable outcomes.

**Q.** How can states use state and federal funds to support the re-opening and/or the development of a supply of safe, healthy, quality options for families of varying income levels? What policies and funding streams are available to stabilize the supply of child care? How can key factors be prioritized such as quality rating, percent of children on subsidies, location, program type, etc.?

**2.** To comply with social distancing orders and new health and safety standards of care calling for limiting group size and ratios, programs will need to decrease the number of children they serve, consequently forcing programs to operate at less than full enrollment and decrease revenues, which will force them to make difficult decisions about who they serve (e.g. opting for serving private pay versus families with subsidies), cutting staff, or closing altogether. With fewer child care programs reopening and fewer slots available, more families may be competing for a limited number of slots. Equitable access for care will be essential.

**Q.** What payment policies and other strategies can be implemented to ensure families receiving child care assistance can find and afford quality care near their homes or where they work?

**3.** As parents return to work they are likely to find an insufficient supply of licensed care.

**Q.** How can states be strategic in their funding and policy decisions to maintain a supply of private-pay providers that meets the demand of families who are not eligible or do not have access to subsidies? Do current licensing and subsidy policies provide enough flexibility to consider/reconsider the use of license-exempt or family, friend, and neighbor care? How can states increase supports for family child care, license-exempt, or family, friend, and neighbor care providers to enhance quality while maintaining fidelity to their quality standards? How can states accommodate putting siblings together that are in different age groups?

**4.** States must be vigilant in monitoring capacity loss both in terms of children who receive child care assistance and private pay children accessing the child care market. As the child care sector contracts, we need disaggregated data that looks at race, poverty, and geography of the families, businesses, and communities impacted to evaluate and target new policies and investments to stave off disproportionate impacts.

**5.** The supply of child care will need to be responsive to work schedule changes resulting from implementation of social distancing orders until COVID-19 has been sufficiently controlled. Employers will likely shift towards creative solutions, such as staggering of hours or alternating days, to limit the number of employees in work settings. In many industries — especially in the low-wage labor market — shift work and variable schedules are already the norm.

**Q.** Do current licensing regulatory policies and finance mechanisms offer sufficient flexibility and incentives to develop new child care options aimed at meeting a variety of child care needs, such as small micro-centers at office or community locations or home-based options open during nonstandard hours, evening, overnights, and weekends? What additional supports will providers and programs need to expand such care to meet the increased demand?

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<sup>13</sup> <http://www.earlysuccess.org/covid19-resources-by-topic> (Research: Polls and Surveys)

**6.** Child care programs are likely to encounter a shortage of teachers, due in part to already low wages, underlying health conditions, lack of health insurance, and an unwillingness of child care staff to place themselves at risk for COVID-19 exposure. Child care programs will need a significant operating subsidy to raise wages and offer strong benefits, including comprehensive health insurance and paid sick days.

**Q.** What policies, strategies, or initiatives can be put in place to support the child care workforce's return to work? What supports can be targeted to ensure a sustainable child care workforce? What policies and strategies can states employ to ensure additional funding supports for child care programs leads to increases in compensation and benefits, such as paid sick days? Are there any innovative approaches being considered to create a substitute pool?

**State Examples:**

The following states have increased compensation and/or increased benefits: AK, IL, NJ, NM, NC, WV<sup>14</sup>

**7.** A decreased supply of child care has dire implications for states' economic recovery, family economic stability, child well-being, and — in turn — long-term impacts on school readiness and academic outcomes.

**Q.** How can states leverage education emergency relief funding to support early care and education programs, such as pre-k?

**8.** Alignment is needed between parents transitioning back to work and the reopening of child care programs.

**Q.** As the state lifts restrictions on businesses, what strategies are in place to assess if there is an adequate supply of child care available for young children? How will the states assess if sufficient resources were provided for programs to meet new requirements? How can businesses be part of the solution?

**9.** The threat of COVID-19 liability suits threatens the ability of child care providers to protect their business interests and remain viable. Providers need to be protected from any costs associated with compliance with the emergency declarations, including liability costs that might be incurred as a result of suits filed against providers for COVID-19 related claims.

**Q.** What policies and strategies can states develop to legally protect child care providers from law suits associated with COVID-19?

**State Example:**

**Oregon** Department of Consumer and Business Services (the regulatory agency for insurance providers in Oregon) released guidance to all insurance companies that they must cover child care providers for any infectious disease issues including COVID-19.

**10.** Summer care for school age children is an important part of the economic picture for many child care centers. As a result of school closures, many children are already enrolled in child care centers, and many other families had planned to occupy summer slots.

**Q.** How can reopening plans recognize the need for co-located sibling care and expected provision of summer care in child care centers? What is the role of summer camps that are not licensed by the state child care agency?

**11.** States can engage and build public-private partnerships with chambers of commerce, employers, and associations to address child care affordability and accessibility issues.

<sup>14</sup> <http://earlysuccess.org/sites/default/files/ChangestoChildCarePayments20200424.pdf>



## ISSUE AREA 4: Transitioning from Emergency Child Care

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**Guiding Principle 1:** Provide clear plans and timely communication to smoothly transition children and families from emergency child care to more permanent care settings.

**Guiding Principle 2:** Ensure that providers who sacrificed during the peak of the pandemic to provide care for the children of essential workers are adequately supported in making the transition.

### Key Considerations and Questions

**1.** In some states, emergency child care operations came into existence as a response to the pandemic. These programs did not exist prior to the pandemic and did not follow traditional licensing regulations.

**Q.** How will states handle these programs? Should they be discontinued or given a timeline to complete current state licensing rules and regulations? What does supply and demand data say about the need for new child care programs post COVID-19?

**2.** It is important that states analyze the location of emergency child care operations to assess if their closures could lead to the creation of a child care deserts.

**Q.** If emergency child care operations are in a child care desert or high demand, low supply area, how can the states help those providers become licensed programs in a timely manner if they are interested in doing so?

**3.** If emergency child care services were paid for by public and/or private funds, families will need to receive clear, timely communication on when they will need to resume paying tuition or copayments for child care services.

**Q.** How will states provide resources and guidance to assist programs in informing parents of upcoming changes and to help staff evaluate the needs of children to facilitate smooth transitions?

**4.** As emergency care is phased-out, programs, providers, and child care staff who received bonus payments and increased rates for serving children of essential workers will no longer receive these incentive payments and will need to adjust budgets accordingly. Clear and timely communication of phase-out plans is critically important.

## ISSUE AREA 5: Child Care Systems

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**Guiding Principle 1:** Real-time data collected by states on child care supply and demand is used to inform decisions on early care and education finance and policy, as well as to help families locate and enroll their child(ren) in care.

**Guiding Principle 2:** Adequate compensation and benefits — including health insurance, paid sick time, and professional development pathways — are provided to the child care workforce, with special emphasis on classroom teachers, and sustained beyond the pandemic.

**Guiding Principle 3:** States incentivize all center- and home-based child care programs to use an automated Child Care Management System for long-term financial sustainability and to support the collection of real-time supply and demand data.

**Guiding Principle 4:** Use cost-based methods to establish child care reimbursement rates that are more accurate and equitable than relying on data from market price surveys.

**Guiding Principle 5:** The rate-setting, eligibility, and co-payment changes established by states for COVID-19 emergency child care are continued and adopted broadly for all child care policy going forward while ensuring quality and safety measures are firmly held.

**Guiding Principle 6:** Small, independent child care programs are encouraged to join networks or partner with umbrella organizations that enable scale and administrative stability.

**Guiding Principle 7:** Technical assistance staff is deployed in new ways that focus on helping center-based and home-based early care and education programs re-open.

### Key Considerations and Questions

**1.** The emergency child care systems established by many states in response to COVID-19 exemplify the capacity to gather supply and demand data and match it with family needs, very quickly. Data collected on available slots in early care and education programs, regardless of auspice or funding stream, and sorted by age of child, location of program, hours, quality level, and tuition, empowers policymakers to make strategic resource allocation decisions. This type of real time data also enables families to search for available programs and reserve a space online.

**Q.** How can states continue to support the use of these systems or stand-up similar electronic data systems quickly to understand current child care supply and demand and make policy and funding decisions based on real time data versus pre-COVID trends?

#### State Examples:

**Washington State** worked with the Child Care Aware of Washington Family Center to match supply and demand.<sup>15</sup>

**Connecticut:** The Office of Early Childhood is working closely with the United Way of Connecticut, the state child care resource and referral agency, and the University of Connecticut, a contracted research partner embedded at the agency. The agency receives daily updates from both partners about openings and closures of all center-based child care, family child care, and license-exempt child care programs, as well as estimates of supply and demand for child care by essential workers.

**Texas:** Frontline Child Care Portal provides families of essential workers with information about child care providers and available slots in their communities and are considering maintaining tool after the pandemic.

**2.** Child care staff were deemed essential workers during the pandemic, yet they have always been essential workers to the functioning of our economy. The child care workforce should not be given a decent wage in just this singular moment. Adequate compensation coupled with benefits, such as health insurance and sick leave, will lead to positive externalities, such as a decrease in child care staff turnover and a continuity of care for children which is critical to healthy development. Additionally, investments in professional development and career pathways are key to rebuilding a diverse workforce after the pandemic. Many in the child care workforce are women of color who have been particularly impacted by the pandemic and may need additional supports to be able to return to a child care setting.

**3.** Despite the essential role that automation plays in our economy, only a fraction of child care centers and homes are using automated child management systems to support their businesses. This puts programs at a significant disadvantage, requiring them to spend time on manual data collection and reporting, billing, accounting, and fiscal reconciliation. Many programs have been operating for years with informal financial systems, essentially managing “by the seat of their pants.” Staying solvent in a recession economy will leave little room for error. Now is the time for the child care sector to embrace the power of automation and use it to shore up their businesses. Many off-the-shelf products are available at an affordable price. States could make funding available to help sites purchase and onboard these systems.

**4.** New technologies make it possible to pull data on child care demand (e.g., enrollment, attendance, waiting lists) directly from the child care management systems providers use. Thus, these tools can also form the foundation for dynamic supply and demand data over time.

**Q.** How can states incentivize child care programs to use automated child care management systems and connect multiple agencies through this system to reduce redundant and time consuming regulatory reporting? What funds might be available to help sites purchase and onboard these systems?

#### State Example

**Colorado's** Early Learning Ventures, an EHS-CCP grantee, uses a shared services model to connect subsidy, licensing, and Head Start reporting.

**5.** Establishing public reimbursement rates based on market prices has long posed equity challenges, and the economic impact of COVID-19 is likely to exacerbate the problem. Given surging unemployment, child care providers will not be able to increase prices even as operating costs rise due to implementation of COVID-19 health and safety guidance and protocols. Setting reimbursement rates based on market price surveys during these unprecedented times may further

<sup>15</sup> <https://www.dcyf.wa.gov/sites/default/files/pdf/COVID-ResponseReferralCenter.pdf>

exacerbate the difference between the cost to provide care and child care subsidy reimbursement rates, further decreasing the number of providers willing to accept children on subsidies. This issue is particularly timely, as states will soon conduct market price surveys for Child Care and Development Fund (CCDF) expenditures. CCDF already allows states to shift to an “alternate methodology,” including cost studies.

**Q.** Are states considering a shift in rate setting methodology towards cost studies? If not, why and how can they be incentivized to reassess?

**State Example:**

**Washington, DC** switched to cost modeling for CCDF expenditures. Washington state also passed legislation in 2019 to do a cost of quality study for child care<sup>16</sup>

**6.** The majority of families rely on non-subsidized child care. Child care programs that rely on private pay families or a combination of private pay and subsidy are facing significant financial solvency issues — whether they are open or closed. Many were not able to access CCDBG pandemic relief supports that were distributed through the child care subsidy system. To sustain the child care infrastructure that allows families to work, states need to consider strategies to support these programs. States should consider setting priorities for financial assistance that include the following factors: program types that families prefer or need (e.g., home-based settings, programs that offer nonstandard hours, infant-toddler care, linguistic diversity), programs in low-income communities (or that serve predominantly low-income families), high-quality programs, defined broadly as those that have strong staff (including professional supports), strong business practices, connect families to comprehensive services, etc.

**State Example:**

**Illinois** has taken steps to use some of its non-CCDBG state CARES dollars to provide Business Interruption Grants. They targeted a portion of these grants to be available to child care programs (including private pay) that had to close due to COVID-19.

**7.** In response to COVID-19, states swiftly incorporated rate-setting and eligibility changes that better supported child care programs’ and families’ needs. These more flexible policies included paying on the basis of enrollment rather than attendance, waiving co-payments, establishing presumptive eligibility, streamlining documentation, and waiving requirements such as requiring mothers to pursue court-ordered child support in order to receive a child care subsidy.

**Q.** Which of these policies can states make permanent? What lessons have states learned from implementing these policies? How can states continue to make applying for child care assistance a simple process that supports children and families?

**State Examples:**<sup>17</sup>

Paying on Enrollment vs Attendance: AK, CA, CT, DC, FL, GA, KY, LA, MA, MI, MS, NE, NV, NM, NC, PA, RI, TX, UT  
Waiving co-payments: IL, NJ, OK, OR, PA, RI, VA

**8.** It can be extremely difficult for a child care program that serves less than 100 children to meet high-quality standards and be sustainable. By enabling shared services strategies and networks, such as Multi-Site Center Networks or Staffed Family Child Care Networks, states can help the early care and education sector to de-centralize services (in small sites, located near where families live or work) while also building capacity and systems to centralize administrative tasks, maximize automation, and secure the skilled fiscal and business leadership the sector needs to be sustainable over time. States can support networks through a variety of strategies, such as the use of grants using recovery dollars; through revisions in licensing, quality standards, and reporting requirements; and by enabling automated third party-billing for child care subsidy; etc.

**9.** There are many critical roles that state-funded technical assistants could play to assist programs in re-opening. These might include a team focused on helping sites implement new, rigorous health and safety standards; support services staff with professionals skilled in trauma-informed care and early childhood mental health; business coaches designed to help sites create new finance and sustainability plans given lower enrollment and higher costs; and automation supports aimed at helping sites maximize the power of technology.

**Q.** How can states reassess the use of these technical assistants through Quality Rating and Improvement (QRIS) systems or other quality initiatives and redeploy these resources in new ways? Do professional development systems need to be re-structured to address new roles or needs?

<sup>16</sup> <https://app.leg.wa.gov/bills/summary?BillNumber=1344&Year=2019&Initiative=false>  
<sup>17</sup> <http://earlysuccess.org/sites/default/files/ChangestoChildCarePayments20200424.pdf>

## CONCLUSION

As this document has emphasized numerous times, a strong, safe, equitable, and well-funded child care system is essential to provide developmentally appropriate care for young children and enable parents to participate in the labor market. Prior to the effects of COVID-19, the child care system was broken and the pandemic has exacerbated and demonstrated its weaknesses. Most parents cannot afford to pay the true cost of quality child care and child care programs struggle to cover operating costs, especially with the increased costs associated with operating safely during the pandemic. Furthermore, access to quality child care is too often determined by poverty, race, and geography. Our current child care system fails to advance equitable outcomes for all children, families, and early childhood professionals.

The key issues, considerations, questions, and state examples in this document can be used in advocacy efforts with state leaders to develop strategies and supports to improve child care for children, families, child care staff, communities, and the economy. There must be substantial public investments to improve and sustain the child care system or there will not be economic recovery.

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***These key issue areas and guiding principles should form the foundation of advocacy efforts with state leaders to develop strategies and supports to improve child care for children, families, child care staff, communities, and the economy.***