**APPROCED BY BOARD 1-18-21**

**From:** Professional Family Child Care Alliance of Georgia (PFCCAG)

Chair, Public Policy

**To:** Commissioner Amy Jacobs

Bright from the Start: Georgia Department of Early Care and Learning (DECAL)

2 Martin Luther King Jr. Drive SE, 754 East Tower

Atlanta, Georgia 30334

**Re:** Recommended Expenditures Concerning CARES Act Additional Funding

**Purpose:** This memorandum requests DECAL to favorably consider the Child Care enhancement proposals outlined herein.

Madam Commissioner,

The CARES Act, as amended on 12-27-20, under the title “*Administration for Children and Families Payments to States”* provides an additional $10 billion for child care activities (1) (2). DECAL is estimated to receive about $417 million under this Act (3).

PFCCAG welcomes the financial relief that this additional funding offers. Unfortunately, the number of ‘open’ Family Child Care Learning Homes (FCCLH) continues to decline. For example, based on our open records in previous years and update request on 1-10-21, at the end of 2019 there were 1410 providers in Georgia. At the end of 2020 there were only 1333 providers. The ten-year trend is even more dramatic:

|  |
| --- |
| **Family Child Care Learning Homes** |
| 2010 | 2020 | Decline | Percent Decline |
| 5265 | 1033 | 3932 | 75% |

To help FCCLH homes survive the extremely difficult COVID 19 environment we urge DECAL to favorably consider the following proposals:

1. Continue the STABLE grant program,

2. Establish a retention bonus program,

3. Continue and expand the essential services workforce,

4. Fund quality-NAFCC Accreditation / Re-Accreditation fees for FCCLH providers, and

5. Fund and conduct targeted feasibility studies.

Our discussion and the supporting details are outlined below.

We welcome the opportunity to deliver a presentation and/or discuss these proposals in person.

We respectfully request your review and approval / disapproval on or before February 10, 2021.

With Regards,

Joe Perreault

Public Policy Chair

Professional Family Child Care Alliance of Georgia (PFCCAG)

Sandra Ramsey

President

Professional Family Child Care Alliance of Georgia (PFCCAG)

**PFCCAG RECOMMENDATIONS**

1. Continue the STABLE Grant Program

We are grateful that DECAL spent over $92 million of CARES Act funds via STABLE Grants to support the financial rescue and recovery of Georgia’s child care programs. However, fewer programs applied for the second round of STABLE Grants (4) and we anticipate the drop in applications will show that numerous programs closed despite preventative efforts across the public and private sectors.

There are additional reasons we continue to experience low enrollment: parents are unemployed or underemployed, parents working from home request fewer hours of care, parents are worried about their child contracting COVID 19 in a FCCLH home, and school system policies make care for school-agers uncertain. At the same time, FCCLH homes are experiencing rising costs for COVID 19 related prevention and sanitation measures (5). For all these reasons, FCCLH homes will continue to require the urgently needed subsidies provided via the STABLE grants.

Moreover, assuming a new round of STABLE grants is planned, PFCCAG recommends the following improvements.

* First, clarify to FCCLH providers how much time DECAL has, and intends to use, to spend these funds, i.e., ‘funds must be spent by December 31, 2021.’ It is our understanding that funds can be obligated in this federal fiscal year or the succeeding two fiscal years. It helps to fully understand how long the funds may be available.
* Second, the intent, amount budgeted per provider, and funding cycle should be announced upfront. This information reassures providers they can “afford” to stay open. For example, if DECAL could say “the STABLE grant will be paid quarterly (or some other interval) to all FCCLH homes open during the quarter through the end of March 2022”, this information would help providers plan their expenditures. If DECAL could also state the approximate amount to be available per provider per quarter, that would also be helpful.

2. Establish a Retention Bonus Program

In addition to STABLE grants, we recommend implementing a “Retention Bonus” program. The STABLE grant program uses a market rate formula to determine how much a provider receives. This helps providers replace lost revenue and is generous; it is meant to ensure survival but not more than that. To create an incentive to stay open and to encourage FCCLH applicants to open, we propose DECAL also create a Retention Bonus payment program. The logic would be a payment to providers who remain open and have at least one child enrolled (or some other criteria). Providers who remain open should receive:

* Hazard pay in the face of possible risk to themselves and their families, (the U.S. Department of Labor defines hazard pay as work duty that causes extreme physical discomfort and distress which is not adequately alleviated by protective devices is deemed to impose a physical hardship).
* Allegiance to children and working families
* Sustainability of child care services while the pandemic recedes, the economy recovers, and demand for care returns to pre-pandemic levels.

The Retention Bonus should not be a single payment but structured periodically (e.g., quarterly). We would be happy to discuss the size of the payment.

3. Continue and Expand the Essential Services Workforce Program

The Essential Services Workforce program DECAL established should be continued and expanded. There are two components to the proposed expansion.

First, expand to serve the three tiers of critical job categories established by DECAL. Currently, two categories are eligible. The Act says that, “states…are authorized to use funds appropriated under this heading in the Act to provide child care assistance to health care sector employees, emergency responders, sanitation workers, farmworkers, and other workers deemed essential during the response to coronavirus by public officials, without regard to income eligibility requirements.” (6)

ACYF/OCC Information Memorandum dated 4-29-20 states, “Lead Agencies have the flexibility to define which workers are essential, in accordance with any relevant state…laws or policies.” The memorandum identifies 16 workforce categories that could be made eligible including the category of “Child care workers”.

Second, allow families whose income is at the highest rate allowable under federal guidelines to be eligible. ACYF/OCC Information Memorandum dated 4-29-20 also notes that states may use CARES Act funds for essential workers “*without regard to the income eligibility requirements*. Therefore, Lead Agencies may provide CCDF subsidies to essential workers whose incomes exceed 85 percent of State median income.”

We recognize the latter recommendation may create a climate of expectation that cannot be met once the “temporary” additional funds are expended. However, we believe DECAL should manage expectations carefully while maximizing enrollment both for the benefit of essential workers and FCCLH homes. Thus, this strategy addresses the emergency financial needs for both parents and providers.

4. Fund Quality-NAFCC Accreditation / Re-Accreditation Fees for FCCLH Providers

DECAL’s commitment to quality is unquestioned and demonstrated by the length and breadth of the Quality Rated (QR) program. PFCCAG recommends that QR should be augmented by a commitment to the NAFCC Accreditation program. NAFCC Accreditation involves high child care and business standards established by the profession, a well-run process of training and monitoring by Accreditation Observers and offers many avenues to recognize this singular professional achievement.

We appreciate that NAFCC Accreditation earns two points on the QR rating scale but know that some states rank NAFCC Accreditation as the highest level on their QRIS system. We do not ask for this but believe NAFCC Accreditation is an important stand-alone and national path to quality. DECAL should support providers who seek accreditation or reaccreditation as a part of (or in addition to) QR. PFCCAG recommends that DECAL establish a program to pay FCCLH providers’ accreditation and reaccreditation fees. We would be happy to discuss implementation of this recommendation.

5. Fund and Conduct Feasibility Studies

There are actions DECAL could take to address emerging and/or identified child care needs but may not yet justify a full-scale initiative. These are easily recognizable needs, but the plan required to tackle these needs may be unclear. PFCCAG recommends DECAL to innovate by conducting research, consulting providers and groups seeking to address the need in GA and initiate pilot projects. Funding for these studies may or may not come from the CARES Act but might come from the regular CCDBG program or the Preschool Development Grant. Three topics of special interest to providers are:

Organized Substitute Pool. The ability to find a substitute provider is a common challenge for FCCLH providers. It is an ongoing challenge and nearly intractable when solving on an individual basis. When talking to providers about COVID 19, this is frequently the concern they bring up. Providers need a consistent break, time to plan, conduct recordkeeping, sanitize toys and equipment, and purchase food and program supplies. Providers want someone they and parents can trust especially if the provider needs to be away, for example a medical appointment. PFCCAG recommends DECAL take the lead in addressing this common need. There are projects in other states (e. g., MN) which furnish substitutes to centers and, in some cases, to FCCLH homes. PFCCAG recommends DECAL develops a substitute pool or outsource this work through a CCR&R, research institute, or create a partnership with PFCCAG.

Technology Support and Training. FCCLH providers need to develop skills in using a variety of software and media programs, they need equipment, and broadband connectivity. But the picture of what providers use, how well they use it, and where internet is available remains at a disjunction. PFCCAG recommends DECAL convene a Technology Task Force to evaluate provider use of technology the supports needed to help providers use and integrate both current and new technology into their businesses. The results could include for example a training initiativeprovision of equipment and/or grants to improve broadband connectivity. DECAL could play the lead in developing this feasibility study or contract with a CCR&R, research institute, or create a partnership with PFCCAG.

Child Care During Nontraditional Hours (NTH). Whether it be part-time, infants, or school-age children attending virtual school, FCCLH providers are coping with a changing landscape of requests for care and the adjustments needed to meet this request. These requests could be studied to better match a provider’s program with a specific need. However, looking at care for children during nontraditional hours (evening, weekend, overnight, rotating, and double shifts) has the most promise to help both parents seeking care and providers open to offering care. The issue is summarized with the following data:

Forty three per cent (43%) of all children in US have at least one parent who works NTH (7).

Twenty per cent (20%) of Americans work NTH but 30% of families earning low incomes work NTH hours Forty percent (40%) of NTH workers earn less than 75% of all workers in the US (Urban Institute).

In Georgia, 10.9% of FCC homes and 2.8% of centers offer care on weekends, 20.6% of FCC homes and 7.7% of centers offer care in the evening, FCCLH homes in GA are 3 times more likely to offer evening care than centers” (8)

PFCCAG believes it is essential to understand the growing need for NTH care in Georgia and find ways to meet the need in a manner compatible with the concerns of working parents, children in care, care providers, employers, and communities. PFCCAG recommends research and demonstration work be conducted to: identify the extent and characteristics of NTH work in GA and implications for child care during these hours; identify the role FCCLHs can play in meeting this need; identify the role employers and economic development organizations can play to meet the need for NTH child care; develop training for providers on marketing their NTH services, develop training for providers on creating a high-quality NTH care arrangement; and develop support for parents seeking and using NTH care.

DECAL could play the lead in developing this feasibility study or contract with a CCR&R, research institute, or create a partnership with PFCCAG.

CONCLUSION

Thank you for your continued support to FCCLH homes. Please consider our recommendations to continue the STABLE grant program, establish a Retention Bonus program, continue and expand the Essential Services Workforce Program, fund quality via NAFCC Accreditation / Re-Accreditation fees for FCCLH providers and fund and conduct targeted feasibility studies.

Footnotes:

(1) These funds are derived from the Child Care and Development Block Grant - signed 12/27/20.

(2) The purposes of the Act under this title are:

* …to prevent, prepare for, and respond to coronavirus, domestically or internationally which shall be used to supplement, not supplant State, Territory, and 1Tribal general revenue funds for child care assistance for low-income families within the United States…
* …for costs of providing relief from copayments and tuition payments for families and for paying that portion of the child care provider’s cost ordinarily paid through family copayments…
* …to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to coronavirus, and to assure they can remain open or reopen as appropriate and applicable, including for fixed costs and increased operating expenses…
* …to support the stability of the child care sector to help providers afford increased operating expenses during the COVID–19 public health emergency, and shall publicize widely the availability of, and provide technical assistance to help providers apply for, funding available for such purposes, including among center-based child care providers, family child care providers, and group home child care providers…
* …to implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child’s absence and a provider’s closure due to the COVID-19 public health emergency…
* …to provide child care assistance to health care sector employees, emergency responders, sanitation workers, farmworkers, and other workers deemed essential during the response to coronavirus by public officials, without regard to the income eligibility requirements of section 658P(4) of such Act…
* …to provide assistance to eligible child care providers under section 658P(6) of the CCDBG Act that were not receiving CCDBG assistance prior to the public health emergency as a result of the coronavirus and any renewal of such declaration pursuant to such section 319, for the purposes of cleaning and sanitation, and other activities necessary to maintain or resume the operation of programs, including for fixed costs and increased operating expenses…
* …to provide technical assistance to child care providers to help providers implement practices and policies in line with guidance from State and local health departments and the Centers for Disease Control and Prevention regarding the safe provision of child care services while there is community transmission of COVID-19…

(3) CLASP, 12-22-20, Child Care Relief Funding in the Year End Stimulus Deal: A State by State Estimate.

(4) DECAL. Press Release 12-14-20 DECAL Supports Georgia Child Care Programs with $92 million in CARES Funding for 2020.

(5) Carl Vinson Institute of Government, University of Georgia, 10-27-20 Short Term Assistance Benefit for Licensed Entities (STABLE) Child Care Survey.

(6) The CCDBG Act (42 U.S.C. 9857 et seq.); 45 CFR Parts 98 and 99; CARES Act (Public Law 116-136).

(7) Child Care Aware, 2019, IT’S ABOUT TIME! Parents Who Work Nonstandard Hours Face Child Care Challenges.

(8) GSU/UGA, 2016, Economic Impact of the Early Care and Education Industry in Georgia.