COVID-19 RECOVERY OUTLOOK: CHILD CARE

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Additional OLO research on COVID-19 recovery is available here: www.montgomerycountymd.gov/olo.

In response to the COVID-19 pandemic, states closed schools, and most ordered or recommended that licensed child care providers temporarily stop serving children except those of workers deemed essential. In Maryland, the State Superintendent of Schools ordered all licensed child care facilities to close on March 27 and invited providers to apply to reopen to serve essential workers. Maryland providers were permitted to reopen for all families on June 11 with new health and safety regulations. This paper discusses child care policies in the United States during the COVID-19 emergency and recovery, examines data on providers and families impacted by the closure, and describes policy tools for supporting the child care sector during the emergency and beyond.

SUMMARY OF KEY TAKEAWAYS

• Temporary closures and new health and safety rules place child care providers at risk of permanent closure;
• Many parents, especially women, have stopped working or reduced work hours to care for children; and
• Policy tools for supporting the child care sector include grant programs as well as targeted support for family child care homes, which serve groups of children in the provider’s home.

CHILD CARE POLICIES DURING THE COVID-19 EMERGENCY AND RECOVERY PERIOD

Many states, including Maryland, initially ordered child care providers, with the exception of those serving essential workers, to close. Some states have since allowed providers to open and serve any family. The Centers for Disease Control and Prevention (CDC) issued health and safety guidance for child care providers that are open during the COVID-19 emergency, which address the following:

• Cleaning and disinfecting
• Drop-off and pick-up procedures
• Screening children on arrival
• Social distancing strategies
• Sick children and staff
• Staff absenteeism due to illness
• Caring for infants and toddlers
• Healthy hand hygiene
• Food preparation and meals
• Vulnerable/high-risk groups

Many states established their own health and safety protocols, including specific limits on group sizes and limits or prohibitions on group mixing during the emergency and/or recovery. Group size limits vary widely across states and may depend on the status of the recovery in each state. For example, at the time of writing, the Hunt Institute reported that Arkansas, Delaware and California limited group sizes to 10 or fewer children, while Massachusetts and Georgia established maximum group sizes of 20 and 50 people, respectively, including children and teachers.
IMAPCT ON CHILD CARE PROVIDERS

New health and safety guidelines have significant implications for child care providers. The table below provides an overview of this impact as compiled by the Hechinger Report, a nonprofit education equity publication.

**Impacts of COVID-19 Pandemic on Child Care Providers**

| Decreased revenues due to group size limits | Many providers collect most of their revenue from preschool classes with larger class sizes than those for infants and toddlers. Group size limits greatly reduce revenues. |
| Increased staffing needs | Rules may require providers to increase staffing relative to children served to allow for small group sizes, avoid group mixing, and comply with cleaning regulations. |
| Health and safety costs | Providers need to purchase masks, gloves, disinfectants and other cleaning supplies, and home-based providers in particular may face additional health care costs. |
| Reduced demand for group care | Many families are hesitant to send their children back to group child care due to fears of exposure to COVID-19. |


In a March survey of child care providers by the National Association for the Education of Young Children (NAEYC), 47% of respondents reported that they could not survive a two-week closure. As noted above, states have required child care providers in the United States to close and/or operate with increased regulations, including smaller group sizes and prohibitions on group mixing, during the COVID-19 crisis. A more recent NAEYC survey of providers conducted from June 19 to June 30 found the following:

- 18% of child care centers and 9% of family child care homes remained closed;
- Two-fifths of all respondents and half of minority-owned providers responding anticipated closing permanently if they do not receive public assistance;
- On average, respondents’ enrollment was down by two-thirds; and
- 73% of providers have implemented or are planning layoffs, furloughs or pay cuts.

An April NAEYC survey also found that about half of responding child care centers and a quarter of family child care homes, which serve groups of children in the provider’s home, had applied to the Paycheck Protection Program (PPP) created by Congress to support small businesses. However, the results of a follow-up NAEYC survey about the PPP show that many family child care homes were denied by banks based on low credit scores or because they did not have a business checking account, though these were not criteria for the program.

The proportion of child care providers that are likely to close permanently may vary significantly by jurisdiction. However, the data suggest that the COVID-19 crisis has led to significant financial challenges for the child care sector and may result in shortages of child care in the future. Of note, women comprise the vast majority of child care workers, and women of color and immigrant women are overrepresented in the child care workforce, which will be impacted by permanent closures.

Maryland Family Network data from 2019 list 822 registered family child care homes and 493 licensed center-based providers in Montgomery County, or a total of 1,315 providers with a total capacity for 43,206 children. These include part-time slots and slots for school-age children. The percentage of these providers that may permanently close is unknown.
Families with young children often struggle to find child care, and the ability to find child care impacts women’s employment rates.\textsuperscript{10} The COVID-19 emergency has severely restricted the availability of child care. A national survey of parents of young children conducted by the Bipartisan Policy Center and Morning Consult from March 31 to April 4 found the following impacts on access to child care when the COVID-19 emergency began:\textsuperscript{11}

- 54% said that they, someone in their household or a relative/ friend could care for their children during this time, and the remaining 46% indicated they needed (39%) or were still using (7%) formal child care;
- 18% of respondents reported working fewer hours in order to care for their children;
- 63% of those respondents that had sought child care reported it was either “somewhat difficult” or “very difficult” to find quality child care within their budgets;
- 75% reported that they were either “somewhat concerned” or “very concerned” about exposure to COVID-19 if they were to send their child back to child care.

More recent data indicate that the impact of the COVID-19 pandemic on families’ access to child care continues to grow. The U.S. Census Bureau’s weekly Household Pulse Survey (HPS), developed in response to the COVID-19 emergency, asks respondents who did not work in the last week to select a reason. The chart below shows that over 10% of those respondents nationally that reported not working\textsuperscript{12} on the week of June 25 did not work because they were caring for children not in school or child care. This represents an increase from 8% of non-working respondents during the two-week period beginning April 23. Among respondents nationwide who cited the need to care for their children as the reason they did not work, 82% were female.\textsuperscript{13}

\begin{figure}
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\includegraphics[width=\textwidth]{percentage_of_respondents_citing_need_to_care_for_children_as_reason_for_not_working.png}
\caption{Percentage of respondents citing need to care for children as reason for not working}
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Nationally, survey respondents stating they did not work because they were caring for children amount to 3% of all respondents, working and non-working. American Community Survey data from 2014-2018 indicate that approximately 823,056 individuals over the age of 16 resided in Montgomery County.\textsuperscript{14} If 3% of persons over age 16 are not working due to the need to care for children not in school or child care, this amounts to approximately 25,000 individuals in Montgomery County.
To address the challenges faced by providers and families as a result of closures and new regulations, The Hunt Institute developed a list of “Policy Considerations” for supporting child care during the crisis.

### Hunt Institute Policy Considerations for Supporting Child Care During the COVID-19 Pandemic

#### Establishing emergency child care for essential workers
- Creating special licenses for providers serving essential workers helped jurisdictions monitor availability of care.
- Jurisdictions should only approve new temporary child care sites on a case-by-case basis when no existing sites are available to serve a hospital or other essential facility.

#### Temporary suspension of regulatory standards
- Jurisdictions should exercise great caution in relaxing health and safety standards.
- Extending expiration of required in-person teacher trainings may be wise.
- Relaxing fingerprinting and criminal background checks is not recommended since a sufficient workforce is likely available that have already completed checks.

#### Supporting one-on-one care options
- Group child care may carry higher risk of spreading infection compared with one-on-one care.
- Expansion of paid family leave policies or subsidies for informal one-on-one care such as care by trusted neighbors or friends could provide alternatives to group care for some families.

#### Compensation and health care access for child care workforce
- Nearly half of child care workers nationwide receive public assistance, and many lack paid time off and/or employer paid healthcare benefits.
- Some states have created grant programs to provide hazard pay for child care workers or enrolled uninsured child care workers in state-run high risk health insurance pools.

#### Fiscal Supports for Child Care
- Concerns exist about the long-term sustainability of the child care sector following the crisis.
- Several states have established grant programs for child care providers.
- States have also revised their child care subsidy program regulations so that providers receive state subsidy payments based on the number of children enrolled rather than the number of children attending.

Grant programs and family child care networks are two tools for supporting the long-term sustainability of the child care sector. The Hunt Institute and the Bipartisan Policy Center offer information on these tools:

**Grant programs.** States’ grant programs for child care providers generally fall into two categories:\(^{15}\)

1. *Grants for child care providers that are open to help them serve essential workers and comply with health and safety guidelines.*

   Minnesota provided monthly grants to child care providers that remained open and prioritized spaces for essential workers. North Carolina provided bonus payments of between $200 and $300 monthly to full-time child care employees during April and May of 2020.

2. *Grants to replace lost revenue for providers that are closed or are serving fewer children to ensure they can open or remain open.*

   Vermont’s child care stabilization initiative payments to providers that closed are based on lost tuition revenue from families, with the goal of ensuring that providers are able to reopen. Indiana created a short-term grant program for providers that closed or experience low attendance.

**Family child care networks.** Family child care networks are organizations that support family child care homes by providing technical assistance, professional development training, and/or access to shared services such as tax preparation, enrollment support, fee collection and marketing. Prior to the COVID-19 pandemic, the number of family child care homes had been declining nationwide and in Montgomery County for several years, while the number of child care centers was increasing.\(^{16}\) However, family child care homes, which serve children in the provider’s home, were more likely to remain open during the COVID-19 emergency.\(^ {17}\)

Because family child care homes serve children in small groups, they may play an increasingly important role for communities in the context of long-term social distancing during the COVID-19 pandemic. The Bipartisan Policy Center recommends investing in family child care networks, which can support family child care homes by quickly deploying resources, such as health and safety supplies, and helping states communicate efficiently with providers.\(^ {18}\)

**TAKEAWAYS**

The COVID-19 pandemic has had a significant impact on child care providers and families. In the near-term, new regulations place financial and operational burdens on child care providers and limit the number of children they can serve. Parents, especially women, who currently cannot or choose not to access child care due to the pandemic are working less. In the long-term, many child care providers are at risk of permanent closure, leading to a potential drop in the supply of child care. Policymakers may:

- Provide financial support to help providers operate under new guidelines and regulations and remain financially stable with reduced enrollment;
- Fund family child care networks that can support family child care homes;
- Examine ways to support one-on-one care options, for example through paid family leave policies and subsidies for informal care from trusted neighbors and friends; and
- Consider the benefits and risks of suspending certain regulatory standards for child care providers.
Endnotes


12 OLO excluded retirees and respondents who reported that they did not want to work to better reflect the population that might be impacted by a lack of child care.


18 Ibid.