

# **Early Learning Division – Proposal for Child Care Support during State Of Emergency/CARES Act Funding**

## **April 8, 2020**

### **Background**

In response to Governor Kate Brown’s Executive Order 20-12, as of March 23, all licensed and recorded child care programs in Oregon were required to temporarily close through April 28 or convert to Emergency Child Care. Child care providers were required to reduce group size to stable groups of no more than ten children; prioritizing children of essential personnel for enrollment; and following specific guidance related to health and safety practices during the pandemic. While necessary to slow the spread of the virus, the action put a strain on our already fragile child care system in the state. The division has proposed specific actions to help support providers, caregivers and families during this crisis.

### **Context**

Essential workers across the state need access to affordable child care. Emergency child care is more expensive to operate for the provider, given lowered group sizes and extra sanitation procedures. Child care programs that closed in response to the pandemic and those that experienced significant reductions in enrollment need financial support to preserve their businesses now and following the emergency.

To address these issues, the ELD, in partnership with the Department of Human Services (DHS) Self-Sufficiency Programs, propose making policy changes to Employment Related Day Care (ERDC) throughout the crisis and establishing a new grant program to support child care programs and families.

The federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES<sup>1</sup>) Act on April 4, 2020. The CARES Act will provide approximately \$38.8 million in additional Child Care Development Fund (CCDF) dollars for the state of Oregon. These dollars are intended to:

- Support continued child care assistance payments to child care providers in the event of closure or reduced enrollment;
- Provide child care assistance to essential employees; and
- Fund child care providers to maintain operation of programs or re-opening of programs.

Oregon proposes to use the additional funds, as well as existing CCDF dollars, to support the state’s response to COVID-19 pandemic. ELD and DHS will revisit this proposal if the Governor extends the timeframe for mandatory closure of licensed child care programs.

### **Employment-Related Day Care Policy Changes**

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<sup>1</sup> Center for Law and Social Policy (2020). “COVID-19 and State Child Care Assistance Programs.” Accessed at: <https://www.clasp.org/publications/fact-sheet/covid-19-and-state-child-care-assistance-programs>.

Three primary policy changes to ERDC will support families and providers through the emergency:

### 1. Increased Income Limits

The income limit for ERDC program eligibility has been increased from 185% of the Federal Poverty Level (FPL) to 85% of State Median Income (SMI) or 250% of the FPL, whichever is higher, in order to reach a larger share of essential workers who need to utilize child care. This will allow Oregon to offer child care assistance to a broader range of essential workers for whom child care is unaffordable.

Financial assistance for families that do not qualify financially for ERDC and who require assistance covering child care tuition will be available through the new grant program, outlined in the subsequent section. Families experiencing homelessness and families involved in the child welfare system will be prioritized for tuition assistance.

### 2. Waiver of Copayments

Under temporary DHS emergency rules, copayments are waived for all families participating in the program to eliminate financial barriers. This applies to all families within the program. This change was to facilitate increased access to care, in recognition of the economic hardship many families will face during this crisis, and that copayments are often a barrier to participation of families in the program.

### 3. Payment During Absence or Closure

Providers that are closed due to COVID-19 and have been participating in the ERDC program remain eligible for ongoing ERDC payments through April. In addition, ERDC providers remaining open will also be paid for an increased number of absent days for children who are enrolled but not attending child care during the emergency.

## Oregon's COVID-19 Child Care Grant Program

To support all providers and families who are essential workers, the ELD is proposing a new grant program using CARES Act CCDF resources. The grants are intended to supplement ERDC and private pay tuition revenue for child care programs. Different provider types are eligible for different grant categories. Table 1 shows the four grant categories and eligibility by provider type.

The majority of the grant components are targeted toward programs that have converted to Emergency Child Care. However, program sustainability funds are designated for licensed programs and listed regulated subsidy providers that have **closed** due to COVID-19, rather than Emergency Child Care.

Table 1: Emergency Child Care Grant Program Category Overview and Eligibility

	<b>Child Care Employee Recognition</b>	<b>Emergency Child Care Operating Costs</b>	<b>Emergency Child Care Tuition Support</b>	<b>Program Sustainability</b>
Certified Center	✓	✓	✓	✓
Certified Family	✓	✓	✓	✓
Recorded	✓	✓	✓	
Registered Family	✓	✓	✓	✓
Regulated Subsidy	✓	✓	✓	
Relative Care	✓	✓		

The following section outlines the four components of the grant program, including qualifying programs/provider types and requirements and priorities for funding.

### 1. Child Care Employee Recognition Funds

The Child Care Employee Recognition Funds recognize the increased workload assumed by staff working during the state of emergency and the fact that most early childhood educators make minimum wage. These funds are meant to be inclusive of all staff required to ensure children are healthy, safe, and receiving developmentally appropriate care within the emergency child care setting. Child care programs that receive these funds are required to increase employee compensation for the hours worked during the month of April.

### 2. Emergency Child Care Operating Costs

These resources are intended to supplement tuition and ERDC payments for child care operating during this emergency. Emergency child care providers are facing challenges with covering operating expenses due to loss of income from private pay families, as well as experiencing increased costs for food and supplies. Regulated subsidy, registered family, and relative providers will receive a flat rate to cover operating expenses. Certified Family Homes and Certified Centers will receive funding on a per child basis. Providers serving children in overnight and weekend care will receive additional compensation.

### 3. Emergency Child Care Program Tuition Support

Providers may access tuition support for: (a) private paying families who are essential workers and undergoing economic hardship; (b) families experiencing homelessness; (c) families involved with the child welfare system. To qualify, providers must demonstrate that families are not income eligible for the ERDC, including some foster families, and require financial assistance to afford emergency child care. These funds may not be available to meet the full need of providers; the ELD will prioritize funding as follows:

- Families experiencing homelessness;
- Families involved in the child welfare system, including foster care families; and
- Families between 85% - 100% State Median Income.

#### 4. Program Sustainability

These funds are designated for child care facilities that have temporarily closed because of COVID-19. They are intended to reimburse tuition (partially or in full) for one month for private pay families who are unable to continue paying their child care provider during a closure. In addition, this fund will support child care programs to resume operations after the COVID-19 emergency ends. Providers may apply for tuition reimbursement for up to 100% of the applicable ERDC rate per month. These funds may not be available to meet the full need of providers; the ELD will prioritize funding as follows:

- Diverse geographic locations;
- Publicly funded programs, including ERDC, Baby and Preschool Promise; and
- Programs serving infants and toddlers.