

# Child care advocates ask feds for help: 'We're the frontline for the economy'<sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

Colorado advocates say if the early child care sector doesn't get a massive investment of federal funds, the providers face a near-total collapse during the deepening coronavirus crisis.

In a Thursday letter to congressional leaders, a state coalition of child care advocates joined similar groups nationwide requesting "significant investment" into the early learning sector as Congress works to craft a third COVID-19 economic relief package.

"We are deeply concerned that if we don't support providers during this period of closure and parents pulling their kids out of child care, that we will come out on the other side of this crisis and have decimated the ecosystem of early care and education in this state," says Bill Jaeger, vice president of Early Childhood and Policy Initiatives at the Colorado Children's Campaign.

The letter refers to child care as the "backbone of the American economy" and states that an economic recovery from the COVID-19 outbreak won't be successful if families don't have access to safe, affordable child care when they go back to their jobs.

In the United States, families bear most of the burden of child care costs. Child care providers operate on margins of three to four percent. Extended closures over the next weeks and months could put most of them out of business permanently, according to a nationwide survey conducted in the last several days by the National Association for the Education of Young Children. It found:

- A third of child care providers nationwide say they would not survive a closure of more than two weeks.
- 17 percent say they would not survive a closure of any amount of time.
- 16 percent would not survive longer than a month.
- 25 percent do not know how long they could close and still re-open without support.
- Only 11 percent of programs are confident they could survive a closure of an indeterminate length without support.

"Put simply—we stand to lose nearly half of our child care capacity in the next three weeks," the letter states.

It says significant public investment and support would allow centers to compensate and retain staff, pay rent or mortgages, and cover other fixed costs.

Typically, parents who pay for child care privately with no subsidies pay upfront for the month.

"If this crisis extends beyond a month, you have the potential that the parent disenrolls the child and therefore the provider isn't being paid," Jaeger said.

Other parents receive a subsidy under CCAP, the Colorado Child Care Assistance Program. CCAP pays the parent fee and the reimbursement to the provider only when the child shows up. If parents, who are wrestling with advisories about social distancing, decide to keep their children home, the providers who care for children with subsidies are most at risk of shuttering because they are not getting paid.

On Wednesday, an executive order issued by Gov. Jared Polis requires the Colorado Department of Human Services to access funds to support child care providers through CCCAP for absences or closures as a result of the COVID-19 outbreak for the next eight weeks.

## Child care centers hanging by a thread

One childcare network where attendance is down by half has no intention of charging families for absences.

"I don't want to add any more pressure to our families than they're already experiencing," said Diane Price, CEO of Colorado Springs-based Early Connections. The network of family home providers and other sites enrolls about 470 children.

"We serve very low-income families. They are hourly workers. I imagine many of them have lost their jobs given the shutdowns of restaurants and bars and places like that," Price said. "We have no intention as an organization in contributing to any stress in their family

whatsoever.”

She says about 90 percent of her families get some form of subsidy from the state. But Price is concerned about what will happen in two or three weeks. The network runs on state money, parents who are on a sliding scale, grants and individual donors.

“It’s a very fragile business model,” she says.

She’s reached out to the bank to extend the line of credit. But Price says Early Connections’ situation is much better than most small child care centers.

“If the only revenue source is parent fees and if you’re closed or parents aren’t coming, then your revenue is down. If your staff are working, you have to pay them. If you lay them off and you don’t pay them, then you have the risk of whether they’ll come back,” Price said.

She has heard that some family child care homes can’t get basic supplies like toilet paper and cleaning supplies or food that meets program guidelines.

### **Child care for health care workers and other essential workers**

On Wednesday, Polis also asked that child care facilities remain open to provide care to essential personnel and those who can’t work remotely.

That means creating care in small settings that meet CDC requirements with trained staff, “exactly the type of providers who may not be able to weather even a small change in their income,” said the letter, which asks for federal funding to support child care programs that are serving essential and front-line workers.

The Colorado Emergency Childcare Collaborative asks educators and providers willing to serve the population to apply on its website.

A working group is surveying what the child care demand and capacity are, such as what existing licensed child care capacity exists, what existing licensed spaces that are closed that can be reopened, and whether schools, libraries, and recreation centers can be used for child care.

“We don’t have a good picture of what demand will look like but I think we need to be prepared for a large number of children who will need care so that their parents can care for the rest of us as this thing spreads,” Jaeger said.

The letter asks Congress for federal funding for providers who are closed to pay staff and cover fixed costs; for assistance for families, particularly children of first responders, health care providers and other essential personnel; and calls for allowing child care providers to be treated like other small businesses receiving relief, like paid leave, nutrition assistance, enhanced unemployment programs and other emergency assistance.

“Because when we get to the other side of this, because of the fragility of our business model, we may not be standing as strongly as some other people may come out of this, but the workforce still will need us,” Price said. “People will go back to work and they will need childcare. And if we’re not there, then we have another crisis on our hands.

“We’re the frontline for the economy.”

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