

# North Carolina's Response to the COVID-19 Crisis: Early Learning

NCDHHS has implemented a number of strategies to support families of young children and early learning programs and teachers during the COVID-19 pandemic, tracking key metrics and working closely with stakeholders.

## Goals

1. Protect children, families, teachers and staff in early learning programs by implementing measures to mitigate risk of transmission.
2. Support for families who need help paying for child care because they have been financially impacted during the pandemic – especially essential personnel.
3. Support for early learning programs need help covering fixed operating costs as a result of closure and low-enrollment – recognizing that parent fees fund early learning programs.
4. Support for early learning teachers and staff assuming risk as they provide essential child care for the state's workforce and safe, stable learning environments for children.

## Strategies

<p><b>Health and Safety</b></p> <p> Regularly updated <b>health and safety guidance</b> aligning with CDC</p> <p> Held <b>webinars</b> with 3,500+ providers on Emergency in March and Reopening Guidelines in May</p> <p> Stood up network of <b>child care health consultants</b></p> <p> Established partnership with <b>local Smart Start</b> to help find essential supplies</p> <p> Issued Executive Order to ensure child care served only essential workers during stay at home order</p>	<p><b>Access and Affordability</b></p> <p> Launched <b>child care hotline</b> with CCR&amp;R system in March to provide enhanced referrals to 2,771 families to care for 4,000 children through July 2</p> <p> Covered <b>copayments</b> for families receiving subsidy for April, May, June, and July</p> <p> Launched <b>Emergency Child Care Subsidy program</b> for essential workers (up to 300% FPL) serving 16,800 children in April and 19,400 children in May</p>
<p><b>Operational Support</b></p> <p> Provided <b>subsidy stabilization</b> to all programs (April &amp; May), open programs (June &amp; July)</p> <p> Provided <b>NC Pre-K stabilization</b> through end of school year</p> <p> Providing <b>operational grants</b> based on fixed costs to open programs (ranging \$500 to \$30,000 per month for centers, ranging \$359 to \$2,500 per month for homes) for April through July</p>	<p><b>Workforce Support</b></p> <p> Provided <b>bonus payments</b> of \$950/month to teachers and \$525/month to 25,000+ staff for April and May</p> <p> Launched <b>Hope4Healers mental health helpline</b> for child care and health care workers experiencing stress</p> <p> Provided 10% <b>additional payment</b> for bonuses to cover administrative costs like payroll tax</p> <p> Planning to offer <b>incentives for teacher rehiring</b> (TBD)</p>

## Funding

NCDHHS received \$118 M in CARES Child Care Development Funding (CCDF), and appropriated \$48 M in prior year one-time CCDF funding for COVID-19 relief efforts. On July 2, 2020, NCDHHS received an additional \$20 M appropriation for child care COVID-19 relief from the General Assembly. Total available funding: \$186 M. Funds have been targeted for:

- \$34.7 M for Emergency Subsidy in April and May (April – 16,809 children, May – 19,438 children)
- \$38.2 M for bonuses to ~ 25,000 early learning teachers and staff working onsite in programs in April/May
- \$57.1 M in Operational Grants for ~3,800 early learning programs that were open in April, May, and June
- Projected \$25 M for final round of Operational Grants for early learning programs that are open in July
- Projected \$10.8 M for 2-month supply of Personal Protective Equipment (PPE) for early learning programs (July)
- Projected \$10.2 M to cover copayments for families receiving subsidy for June and July
- Projected \$10 M set aside for early learning teacher rehire incentives

## Need for Continued Support

While funding-to-date has been critical to families and to the survival of early learning programs, more help is needed. Most early learning programs are operating with 50% vacancy rates as many parents continue to keep their children at home. As a result, additional fixed costs grants are needed to stabilize these programs is needed. Further, more working families, especially in the service industry, are making less money due to COVID-19 and need help paying for child care.

## About NC's Early Learning System

NC has a statewide **Smart Start** system, a public-private partnership established in 1993 with a state office and 75 local nonprofits. The nonprofits, known as Local Partnerships, serve all 100 counties and are accountable for state and county level population level outcomes for early learning, quality, health, and family support. While funds flow through NCDHHS, Smart Start is administered through the North Carolina Partnership for Children.

NC also operates a **Child Care Resource & Referral (CCR&R)** network, with three lead agencies overseeing 14 regional leads. The CCR&R provides training and technical assistance to child care programs, as well as referrals for families.

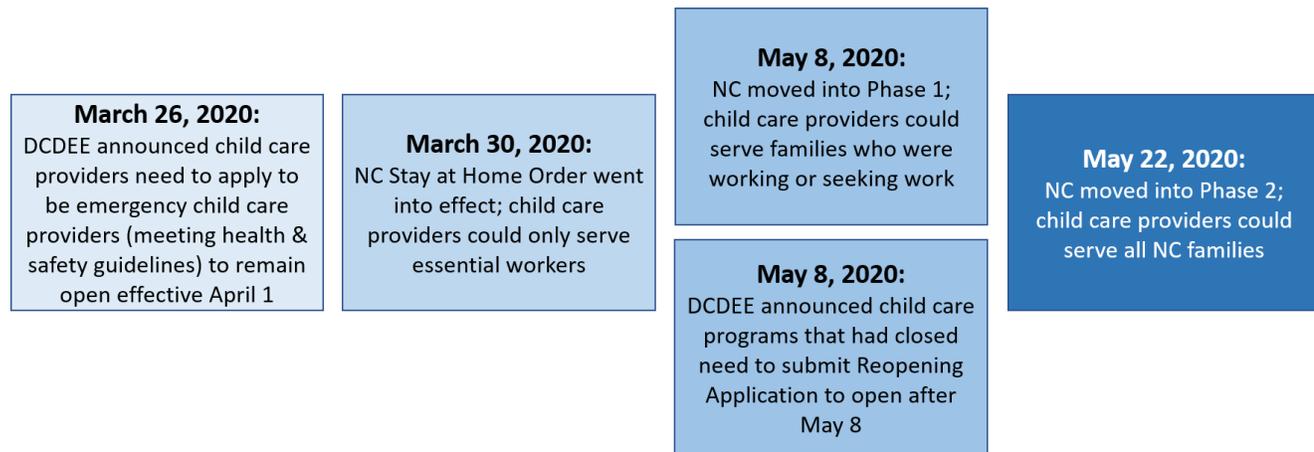
NCDHHS operates the **NC Pre-K program** which is targeted for at-risk four-year-olds. NC Pre-K requires licensed teachers, low teacher to child ratios, approved curriculum, and ongoing health and developmental assessments. About 29,500 children were enrolled in NC Pre-K as of October 2019.

Finally, NC pays differential subsidized child care rates to programs based on quality, using a **Quality Rating Improvement Program** that is part of the licensing process. Programs receive a license based on star level, with 1-star programs meeting minimal health and safety standards and 5-star programs meeting the highest quality standards.

### Early Learning Prior to COVID-19

- Approximately 265,432 children were enrolled in regulated child care, and about 25% of those children were receiving subsidized care (N=65,031).
- NC has 5,746 licensed/regulated child care facilities; 76% are child care centers (N=4,392) and 24% are family child care homes (N=1,354).
- Prior to COVID-19, child care centers typically had statewide attendance of 255,580 children, and family child care centers had statewide attendance of 9,852 children.

### Early Learning During NC's Stay at Home Order and Phases of Reopening



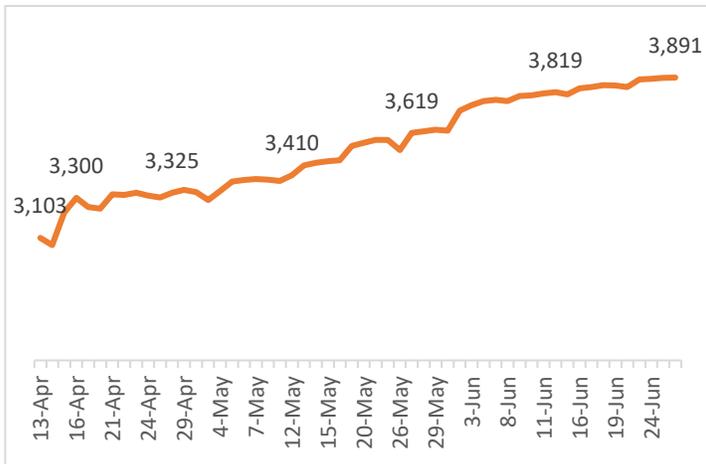
#### April 2020:

- In April, approximately 3,300 child care providers (57% of all programs) applied to serve as emergency child care programs and indicated being open in early April.
- As of April 30, total attendance during COVID dropped to 55,879 across all open programs, with 49,815 at child care centers, and 6,064 at family child care homes. This equates to a vacancy rate of 64% for all open programs, 65% for open child care centers, and 31% for open family child care homes.

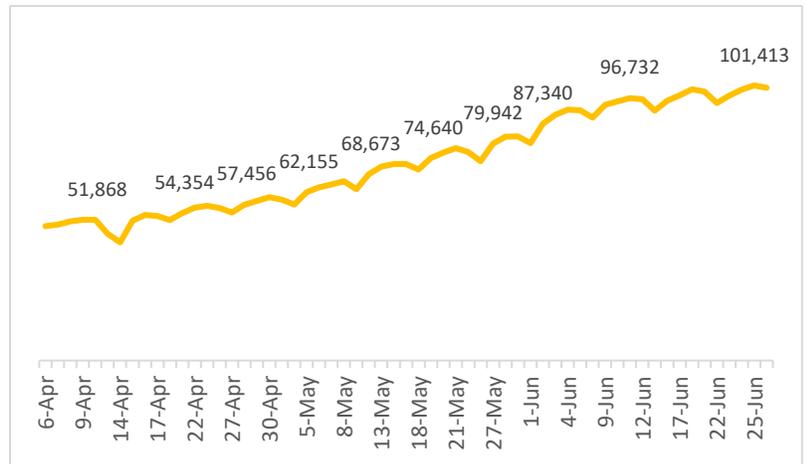
**May and June 2020:**

- As NC moved into Phase 1 and Phase 2, child care programs that had closed in March or April slowly began to reopen, following the requirement to submit a [Reopening Application](#) after May 8, 2020. As of June 1, 566 providers applied to reopen, and as of June 26, 726 providers applied to reopen.
- By late June, over 3,800 providers have applied to be open through either the Emergency Application (between April 1 and May 8) or the Reopening Application (after May 8). As of late June, these providers are reporting attendance of about 101,000.
- As of June 26, we estimate that among child care facilities that are open year-round, 84% of child care centers are open and 92% of family child care homes are open (source: provider survey data).

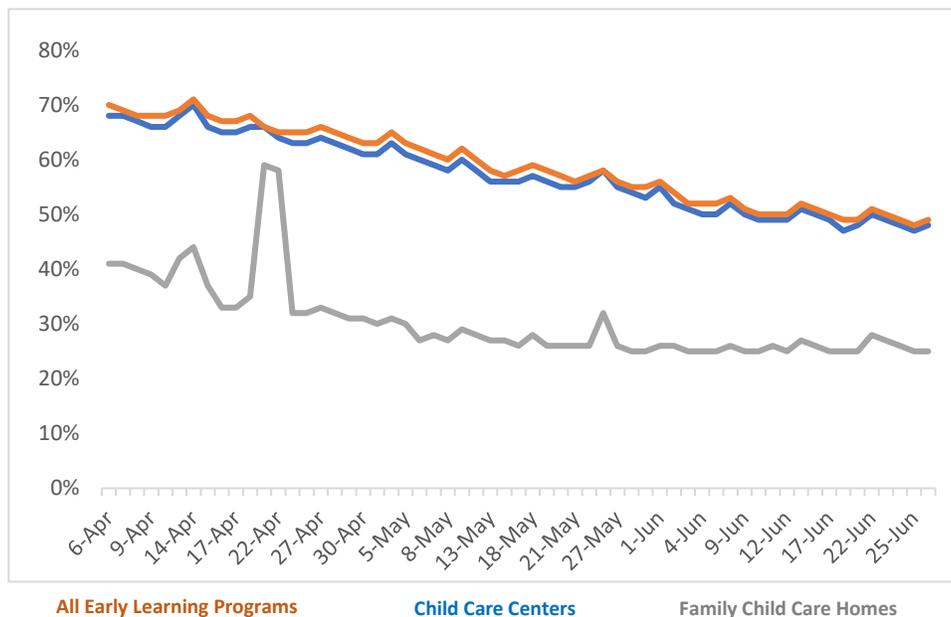
**Total Number of Providers Applying to Be Open**



**Total Reported Attendance at All Facilities**



**Vacancy Rates\* During COVID-19**



## CHILD CARE HEALTH AND SAFETY

<b>Health and Safety Guidance</b>	DCDEE issued <a href="#">health and safety guidance</a> on March 23 <sup>rd</sup> and has continued to update it to align with CDC recommendations. DCDEE has provided <a href="#">webinars and trainings</a> to child care providers to further explain health and safety guidance.
<b>Child Care Health Consultants</b>	DCDEE established a network of <a href="#">child care health consultants</a> who are a resource for child care providers needing technical assistance or having health-related questions.
<b>Executive Order for Child Care</b>	On April 8, Governor Cooper issued <a href="#">Executive Order 130</a> , directing child care providers to meet health and safety guidelines and only serve essential personnel to minimize spread of COVID-19. <a href="#">Executive Order 138</a> (issued on May 5) expands the list of children that may be served to include children of anyone who performs work on behalf of a business or operation that is not closed by the Executive Order and children of anyone who is leaving home to seek employment.
<b>Unlicensed Care</b>	DCDEE has established that unlicensed preschool age care is not permitted, and has allowed unlicensed <a href="#">school-age only programs</a> to operate if they agree to meet health and safety guidelines.
<b>Smart Start Partnership</b>	DCDEE has partnered with the Smart Start system to have Local Partnerships help child care programs troubleshoot finding food and cleaning supplies, and to be a liaison with local emergency management when they are unable to locate resources in their area.
<b>Personal Protective Equipment (PPE), Infection Control Supplies</b>	DCDEE will issue a two-month starter pack of PPE to all open child care programs in July.

## CHILD CARE ACCESS AND AFFORDABILITY

### Emergency Child Care Subsidy Program

<b>What is it</b>	Financial assistance for child care for essential workers.
<b>Who it is for</b>	Essential workers (as referenced in Executive Order 121) whose income is below 300% of the poverty line and have no other child care options.
<b>How it works</b>	Families call the child care hotline to identify an open child care provider near them, and submit an application to their child care provider. Providers submit attendance for children receiving emergency child care subsidy by the end of each month. DCDEE will reimburse child care providers directly. See <a href="#">Payment Policy</a> for more information.
<b>Duration</b>	April 1, 2020 through May 31, 2020.
<b>Metrics</b>	16,809 children in April 2020 and 19,438 children in May 2020 were served through the Emergency Child Care Subsidy Program.

### Coverage of Parent Subsidy Co-pays

<b>What is it</b>	DCDEE covered the cost of parent copayments so that parents do not have to pay during the crisis.
<b>Who it is for</b>	Parents receiving child care subsidy.
<b>How it works</b>	DCDEE will issue a payment directly to child care providers (regardless of whether they are open or closed) to cover the cost of parent copays.
<b>Duration</b>	April and May 2020 for all providers; June and July 2020 for open providers only.

## Child Care Hotline

<b>What is it</b>	NCDHHS launched a hotline to provide child care options for children of critical workers who do not have access to typical care because of COVID-19 closures. The hotline is a partnership with the NC Child Care Resource & Referral network.
<b>Who it is for</b>	Families needing to find local child care options.
<b>How it works</b>	Families can call 1-888-600-1685 to receive local options for children from infants through age 12. The hotline is open Monday through Friday 8 a.m. to 5 p.m.
<b>Duration</b>	Launched March 20, 2020.
<b>Metrics</b>	Between March 20 <sup>th</sup> and May 1 <sup>st</sup> , the hotline has received over 4,300 calls and has connected over 2,100 callers to child care for over 3,200 children to child care. The hotline continues to operate to serve families.

## CHILD CARE OPERATIONAL SUPPORT

### Subsidy Payment Stabilization

<b>What is it</b>	All child care programs will receive subsidy payments that are at least the amount of February attendance, or current month's attendance if it is higher.
<b>Who it is for</b>	Child care providers (regardless of open or closed).
<b>How it works</b>	DCDEE will issue a payment directly to programs based on February attendance. If programs have higher attendance in April or May, they will receive an additional payment for the difference. See <a href="#">Payment Policy</a> for more information.
<b>Duration</b>	March, April, and May 2020.
<b>Metrics</b>	DCDEE has issued roughly \$38 million per month in subsidy payments for March, April, May, and June (includes cost of parent subsidy co-pays).

### NC Pre-K Stabilization

<b>What is it</b>	DCDEE will pay all NC Pre-K providers fully through the remainder of the year.
<b>Who it is for</b>	All NC Pre-K providers, regardless of site location or if programs is open or closed.
<b>How it works</b>	Payments will be based on March enrollment, regardless of attendance in April or remaining months. Contractors will receive their full program coordination/administrative rates. See <a href="#">Payment Policy</a> for more information.
<b>Duration</b>	March, April, and May 2020.
<b>Metrics</b>	DCDEE has issued about \$16.3 million in NC Pre-K payments to providers for March, \$15.7 million in April, \$8.2 million in May, and \$5.2 million in June.

### Child Care Operational Grants

<b>What is it</b>	DCDEE has issued operational grants to licensed child care facilities that are open for all or part of April, May, June, and July. The operational grants will help providers cover fixed monthly operating costs during these months of the COVID-19 crisis, recognizing that revenues from parent fees are significantly lower as non-essential workers have kept their children at home.
<b>Who it is for</b>	Child care providers that are open for all or part of April, May, June, and July.
<b>How it works</b>	DCDEE has issued operational grant payments directly to child care programs. For each month, grants for child care centers will range from \$500 to \$30,000 per month, and grants for family child care homes will range from \$359 to \$2,500 per month. Grant amounts were scaled based on several factors, providing larger grant amounts to programs if they serve more children, have higher star level (higher quality), served subsidy children in the last 12 months, have less subsidy density (percentage of children enrolled who receive child care subsidy), and serve infants and toddlers.
<b>Duration</b>	April, May, June, and July 2020.

<b>Metrics</b>	DCDEE has issued \$33,193,638 in operational grants (which covered April and May 2020) to 3,254 child care facilities that were open in April and May 2020.
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## CHILD CARE WORKFORCE SUPPORT

### Bonus Payments for Child Care Staff

<b>What is it</b>	Bonus payments for child care employees. teaching and non-teaching staff at open programs.
<b>Who it is for</b>	Teaching and non-teaching staff (including administrators, directors, cooks, janitors).
<b>How it works</b>	DCDEE will provide bonus payments of \$950 per teacher per month to full-time teachers and \$525 per staff month to full-time staff. Part-time employees are also eligible for bonus payments of \$475 per teacher per month and \$262.50 per staff per month. DCDEE will issue a payment to providers, who will pay their staff during regular pay periods. See <a href="#">Payment Policy</a> for more information.
<b>Duration</b>	April and May 2020.
<b>Metrics</b>	DCDEE issued child care employee bonus payments of \$38,167,164 which covered both April and May 2020. The number of staff who received bonus payments was 20,635 in April 2020 and 25,093 in May 2020.

### Coverage of Administrative/Payroll Tax Costs

<b>What is it</b>	DCDEE will provide an additional 10% on top of bonus payments to cover the employer portion of payroll taxes associated with the bonus payment and other administrative costs.
<b>Who it is for</b>	Child care providers.

### Hope4Healers Helpline

<b>What is it</b>	NCDHHS launched a helpline to provide mental health support to front line workers, including child care and health care workers.
<b>How it works</b>	Child care staff can call 919-226-2002 to get connected to licensed mental health professionals, 24 hours a day, 7 days a week.

### TBD: Incentives for Teacher Rehiring

<b>What is it</b>	Subject to the availability of funds, DCDEE will offer grants that providers can apply for to help them re-attract highly qualified teachers beginning in June.
<b>Who it is for</b>	Child care programs needing to re-attract teachers who are re-entering the child care work force.
<b>How it works</b>	To be determined.