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DATE: May 20, 2020

TO: Loren Jones, Chair, Assembly Finance Committee

FROM: Mila Cosgrove, Deputy City Manager

RE: COVID related Childcare Funding

**Background:**

The Economic Stabilization Taskforce (ESTF) recommended that the Assembly consider supplemental funding for Childcare providers to assist them in reopening facilities. The ESTF recommendations included CBJ purchase of basic supplies needed to address COVID-19 in the childcare environment and the consideration of supplemental grants for operations.

At the May 13, 2020, Assembly Finance Committee, the Assembly authorized the EOC to make the initial supply purchases. Those orders are in process.

Childcare must reopen to allow the economy to begin to return to normal. Childcare, which runs on a very thin margin in our community, faces special challenges to reopening their facilities.

- Not all families will feel comfortable immediately bringing their children to childcare. Providers will need time to work with families to determine if their childcare spots should be held or if the child will not be reenrolled.
- Additional staff will be needed to assure appropriate social distancing measures are taken and to clean and sanitize the childcare spaces.
- Childcare centers anticipate a higher than normal need for substitute staff since employees who might normally work through "a few sniffles" will need to stay home until their symptoms clear up.
- Young children have a higher than normal illness rate as their bodies develop immunities to many viruses. Parents will be asked to keep symptomatic children at home which may impact tuition rates for the childcare providers.
- Childcare workers may perceive that working with young children carries a higher than normal level of COVID related risk, which may put pressure on the labor pool.

For childcare providers to be successful, they will need some fiscal certainty to remain operational as they work to stabilize their workforce and enrollment.

**Recommendation:**

The Assembly Finance Committee should consider a disbursement of CARES Act funding in the following manner and amounts

For June – August, a supplemental grant equal to 50% of tuition (tuition capped at \$1000 per full time child) for their licensed capacity. Grant funding will allow childcare providers to reopen with limited enrollment and provide for staffing flexibility to accommodate new COVID related protocols.

For September to December, a per child stipend equal to \$250 per full time enrolled child should be dispersed. This stipend is intended to offset increased costs associated with operating under COVID related protocols.

	<b>Grant Amount</b>	<b># of children</b>	<b>Total</b>
June	Supplemental grant equal to 50% of tuition capacity	400	200,000.00
July	Supplemental grant equal to 50% of tuition capacity	400	200,000.00
August	Supplemental grant equal to 50% of tuition capacity	400	200,000.00
September	Per child stipend equal to \$250 per enrolled	450	112,500.00
October	Per child stipend equal to \$250 per enrolled	450	112,500.00
November	Per child stipend equal to \$250 per enrolled	450	112,500.00
December	Per child stipend equal to \$250 per enrolled	450	112,500.00
	Administrative grant to AEYC for Program Management		7,000.00
	<b>Total Calendar Year 2020</b>		<b>\$1,057,000.00</b>

The money will be disbursed as an Assembly grant to AEYC through a grant agreement. AEYC will be responsible for assuring that funds are disbursed to providers.

On a related note, these grants only provide support to providers serving infant through preschool age children. Additional support may be needed for the RALLY summer care programs serving school age children. This issue is under discussion and will come back to the Assembly separately.