CHILD CARE AND WORKING FAMILY RECOVERY AND RESILIENCE

County of San Diego Recommendations from the Early Care and Education Advocacy Coalition

The County of San Diego's commitment to the child care sector is greatly appreciated, and timely as working families and providers navigate pandemic recovery. Without reliable, quality, and accessible child care, parents cannot return to work, food and housing insecurity persist, child poverty is exacerbated, and the resulting family stress increases the incidence of child maltreatment, substance abuse, and family fracture. Supporting access to child care is a critical prevention and recovery investment in family and economic well-being.

Below are recommendations from the San Diego Early Care and Education Advocacy Coalition on how the County of San Diego can support child care providers, children, their families, and employers with the designated, local American Rescue Plan funding.

Recommendations include a comprehensive approach that will set the course for future policy discussions and leverage future funding mechanisms that will enable San Diego to move towards a more equitable child care system in the region, leveraging opportunities through federal and state governments, while continuing San Diego's reputation as a leading champion for child care.

Please note that it is also our recommendation that funding remain flexible enough to be responsive once state and federal funding priorities are finalized.

Recommendations are grounded in responses from 511 child care providers through the San Diego Spring 2021 Child Care Provider Survey, administered by the YMCA Childcare Resource Service on behalf of the San Diego Early Care and Education Advocacy Coalition.

CCCs- Child Care Centers | FCCHs- Family Child Care Homes

Recommendations are prioritized in the following areas of need:

1. **Child care vouchers for working families**

2. **Child care provider grants**

3. **Mental and behavioral health supports**

4. **Increase child care supply through facility development and improvement**

5. **Child care workforce pipeline and wages**

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1. Child Care Vouchers for Working Families: $3 million

Local ARPA-funded child care vouchers for working parents, student parents, and parents seeking work, targeting families that are below 85% State Median Income (SMI) but do not receive a state Alternative Payment Program or CalWORKS voucher, California State Preschool Program, or Head Start.

***Funding Recommendation*: **$3 million from child care ARPA allocation.

***Justification*: **The purpose of this local voucher is to provide relief to some of the thousands of families in San Diego County who are in desperate need of child care so that parents can work (or look for work or attend school/training), but fall outside of the state's 'essential workers' criteria or cannot access the limited State voucher allocation due lack of availability.

In San Diego County as of 4/30/21, 2,410 families—4,338 children—are on the waiting list for subsidized child care. An allocation of $3M will help about 20% of these families obtain the care they need to work, and will help fill available slots with child care providers supporting their recovery from the pandemic shock.

Prior to the pandemic, only 10% of children who were eligible for child care support in California (based on 85% state median income (SMI)) received this benefit. With more families economically struggling due to pandemic-related job losses, child care vouchers are desperately needed to help parents get back to work or up-skill/reskill for the post-pandemic economy through training or a degree program. In the San Diego Spring 2021 Provider Survey, child care vouchers ranked second among recommended local appropriations.

2. Flexible Provider Grants: $5 million

For providers that currently serve children in-person, or can commit to reopening on a defined timeline. Head Start, State Preschool, and voucher-funded slots would be excluded from calculations of this local benefit.

Funding Recommendation: $2 million from child care ARPA allocation and $3 million from small business ARPA allocation.

***Justification*: **Child Care Provider Grants will sustain San Diego's child care supply and set providers up to support children and their families this summer. CARES Act funding from San Diego County provided for a similar allocation to child care providers in 2020, which was successful in preventing many business closures.

State ARPA funds will provide grants to providers of State Preschool and voucher-funded slot, but not to providers serving private-pay families.

The San Diego Spring 2021 Provider Survey demonstrates that flexible grants ranks first among recommendations for local appropriations. 47% of CCCs surveyed lost $90K or more in revenue so far during the pandemic. 28% of FCCHs surveyed have lost $5,000-$15,000 during the pandemic. Many report not having equitable access, or being denied for other forms of assistance that have been made available on a federal, state, or local level. Already, 525 child care businesses in San Diego County have closed since March 2020, and it is critical to prevent further hemorrhaging from the field.

3. Mental and Behavioral Health Supports: $2 million

Mental health supports are needed for parents, caregivers, providers, as well as mental and behavioral health supports for children. For full access, it is recommended that these are offered in an array of modes, from in-person to virtual, from one-on-one to group options. Flexible funding is needed to meet parents, caregivers, providers, and children where they are, as well as a family-centered approach to achieve this as a protective factor. Outreach for offerings should also be supported by and with existing, trusted community partners like child care provider networks, LEAs, family health centers, and other well-known social service providers in the community. Existing models can be leveraged and funded to reach more families, such as Parent Cafes and Early Childhood Mental Health Consultation (ECMHC) offered by mental and behavioral health professionals.

Funding Recommendation: $1 million from child care ARPA allocation, $1 million from mental health ARPA allocation.

- Supplant $1M decreased state funding for First 5's Healthy Development Services program to alleviate the existing 6 mos. waitlist for behavioral support services;
  - Consider an additional County revenue allocation to sustain these critical prevention and early intervention services to families;
- $1M for wellness support to parents, caregivers, and child care providers.

Justification: Access to preventative mental health services within the community is extremely limited, with waiting lists ranging six months to nine months, and few options for 0-5 year olds. The pandemic has resulted in an increase in Adverse Childhood Experiences (ACEs) and aligned stressors to their primary caregivers. Access to support in time of need, including access to mental health supports align to the Family Strengthening model to support young children's development. Families need expedited access to culturally competent, family-centric services to mitigate the impact of, and respond to, potential ACEs connected to the pandemic. The San Diego Spring 2021 Child Care Provider Survey captures many provider testimonials around the increased stress they have seen in families they serve.

4. Increasing Child Care Supply through Facilities Development and Improvements: $2 million

A significant barrier facing the community regarding child care supply is limited facility capacity. Both new facilities and renovations of existing facilities can help address this barrier. Below are specific recommendations for both:

- Establish, through an intermediary, a revolving facilities fund that would provide short-term financing—0% subordinate or forgivable—for new child care spaces, in which recipients could be operators or developers.
- Facilities grants of up to $250,000 per provider for acquisition, development, or build-out of new child care facilities, or preservation of licensed properties.
- Grants of up to $50,000 for expanding or modifying a child care facility to serve additional children or add COVID safety features such as improved ventilation, more functional outdoor learning space, reduced density, better sanitization, or hand-washing stations.
- Renovation of county-owned spaces or new construction on county-owned land for no-cost leasing (long-term) to child care providers.
- Preserve existing licensed child care programs by providing grants for employee-led buyouts of existing operators.

- Down Payment assistance for licensed family child care providers to move from rented units to owned homes, with preference for providers expanding from small licenses to large licenses.

Funding Recommendation**:** $2 million from child care ARPA allocation.

Justification: Supporting existing child care businesses through unique expansion opportunities honors entrepreneurial ambition. Due in part to historical injustice, it has traditionally been difficult for child care providers to obtain loans. The San Diego Spring 2021 Child Care Provider Survey demonstrates that 17%of CCCs and 38% of FCCHs have aspirations to grow their child care operation in the next 12 months. Consider leveraging the locally based, Mission Driven Finance cREIT program to help finance renovation and expansion.

5. Child Care Workforce Pipeline and Wages: $1 million

A 3-part investment in the sector is recommended to help address the crisis of child care professionals receiving an unlivable wage, which has resulted in a dwindling workforce pipeline:

- Job training for new early educators joining the field in a model that compensates interns and mentors;
- Scholarships for continuing education in child development for existing workforce;
- Pilot increasing hourly wages for child care staff as demonstration of quality retention and impact. This will entail:
    - Collaboration between public universities, community colleges, San Diego Workforce Partnership, large family child care providers, centers, and school districts;
    - Wage subsidies as needed to ensure that thriving wages are available to individuals who commit to the early childhood field.

Funding Recommendation: $1 million from child care ARPA allocation.

For the outlined 3-part investment outlined above for a local pilot project aligned with San Diego's Learn Well initiative and the San Diego Quality Preschool Initiative.

Justification: San Diego region child care providers were already struggling to fill open staff positions pre-pandemic. Statewide, a recent study found that half of child care workers turn over each year which is expensive for providers and detrimental to children's relationships with their caregivers. Low wages are the primary culprit in this crisis, as individuals passionate about early learning often choose to double their wages by acquiring a teaching certificate to work in K-12. The scarcity of child care workers is now even more desperate and will impede recovery of the sector, which in turn will impede recovery of the economy since the absence of child care options will keep many parents (mainly mothers) from rejoining the labor force. The San Diego Spring 2021 Child Care Provider Survey results demonstrate difficulty acquiring required staffing to expand to serve additional children.

Key partners:

- To expedite the childcare provider vouchers and provider grants through leveraged existing distribution infrastructure, utilize the YMCA Childcare Resource Service and Child Development Associates, the region's Alternative Payment Program administering agencies.

- For equitable access to these resources, utilize community-based organizations and unions who are working closest with families and child care providers to equitably distribute information about the opportunities.

- Continue to engage The San Diego Foundation, Catalyst of San Diego and Imperial Valley, and other philanthropic entities to maximize opportunities between the County, local philanthropy, and local nonprofits.

Total request: $13 Million

1. **Child Care Vouchers for Working Families = $3 million**

2. **Flexible Provider Grants = $5 million**

3. **Mental and Behavioral Health Supports = $2 million**

4. **Increasing Child Care Supply through Facilities Development and Improvement= $2 million**

5. **Child Care Workforce Pipeline and Wages = $1 million**