

Child care is vital infrastructure for our economy. Any talk of increasing state economic activity must include a hard look at the child care landscape for inequities laid bare or worsened by the pandemic. Southern leaders must address immediate needs as well as long-standing, structural issues. We need a bold vision for child care from Southern leaders.

Communities with the least are likely to be hurt the most

- **Without significant intervention, the pandemic will speed the decline of small child care programs.** Small child care centers and home-based care programs disproportionately serve low-income workers, shift workers, communities of color, and rural communities. They are likely to be the most at risk of not reopening due to thin margins, long-term strains on their viability, and less capacity to seek government assistance. From 2011 to 2017, [small licensed family child care homes](#) dropped by one-third nationwide, from 152,000 programs to 98,000 programs. Meaning, programs serving vulnerable communities were struggling before this health and economic crisis.
- **Without significant intervention, the pandemic will increase child care deserts.** Using survey data from the National Association for the Education of Young Children, the [Center for American Progress](#) estimates that 1.3 million licensed child care slots in the 12 Southern states are at risk of disappearing due to the pandemic. Communities across the South already had [child care deserts](#) before the pandemic, ranging from 35% of Arkansans living in a child care desert to 64% of West Virginians.

“My prediction, at the end of all this would be, that the industry landscape is permanently altered. We will have mostly large for-profit franchises and large non-profits with few small, community-based mom and pop centers and family child care homes surviving. Low-income working parents and small child care programs will hurt the most.” –Child care industry veteran in Georgia

Governments take action, but more support needed

- The federal government provided [\\$3.5 billion](#) for child care programs in the CARES Act, yet a [new analysis](#) by the Center for Law and Social Policy and the National Women’s Law Center estimates \$50 billion in federal aid is needed to sustain the industry over the next six months. State governments have offered varied approaches to child care during the pandemic, as catalogued by the [Hunt Institute](#). Key decision points have been whether to mandate closure of child care facilities, continue subsidy payments based on enrollment rather than attendance, provide enhanced payments or grants to maintain the industry, create financial assistance for essential workers, and bonus payments for child care workers.

Immediate needs show crisis for the industry

Discussions with partners in the South provide insight into the industry's immediate needs:

- Technical assistance for providers to access government programs and implement health and safety best practices.
- Inclusion of child care facilities as priorities for personal protection equipment and sanitation supplies.
- Flexibility and assistance for families as they re-enter the workforce, experience unemployment, manage school closings, fall ill, or care for loved ones.
- Continued payments based on enrollment for those providing subsidized child care.
- Enhanced payments for child care workers as front-line employees and ability to disregard these bonuses as income for safety net eligibility.
- Financial assistance for providers that accounts for the staggered or uneven nature of child care needs and gaps during reopening.
- Additional grants to maintain industry capacity and rental assistance.
- Health insurance for teachers and assistants. For Southern states that have not expanded Medicaid, many child care workers fall in the coverage gap.
- Opportunity for education and training for child care workers who are out of work to meet quality benchmarks.

Philanthropy and nonprofits provide assistance

In addition to state and federal actions, nonprofit associations and philanthropy have stepped into certain communities to provide assistance. A few examples are:

- In North Carolina, the Child Care Services Association has created a COVID-19 Relief Fund to provide grants for supplies or services needed to meet new health standards.
- Quality Care for Children and Promise All Atlanta Children Thrive are using foundation funds to provide stabilization grants to Atlanta child care programs.
- Reinvestment Fund, a CDFI, has created a [COVID-19 grant fund](#) targeted to programs serving communities that have a shortage of facilities and families that are low-income and highest need. Additionally, they created a [toolkit](#) to guide other funders that would like to start similar child care relief funds.

So far, Southern responses have varied considerably

A few highlights on the variations in Southern states' actions as of late April 2020 are:

- Governors took three approaches to closure: 1) encourage facilities to remain open, 2) allow facilities to remain open with new limited group sizes, 3) mandate closures except for emergency care.** Three states (KY, NC, WV) closed all child care programs except those providing care to children of essential workers. Arkansas, at the other end of the spectrum, encouraged facilities to remain open, suspended group size ratios so that a caregiver could keep up to 22 children, and offered payment incentives to those facilities remaining open. Even in those states that did not mandate closure, however, many facilities voluntarily closed. In [Georgia](#), for example, 55% of licensed providers have closed even as state policy allowed them to remain open with group size limits of 10.
- Tennessee offers no cost child care for expansive list of essential workers.** Most Southern states are offering financial assistance to essential workers for their child care needs. Among those states that have offered aid, they have varied in their definitions of essential workers. Tennessee has an expansive definition and will cover the total cost of care through June 15th. Essential workers in Tennessee are those working in healthcare, law enforcement, first responders, corrections, military, activated national guard, human and social services, postal service, transportation, restaurants, and grocery stores.
- Some states aim to maintain capacity through sustainability payments and grants.** For the long-term ability of child care programs to reopen and survive the pandemic, perhaps the largest decision point is the financial assistance provided to both open and closed facilities. Half of the 12 Southern states continued existing subsidy payments based on enrollment rather than attendance. Further, Georgia, Kentucky and Louisiana offer funds on top of existing payments to maintain industry capacity for the eventual reopening of their economies.
- North Carolina and Kentucky recognize child care workers with bonuses.** Child care workers are on the front-lines, and at least two Southern states are providing bonus payments in recognition of their commitment. These bonuses do not resolve the low pay for child care workers, but are a good first step.

Bold vision needed for the future of child care

- Southern leaders have an opportunity to commit to a new vision for child care—one that recognizes its essentialness to our economic future.** This commitment will take aim at the long-term, structural challenges of the industry: low pay for child care workers, access gaps, high costs for working parents, technology and capacity gaps for small programs, and thin financial support from the public. We know the interventions necessary—grant programs, technical assistance, expansive child care subsidies, and shared services alliances to name a few—and now need the leadership to help children thrive in every community.

STATE RESPONSES TO COVID-19



CATEGORY	SERVICE	AL	AR	FL	GA	KY	LA	MS	NC	SC	TN	VA	WV
CHILD CARE	CARES Act CCDBG Funding	\$65 M	\$41 M	\$224M	\$145M	\$68 M	\$68 M	\$47 M	\$118M	\$64 M	\$82 M	\$71 M	\$23 M
	Mandated closure of programs, except for emergency care	✗	✗	✗	✗	✓	✗	✗	✓	✗	✗	✗	✓
	Bonus payments for child care workers	✗	✗	✗	✗	✓	✗	✗	✓	✗	✗	✗	✗
	Sustainability payments to maintain capacity in the industry	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓	✗
	Child care subsidies based on enrollment not attendance	See note	✗	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
	Enhanced subsidies for programs remaining open	✗	✓	✗	✗	✗	✗	✗	✓	✗	✗	✓	✓
	Financial aid for children of essential workers	✗	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
	Waiver for parents' co-payments	✗	✗	✓	✗	✓	✓	✓	✓	✗	✗	✓	✗
	Other grant programs	✗	✗	✗	✓	✗	✗	✗	✗	✗	✓	✓	✗
Sources Hunt Institute http://www.hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/ Alliance for Early Success https://earlysuccess.org/resources/coronavirus State Early Education and Human Services Websites								*AL subsidy is 50% sustainability payment for all enrolled children. Those facilities remaining open receive the sustainability payment and full payment for the children attending. *Info as of 04/30/2020. Note that policy continues to change.					

ABOUT SOUTHERN ECONOMIC ADVANCEMENT PROJECT (SEAP)

SEAP is your partner and resource. We amplify the efforts of existing organizations and networks that work towards broadening economic power and building a more equitable future. Broadening economic power brings attention to how race, class and gender intersect social and economic policy in the South. We explore policy ideas designed to directly address these connections. SEAP focuses on 12 Southern states and marginalized/vulnerable populations within the region and is a fiscally sponsored project of the Roosevelt Institute.