

JUNE 2020

PAVING THE ROAD TO RECOVERY FOR FAMILIES

Supporting Missouri Child Care Beyond the COVID Crisis

KIDS 
WIN MISSOURI



From April to June, Kids Win Missouri engaged with over 100 child care providers through community conversations and a survey to better understand their challenges as they operate in the current environment, prepare to reopen to children and families, and sustain their businesses through financial hardships brought on by the pandemic.



Key Takeaways

- COVID-19 and associated shutdowns have caused a massive disruption in the child care industry and many providers are at risk of closure or financial insolvency.
- Current payment structure does not give programs the necessary flexibility to plan and respond to meet current business needs.
- Providers in Missouri are not experiencing the impacts of COVID-19 in an equitable manner.
- Quality suffers when programs are fighting to sustain their operations and keep children and staff healthy.
- The child care community is overwhelmed.

Congress should invest **\$50 billion** to create a Child Care Stabilization Fund to provide critical support to families, child care providers, and our state's economy.



BACKGROUND

Child Care Community Conversations and Survey



The COVID-19 pandemic has put Missouri's already fragile child care infrastructure at risk and options for working families at even greater risk.

According to Child Care Aware® of Missouri, 63 counties out of 115 counties were child care deserts prior to COVID-19. As a result of COVID-19, that number has increased 50%, or 95 counties that are currently child care desertsⁱⁱ. Through the crisis, nearly half of Missouri's licensed child care facilities fully or partially ceased operationsⁱⁱⁱ. At time of publication, Child Care Aware® of Missouri reported that 65% of child care facilities have reopened, though many are operating at greatly reduced capacity and with very little official operations guidance.

Child care providers have shown how valuable they are to our children, families, and communities through the pandemic. Though many closed, others remained in operation to care for the children of frontline and essential workers. Even where face-to-face care ceased in many areas throughout the state, child care providers stepped in to fill the void and continue to provide basic necessities, food, or other resources to the children and families they serve.

Federal policymakers took important steps to address the immediate needs of kids and families in the first three Coronavirus relief packages, yet many child care facilities remain on the cusp of permanent closure due to new cost burdens resulting from the pandemic.

Further investment is needed to support our essential child care infrastructure and workforce and ensure that Missouri children and families have access to safe, quality care.

From April to June, Kids Win Missouri conducted virtual sessions with child care providers to better understand their challenges as they operate in the current environment, prepare to reopen to children and families, and sustain their businesses through financial hardships brought on by the pandemic.

We spoke with and surveyed over 100 providers, located in 19 Missouri counties and across all eight Congressional districts.

We engaged with providers across settings, including school-age and early childhood providers, center-based, faith-based, school-based, home-based, and group home facilities. This report shares the impacts the COVID-19 crisis has had on child care providers and gives us needed insight to pave the road to recovery for children, families, and providers throughout Missouri.





SUMMARY OF COMMUNITY CONVERSATIONS WITH PROVIDERS

Health and Safety
Business Operations
Program Quality
Communications



HEALTH AND SAFETY

Child care providers have had to adopt new policies, procedures and practices to ensure alignment with CDC and local health guidelines.

- Providers seemed well-versed and aware of CDC guidelines and have incorporated or planned new drop-off and pick-up procedures, cleaning and sanitation protocols, and adjustments to allow for social distancing in their programs. Providers have relied on information from their local health departments for any additional restrictions or guidance.

Needed supplies are difficult to access due to supply chain issues and buying limits.

- There were varying reports around the state around the ease at which programs could access supplies and equipment critical to health and safety in their facilities, including new needs, like Personal Protective Equipment (PPE), thermometers, and additional cleaning supplies, but also some typical program needs, like milk, diapers, and wipes.
 - Areas hit hardest by COVID-19 shared the greatest concerns about accessing PPE, sanitation supplies, and other equipment and materials needed to reopen.
 - Programs reported that there are some bulk ordering options, but they generally come with a higher cost to programs and can be difficult to access.
 - Buying limits on common food items were brought up in most of our meetings. This seemed to hit some of the smaller, rural providers especially hard, where access to stores is limited (i.e. driving to multiple stores to get 8 gallons of milk, 2 per store limit)

Providers are concerned about the state of the workforce, protecting the physical health and safety of their staff, and supporting their staff's mental health needs.

- Providers lamented that most child care professionals are low-paid and many are without health insurance benefits, while much of the workforce is also aging or otherwise immune-compromised. Providers were heavily weighing the health risks to themselves and their employees as they considered reopening.

THOUGHTS FROM PROVIDERS

"I've seen this as another example of the specific needs of home-based programs versus centers not being taken into account. Our needs and challenges can be very different."

Amanda Atkins, Briarwood Early Learning, Owner, Columbia, MO

"I am very concerned that we are asking child care workers to put themselves at-risk since child care is essential, yet the vast majority of child care workers in our state are working for very low wages at or around minimum wage and have no health benefits."

Jennifer Crouch, Ozarks Technical Community College Early Childhood Education Center, Center Director, Springfield, MO

"Our attendance was reduced drastically in March and April. We are hoping to see some slow improvement throughout the summer as families return to work. As of now we are not expecting our attendance to be back to full capacity until the Fall."

Laura Sanders, St. Stephens Christian Preschool, Director, Troy, MO





HEALTH AND SAFETY (CONT'D)

- One provider commented, "Keeping teachers healthy and in the classroom has been challenging," and gave the example that a few teachers have been exposed to COVID-19 requiring time off for those teachers and others who came into contact with them.
- Pandemic-related unemployment benefits have raised tensions in the frontline child care workforce. The perception is that those who have been laid off and receiving the additional federal benefits are both remaining safe from possible exposure and receiving more money than those who have remained working. This can be particularly demoralizing in a field where those who are continuing to work are receiving low wages and are putting their health and safety at risk.
- Mental health of their staff was a top concern for most providers. Many were considering ways to meet their own mental health needs as well as the needs of their staff and acknowledged that promoting and practicing self-care is critical to the quality of their programs.

BUSINESS OPERATIONS

Most programs accessed funding to support their programs and staff in the short term, but remain concerned about long-term sustainability.

- Through our survey, we learned more about what resources providers were accessing to support their programs. Almost 40% of respondents utilized the Paycheck Protection Program (PPP) and the Small Business Administration (SBA) for financial support. Other common resources accessed include subsidy dollars (26%), local/emergency grants (25%), and private donations (12%). Food programs, private funds, parent fees, and other loans were also accessed to lesser degrees. About 22% of the respondents had not accessed any additional financial resources.
- Programs appreciated the state's decision to utilize CARES Act funds to pay for subsidy child care on authorization levels and not attendance from March through June. With these additional payments ending on June 30, programs remain uncertain about long-term sustainability due to depressed attendance and reduced capacity based on group size recommendations.
- Many programs have utilized reserves to continue paying staff through the initial wave, but they are concerned about their ability to do it again if there are future spikes in COVID transmissions and hospitalizations. Providers voiced concern about the length of time they could sustain current business model practices without additional support or resources.

BUSINESS OPERATIONS (CONT'D)

Accessing funds to maintain their staff and businesses while not operating and the capital to scale operations back up remain of great concern to many different types of programs.

- For programs that accept subsidy payments and have agreed to the state's emergency assistance terms, they committed to paying their staff, but they reported delays in receiving the payments from the state. They noted without other support or income, delays in state payments are unsustainable for their operations.
- Many programs have laid off or lost staff. Reopening and scaling up will also require covering the upfront costs of recruiting, training and deploying new staff.
- School-age, fee-based programs often housed within traditional K-12 infrastructures, fall into the gap of not receiving subsidy support or parent pay and are unable or ineligible to get the PPP loans. As they consider reopening, these providers are struggling to find the needed funds to restart their programming and build up staffing capacity,
- Head Start providers (early childhood) and 21st Century Community Learning Center programs (school-age), which are funded through dedicated, federal funding sources, did give a general consensus that receiving their funding upfront and the guarantee of funding gave them the security to keep their staff employed and continue providing services to their families, without great concerns about their finances.

Implementing new health and safety operating guidelines and delivering new or remote services to families result in significantly higher costs for programs.

- In virus hot spots, programs are planning to use PPE, including masks and gloves, and are concerned about the significant added monthly costs and the ability to find and access the materials quickly.
- Group size restrictions and rules around mixing groups of children to accommodate social distancing cause staffing and space challenges for providers and limit their ability to scale to full capacity.

THOUGHTS FROM PROVIDERS

"It has been very overwhelming for myself and friends that own family child care with the amount of extra work we put into our week assuring that we sanitize as much as possible. Also, hoping that we find supplies and food needed to provide for our children on a weekly basis."

Ines Hernandez, Family child care provider in Columbia, MO

"Adventure Club is an afterschool program that has been successful across thirty seven schools and two school districts. Our program relies on parent fees for 100% of our funding. Without access to federal, state and local financial resources, school-based programs have been faced with a greater burden responding to the challenges presented by the pandemic. We reserve some money in our budget to cover unexpected costs, but the number of operational changes needed to respond appropriately is unprecedented and may prevent some programs across the state from functioning at all."

Leanne Cantu, Parkway Rockwood Adventure Club, St. Louis, MO



BUSINESS OPERATIONS (CONT'D)

- In many cases, providers will be required to recruit and employ additional staff or pay for extra staff time (overtime) to accommodate ratio changes and consistent groups of children and adults.
 - Some programs were forced to reduce their operating hours to balance the needs for additional staffing while sustaining their finances with lower enrollment. This was feasible for survival in the short-term but is an unsustainable long-term business model.
 - This causes financial concern for programs because the cost per child for care will increase. One school-age provider noted that the costs of providing care for school-age children will increase almost to the cost of infant/toddler care because of the CDC recommendations and guidelines around ratio and group size.
- Many programs noted the additional staffing costs associated with guidance on cleaning and sanitation procedures including employing additional staff, paying overtime, or working additional hours as owners and directors.
 - Many programs invested in new technology, for both teachers and children, including laptops, tablets, and hotspots for internet access, so children can attend telehealth or virtual therapy sessions and other enrichment activities with their teachers.

Beyond cost, maintaining staffing levels was a significant concern for providers.

- Multiple providers noted the difficulty in finding suitable substitutes and the lack of a substitute pool of qualified, background-checked individuals to cover staffing holes, due to illness and absence. This makes providers more vulnerable to suspending operations if they have a positive case or exposure in their facility.
- Providers noted that this is an industry full of parents and many of them are accessing family medical leave through FMLA or other leave options to accommodate their own child care needs with schools and summer programming being closed or cancelled. The costs of holding a current position and paying additional staff is great to many programs, especially when accompanied with other increased costs.
- Even with most programs reopening at this point, providers discussed the challenges with scaling up their operations. Most reported operating at a much lower capacity, often at 25%-50% of pre-pandemic levels. This lower capacity was initially due to requirements from localities, but even as localities have relaxed requirements, enrollment and attendance remain low because parents are unemployed, working from home, or choosing to keep their children at home. This means programs are taking in less income, while their costs have remained stable or increased beyond pre-pandemic levels, due to additional staffing, cleaning, and supply costs.



PROGRAM QUALITY

Providers had great concerns about their focus on quality and how to provide quality care in these new circumstances.

- Most providers acknowledged that health and safety were taking even more precedent than usual over quality in programming because of the new protocols and procedures associated with CDC and local health guidelines.
- Many providers indicated they would likely not be using masks in their facilities due to concerns about causing fear in children and not being able to support proper social and emotional development of the youngest children for whom they care.
- Some child care providers are serving multiple age groups that they do not traditionally serve, and for small providers, they have one group with a range of ages. This creates some struggles in planning appropriate curriculum for staff to deliver in this mixed group setting.

The needs of many children have changed as a result of the pandemic and providers need additional training and resources to meet their needs.

- Providers around the state are transitioning back into care with additional needs and many are trying to prepare with transition calls among staff and parents to best meet children's needs.
- Resources like Conscious Discipline and trauma-informed care training were discussed as being used to prepare to meet the mental and behavioral health needs of their children.
- Providers of children with special needs understand that children may not be accessing therapies currently and are working with appropriate health providers to best serve and ensure children are able to progress.

THOUGHTS FROM PROVIDERS

“My heart goes out to all children. Little ones are not in our educational setting working on developmental domains. We have some toddlers who were making strides in their fine and gross motor development and working on social/emotional skills, but we are currently not supporting them. It is hard to work on those skills when there are no peers to interact with in the home. Kids need our centers to assist and promote strong growth in these learning domains.”

Linda Huning, Our Savior Lutheran Early Childhood Center, Director, St. Charles, MO

“Our government departments have significant disconnect and need to work on intercommunication between departments. We need someone who can assist or give TA to centers in our state, who is aware of what all agencies are doing and what resources are available to everyone.”

Gay Litteken, Mary Lee Johnston Community Learning Center, Executive Director, Columbia, MO



COMMUNICATIONS

The amount of communications from a large number of sources caused confusion, frustration, and anxiety in the provider community.

- Participants identified a need for frequent and consistent interpretation of guidance from health professionals. Published guidelines left programs wanting more clarification or nuance based on the type of facility. For example, providers were not confident on what to do if their staff or families had exposure to or had tested positive for COVID-19.
- Many providers noted some tension in the use of “guidelines” and “recommendations” and how those may be interpreted versus rules and regulations.
- Programs have been relying on their local health departments for much of the information as guidelines vary by county, and many felt positive and supported by their local entities.
- Some expressed frustration in having to go back and forth between their local health department and DHSS, with each recommending they call the other. Programs, generally, would like to see more streamlined communications or ways to decipher between the varying guidance from different entities.

Programs expressed some differences in how connected or confident they felt with communications based on where they lived.

- In areas where strong regional coordination is present, like Kansas City, St. Louis and Springfield, providers were connecting and taking advantage of peer support communities to navigate through new challenges. In other areas, like Joplin, there was a desire for a regional group or network as they felt disconnected and not able to coordinate among themselves.
- The amount of communications and support programs received from their licensing specialists varied based on geography. Some providers were satisfied and felt they were receiving regular quality communications and support. Others indicated their specialists were checking in to see if they remained open or closed, but no additional supports were offered.



KEY TAKEAWAYS

COVID-19 and associated shutdowns have caused a massive disruption in the child care industry and many providers are at risk of closure or financial insolvency.

While all programs were not impacted in the same way, it was clear that operations of all programs were impacted. The needs of providers varied greatly based on their location, program setting, and the impact of COVID-19 in their communities. Most programs have realized increases to their overall costs and loss of income due to shutdowns, reduced enrollment, and low attendance in their programs.

Current payment structure does not give programs the necessary flexibility to plan and respond to meet current business needs.

For subsidy programs, reimbursement rates are already below market value, so they are not recovering all of their costs for providing care. Receiving payments in arrears also negatively affects their overall cash flow and ability to incur additional costs to sustain their programs. For instance, providers committed to paying their staff in order to receive enhanced payments through CARES Act funding, but some are struggling to make payroll without having access to the funds upfront. The pandemic has also exposed vulnerabilities for fee-based programs that do not traditionally rely on public funding but are in a tenuous financial position to reopen without support.

Providers in Missouri are not experiencing the impacts of COVID in an equitable manner.

Geography, racial demographics, age, overall health of providers and frontline staff, and the local impact of COVID-19 played a big role in providers' perspectives and concerns about reopening and operating their programs. The concerns and realities for providers living in communities with lower instances of COVID-19 versus those developing reopening plans in the hot spots differed greatly. Increased costs and loss of income have also hit programs in hot spots disproportionately hard.

Quality suffers when programs are fighting to sustain their operations and keep children and staff healthy.

The increased and needed focus on health and safety is causing programs to shift away from the emphasis on quality. With new health and safety guidance, professionals are grappling with how to adjust their care styles to still meet the social and emotional needs of children in their programs. Providers are also responding to new or emerging social, emotional, mental, and behavioral challenges children may have when reentering programs.

The child care community is overwhelmed.

A resounding theme was the level of stress the provider community is feeling at all levels. Programs are rapidly working to accommodate drastic program changes while also juggling their personal needs and the needs of the children and families they serve.



CALL TO ACTION

We cannot afford to fill potholes and make temporary fixes that leave our child care infrastructure on the verge of crumbling. We must lay the groundwork to pave the way to future success for our children and families.

Creating a \$50 billion Child Care Stabilization Fund within the Child Care and Development Block Grant (CCDBG) would provide critical support to families, child care providers, and our state's economy. These dollars could be used to help child care providers continue providing high-quality care for children while also implementing important new health and safety measures, protecting their staff, and keeping care affordable for families.

This would create almost \$1 Billion (iii) in stabilization grants Missouri providers could use for:

- Personnel costs, including premium pay, employee benefits, and employee salaries.
- Sanitization and cleaning, personal protective equipment, and other necessary equipment.
- Training and professional development related to health and safety practices
- Fixed costs, including mortgage obligations, rent, utilities, and insurance.
- Mental health supports for children and employees.
- Modifications to child care services as a result of the pandemic.
- Other goods and services necessary to maintain or resume operation of the child care program, or to maintain the viability of the child care provider.



All roads to recovery in Missouri and throughout the country will require a strong, viable child care system.

Child care programs have always operated on razor-thin margins to provide the highest quality care for kids, while keeping tuition costs as affordable as possible for parents.

For most providers, regardless of circumstance, the past two months have dealt them a substantial financial blow. Without additional support, they will be operating in the red in a matter of weeks-and many will be forced to consider closing their doors permanently. As a result, Missouri stands to lose 48% of our state's child care supply (iv), which translates to more than 68,000 children at risk of not having quality, safe, child care.

At a time when children are in greatest need of the consistent and nurturing care that high-quality child care programs provide -and parents are in desperate need of safe options as they return to work-Missouri cannot afford to lose its child care providers.

For the state and nation to recover, we must invest quickly and substantially to ensure our child care infrastructure is here to support our children and families into the future.

"The child care community has worked very hard to provide quality care through the pandemic, and I do not want to see quality sacrificed due to lack of funds.

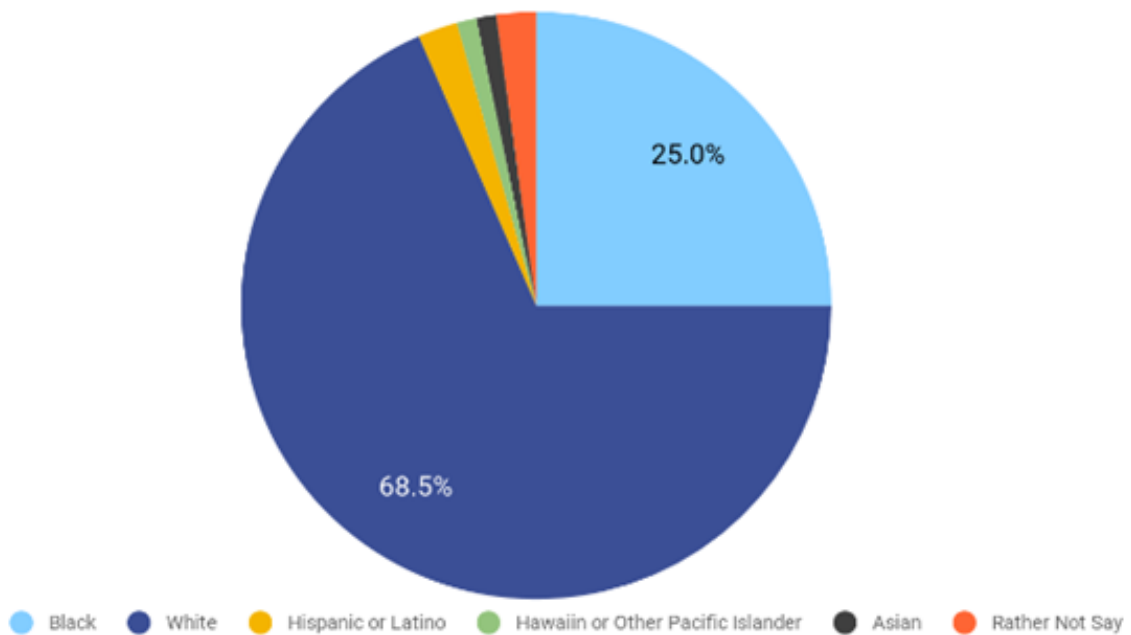
Our children deserve better."

Tiffany Brinton
One Step Ahead Early Learning Center
St. Joseph, MO

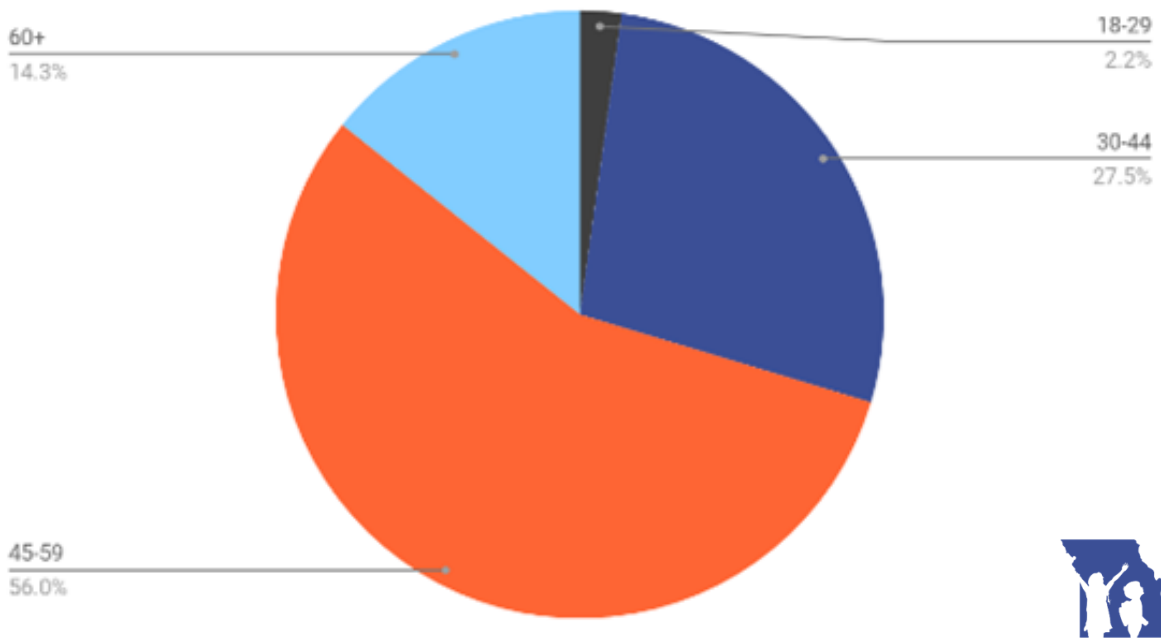
PROVIDER BACKGROUND AND DEMOGRAPHICS

A brief look at participants in our community conversations and survey

Race of Respondents



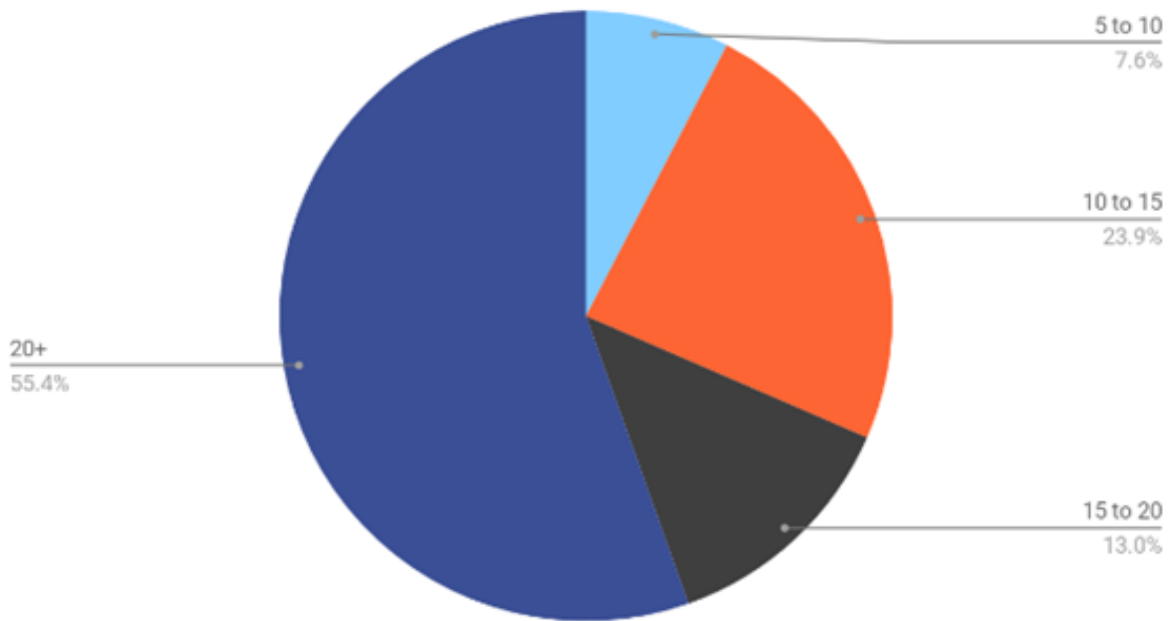
Respondent Age Groups:



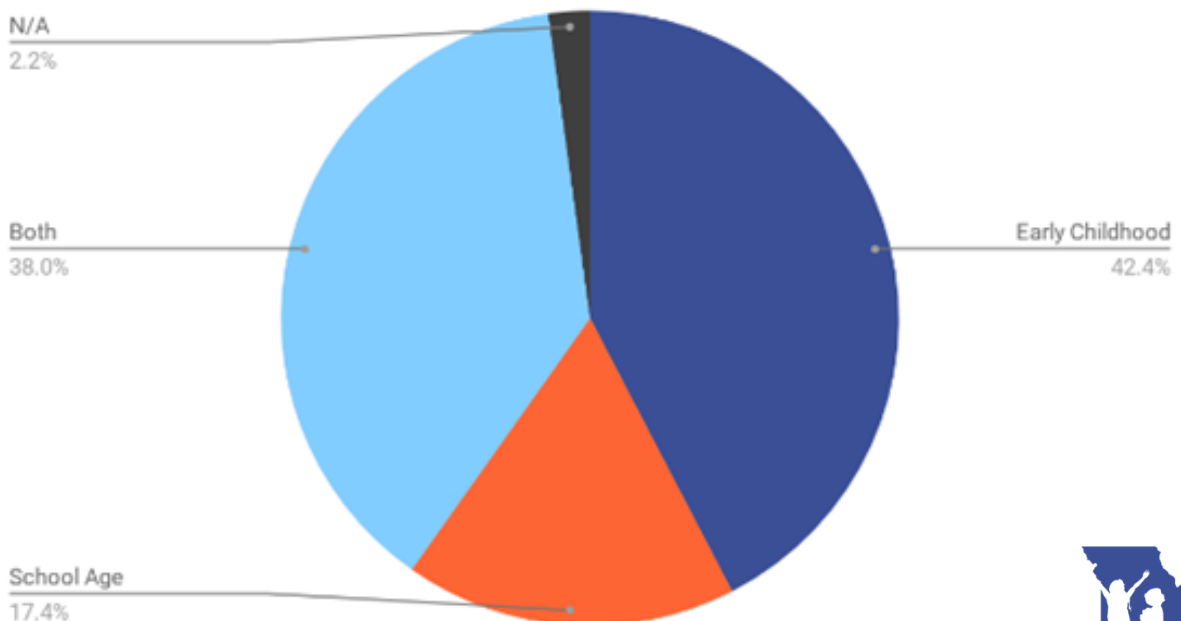
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A brief look at participants in our community conversations and survey

Years in the Field



Age Groups Served by Respondents:



REFERENCES AND RESOURCES

References

{i} <https://childcaredeserts.org/?state=MO>

{ii} https://www.columbiamissourian.com/news/covid19/covid-19-is-forcing-child-care-providers-to-close-will-they-be-able-to-reopen/article_c6bc1eda-83f5-11ea-aea4-43511e6938ea.html

{iii} Center for Law and Social Policy (CLASP): [Why We Need \\$50 billion in Pandemic Child Care Relief: A State-by-State Estimate](#)

{iv} <https://www.americanprogress.org/issues/early-childhood/news/2020/04/24/483817/coronavirus-pandemic-lead-permanent-loss-nearly-4-5-million-child-care-slots/>

Other Resources

Child Care Aware of America: [Letter to Members of Congress: The \\$50 Billion Ask](#)

National Association for the Education of Young Children (NAEYC): [National Industry Organizations Call on Congress for \\$50 Billion in Urgent Stimulus](#)

National Women's Law Center (NWLC): [Analysis: At Least \\$9.6 Billion Needed Each Month to Preserve Child Care System Nationwide Through Pandemic](#)



Join us at
kidswinmissouri.org

We are a coalition of organizations and individuals dedicated to improving the well-being of Missouri children.

Our vision is that all Missouri children have the opportunity to be happy, healthy, and successful.