

# **CARES Act Funding to Support Child Care and Early Learning In Franklin County**

**City of Columbus – Franklin County – Future Ready Columbus – Action For Children**

**July 16 2020**

## **BACKGROUND**

Due to the COVID-19 Pandemic, Ohio Governor DeWine closed all child care centers on March 26, 2020. Only child care centers that received a temporary pandemic child care license to serve the children of essential workers could remain open.

In Ohio and nationwide, the child care industry is neither adequately nor equitably funded. Most providers, both center-based and home-based, are small, minority-owned businesses and many teachers earn poverty-level wages. Most providers who serve low-income children survive on state child care subsidies and struggle to meet the expenses incurred in operating a center. When child care providers closed on March 26, many knew that they would never reopen.

On May 31, to meet the demand of the returning workforce, the Governor allowed child care centers to reopen. However, new regulations implemented during the closure for pandemic centers would remain in place. These new regulations, including reduced teacher-child ratios, reduced maximum class sizes and new sanitization protocols, are crucial for the health and safety of both the children and the teachers. However, for providers that operate with very small profit margins during normal times, the loss of revenue from reduced ratios or increased expenses for safety protocols significantly threaten these small businesses with insolvency.

## **EXISTING SUPPORT**

Knowing the importance of child care providers in Ohio and their fragile economic conditions, Governor DeWine provided child care centers that served subsidy-eligible children with monthly payments during their closure. These closure payments, based on pre-closure attendance rates, provided an invaluable life-line for most centers. Overwhelmingly, child care providers have indicated that the closure payments provided needed support.

When child care centers reopened on May 31, however, the closure payments ceased. To assist the child care industry with their increased costs and reduced revenue, the state implemented a grant program funded by federal CARES Act funding. Though the state allocated \$60 million to this program, approximately 6,000 child care providers in Ohio could receive funding. Because of this, the City of Columbus and Franklin County felt it important to provide matching support to child care centers in Franklin County.

## **OPPORTUNITY**

Child care is not only a crucial need for the returning workforce, but also for the health and development of our children. It is imperative to our community, to our city and county, that child care providers continue to provide high quality programs for our children. Mayor Ginther's vision for

Columbus, America's Opportunity City, is that all children are ready for kindergarten. Without a robust and healthy child care and early learning industry, we will never reach this goal.

Goal: Provide a monthly grant to child care providers in Franklin County at a level that will assist them to sustain their operations.

Eligibility: We will provide funding to providers in Franklin County that serve low-income children. To be eligible, at least 10% of a provider's slots must serve subsidy-eligible children, be located in one of Columbus' opportunity neighborhoods as well as county priority zip codes including 4327, 43213, 43068, and 43069 encompassing Reynoldsburg, Groveport and Whitehall, and have been opened and admitting children by June 14, 2020. We estimate, by these calculations, that we will provide funding for 366 Franklin County providers.

Formula: According to a survey provided by Action For Children, providers in Franklin County believe they could sustain their operations with an additional monthly grant. Per the survey, the average amount of need requested by center providers was \$8,800. The average amount of need requested by home-based providers was \$1,825. Based on these numbers, and deliberations with partners, we determined monthly grants of \$7,500 for center providers and \$2,000 for home-based providers.

Based on these criteria, we will be providing \$2,178,500 CARES Act funding per month, for three months, to support approximately 366 family and center based child care providers and almost 10,000 children in Franklin County.

