

County and
Community
Opportunities to
Leverage Local ARPA
Funds to Support
Child Care

September 13, 2021

9:00 a.m.



© NATIONAL ASSOCIATION OF COUNTIES
RESEARCH FOUNDATION, INC.



Agenda

- Welcome/Introductions/Purpose
- Child Care in Wisconsin
- ARPA Revenue and Early Childhood Priorities: An Overview
- County Examples
 - Wisconsin Early Education Shared Services Network
 - Door County

Why Is This An Issue for Counties?

- Economic development
- Impacts on county programs
 - Mental health
 - Child welfare
 - Youth justice

Economic Development

- Talent attraction
- What do employers care about?
 - Taxes – not so much
 - Schools, child care, parks and recreation, infrastructure
- Child care is the “workforce behind the workforce”

Impact on County Programs

- Social-emotional development
 - Mental health
 - Child welfare
 - Youth justice

Mental Health

- Infant and early childhood mental health
 - Capacity to:
 - Form close and secure adult and peer relationships
 - Experience, manage, and express a full range of emotions
 - Explore the environment and to learn
- Early adversity and trauma (ACES)
- Social skills and school performance



Quality Early Education

- Impacts a child's ability to learn
- Impacts a child's ability to build healthy relationships
- Stimulates brain development
- Leads to better cognitive, behavioral, and social skills

Mental Health

- Parental mental health
 - Work performance
 - Child welfare issues

Speaker Introductions

- **Ruth Schmidt**, Executive Director, Wisconsin Early Childhood Association
- **Arabella Pluta-Ehlers**, Program Manager, Children, Youth & Families, National Association of Counties (NACo)
- **Paula Drew**, Co-Director, Wisconsin Early Education Shared Services Network (WEESN), Wisconsin Early Childhood Association
- **Cori McFarlane**, Deputy Director, Door County Department of Health and Human Services



Wisconsin Child Care Gap Findings

Potential Need: 288,430 children

Supply: 171,040 slots

Gap: 117,090

Percent Gap: 40.6% of children vs 31% nationally

Economic Impact: Between \$2.5B and \$3.8B

Report by the [Bipartisan Policy Center](#)

The economic impact includes:

A: Household Component: economic burden to households attempts to capture economic losses from current lost earnings from reduced hours and lower productivity, as well as future lost earnings from lower productivity, less work experience, and losing out on the potential for skills upgrading.

B: Business Component: business losses are modeled as a function of current and future productivity losses as well as turnover costs.

c. Tax Component: tax losses are assumed as a constant percentage that is modeled as an average national tax. Total tax losses are assumed to include both household and businesses.

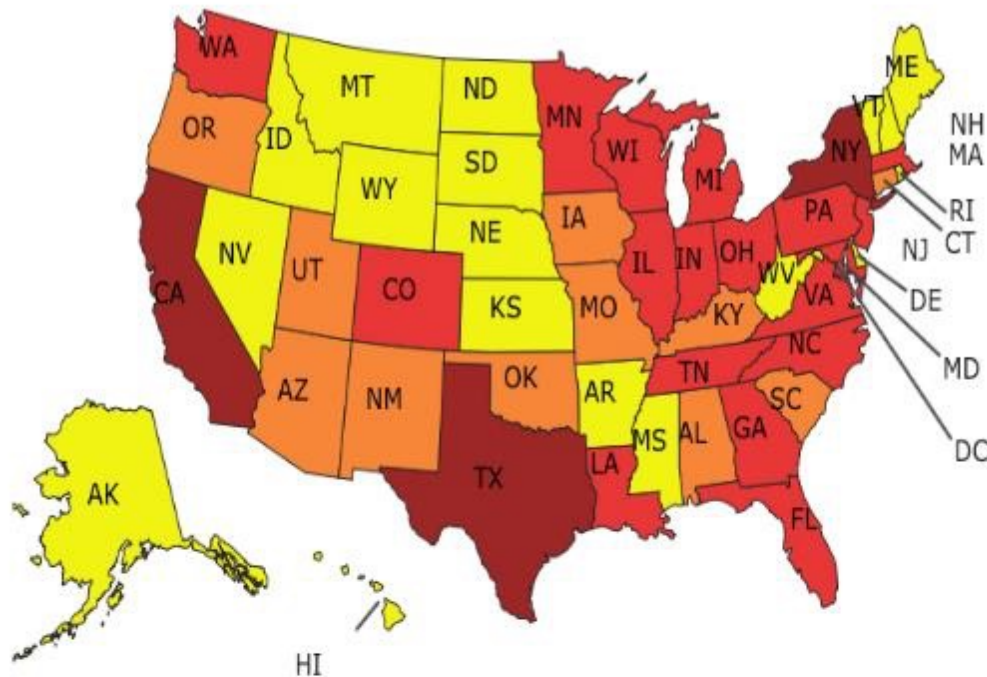


Child Care: Wisconsin Industry Trends

- Close to 75% of children age 4 and under are in care outside the home
- Pre-COVID, 70.2% of WI infants had mothers in the workforce compared to the national average of 61.6%



\$1.1 Billion Annual Economic Loss in WI



ReadyNation: The Infant-Toddler Child Care Crisis Inflicts Economic Damage Across the Nation

In WI, the shortage of infant toddler care results in an **annual economic loss of \$1.1 billion**

Want to Grow the Economy? Fix the Child Care Crisis. <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>

Child Care: High Cost



Expensive

- The average annual cost of infant care across child care settings in Wisconsin is \$12,567—that's \$1,047 per month. In our largest urban counties infant care can exceed \$18,000 - \$20,000 per year

Unaffordable for families in Wisconsin

- Infant care for one child would take up between 18.5% to 25% of a median family's income in Wisconsin
- This is 49% of the annual income of the average single parent in WI

What are Child Care Programs Saying – Results from WEESSN?

- 89% of survey respondents are actively hiring
- 75% have reduced hours or reduced enrollment
- 73 programs report 1080 unused slots due to staffing shortage

What are Child Care Programs Saying – Results from NAEYC?

Over 600 WI programs responded to [NAEYC Survey](#)

- 76% of child care programs experiencing a staffing shortage
 - Serving fewer children
 - Increasing waitlists
 - Closing classrooms
- 78% indicated low wages as key recruitment challenge
- 17% indicate they may close in the next year
- 50% of those working in child care less than 1 year indicate they would be leaving the field

Child Care: The Workforce Behind Wisconsin's Workforce

- 2,000 Regulated Family Child Care: \$21,480 annual income after expenses
- 21,206 Early Care and Education Teachers: Median Wage \$12/hour or \$24,960
- 50% of ECE Teachers have at least an Associate's Degree
- Only 1 in 5 teachers receive health insurance through their employment
- Only 2% of all occupations across the country earn less than child care

Contact Information

Ruth Schmidt

Executive Director

Wisconsin Early Childhood Association

608-729-1052

ruschmidt@wisconsinearlychildhood.org

<https://wisconsinearlychildhood.org>

A photograph of three young children sitting on a brown couch. The child on the left has blonde hair and is wearing denim overalls over a striped shirt. The child in the middle has dark, curly hair and is wearing a blue plaid shirt. The child on the right has dark, curly hair and is wearing a white and orange striped polo shirt. They are all looking down at books or papers they are holding. The background is a plain, light-colored wall.

Early Childhood Priorities in State and Local Fiscal Recovery Funds

Arabella Pluta-Ehlers, Program Manager
National Association of Counties Research Foundation

WCA/NACoRF/WECA Webinar: County and Community Opportunities to Leverage Local ARPA Funds to Support Child Care | September 13, 2021



© NATIONAL ASSOCIATION OF COUNTIES
RESEARCH FOUNDATION, INC.

About NACo

The National Association of Counties (NACo) strengthens America's counties, serving nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to:

- **Advocate county priorities** in federal policymaking
- **Promote exemplary county policies** and practices
- **Nurture leadership skills** and expand knowledge networks
- **Optimize county and taxpayer resources** and cost savings, and
- **Enrich the public's understanding** of county government.



The National Association of Counties Research Foundation's (NACoRF) mission is to ascertain, develop and distribute knowledge about county governments and training of public officials, prospective public officials, and other interested parties.

Counties Matter for Infants and Toddlers

Counties:

- Invest \$63 billion annually in federal, state and local funding in human services;
- Administer key federal safety net programs serving young children, such as SNAP and CCDF;
- Serve as Head Start agencies or contribute local dollars to expand Head Start programs;
- Function as clinic sites for the Special Supplemental Nutrition Program for Women, Infants and Children;
- Fully or partially oversee the child welfare system in 11 states; and
- Invest in core policies and services that align and strengthen PN-3 systems.



AMERICAN RESCUE PLAN ACT OF 2021

American Rescue Plan Act Funding Breakdown

This interactive tool helps navigate the roughly \$1.5 trillion in county related funding from the American Rescue Plan Act of 2021

[LEARN MORE](#)

- Counties will interact with various funding supports under the ARP
- [Click here](#) for NACo's interactive funding breakdown
- Most critical for counties: \$65.1 billion in direct funding via the State & Local Fiscal Recovery Funds

ADDRESS NEGATIVE ECONOMIC IMPACTS

1

WORKERS & FAMILIES

- Assistance to unemployed workers and job training
- Food, housing, cash and other assistance to households (proportionate)
- Survivor's benefits for family members of COVID-19 victims

2

SMALL BUSINESS

- Loans and grants to mitigate financial hardship
- Loans, grants and in-kind assistance to implement COVID-19 prevention or mitigation tactics
- Technical assistance

3

PUBLIC SECTOR

- Rehire staff
- Replenish state unemployment insurance funds
- Administer economic relief programs

4

IMPACTED INDUSTRIES

- Tourism, travel and hospitality
- Other similarly affected sectors

PROVIDE EQUITY-FOCUSED SERVICES

1

ADDRESSING HEALTH DISPARITIES

- Community health workers and public benefits navigators
- Remediation of lead paint and other lead hazards
- Community violence intervention programs

2

HOUSING & NEIGHBORHOODS

- Services to support individuals experiencing homelessness
- Affordable housing development
- Housing vouchers, residential counseling, navigation assistance

3

EDUCATIONAL DISPARITIES

- New or expanded early learning services
- Expanded resources for high-poverty school districts
- Educational services like tutoring and afterschool programs

4

PROMOTING HEALTHY CHILDHOOD ENVIRONMENTS

- New and expanded high quality childcare
- Home visiting programs for families with young children
- Services for child welfare-involved families and foster youth

Strategies for Investing in Child Care

- Giving grants to child care providers to help retain/attract employees and grow or maintain child care capacity
- Providing child care assistance to parents
- Leveraging premium pay and workforce development flexibilities to support the child care workforce



Strategies for Disproportionately Impacted Communities

- Connecting residents to public benefits and services
- Providing home visiting services to new parents
- Funding children's mental health services and programs

Treasury has identified a broad range of services that are eligible uses when provided in a Qualified Census Tract (QCT), to families and populations living in a QCT or other households, businesses or populations disproportionately impacted by COVID-19.

As outlined in the IFR, a QCT is defined as:

- *Census tract or equivalent geographic area defined by the Census Bureau*
- *At least 50 percent of households have an income less than 60 percent of the Area Median Gross Income (AMGI) OR*
- *At least 25 percent of households below the Federal Poverty Line*

Counties have broad flexibility when determining if a population was disproportionately impacted by COVID-19.

Additional Opportunities to Support Young Children

- Giving grants to non-profits that serve young children and families
- Providing direct assistance to families and households
- Bringing together experts to inform planning
- Replacing public sector revenue loss



CONTACT US

Arabella Pluta-Ehlers, Program Manager
202.942.4227 | aplutaehlers@naco.org

www.countiesforkids.org
info@countiesforkids.org



Thank you!



© NATIONAL ASSOCIATION OF COUNTIES
RESEARCH FOUNDATION, INC.

660 North Capitol St. NW | Suite 400 | Washington, D.C. 20001
202.393.6226 | www.NACo.org

fb.com/NACoDC | [@NACoTweets](https://twitter.com/NACoTweets)
youtube.com/NACoVideo | www.NACo.org/LinkedIn

Child Care Retention Stipends

- First, focus on stemming the tide of educators leaving.
 - Payments quarterly after completing work – paid directly to the individual
 - Must be enough to make a difference. Minimum between \$250-\$500 quarterly
 - Individuals must be on [The Registry](#)
 - Individuals must work in [YoungStar](#) participating programs
 - Option to run through [REWARD Wisconsin](#) (20 year established infrastructure for application processing, data tracking and streamlined reporting, payments/deposits and 1099 issuances)
 - ARPA or other funding: already either funded or considered in 12 counties
- Pair with bonus payments for Directors/Administrators
- Pair with signing bonuses

**Shared
Services as a
model to
strengthen ECE**

weca Wisconsin Early
Childhood Association
An Affiliate of **naeyc**





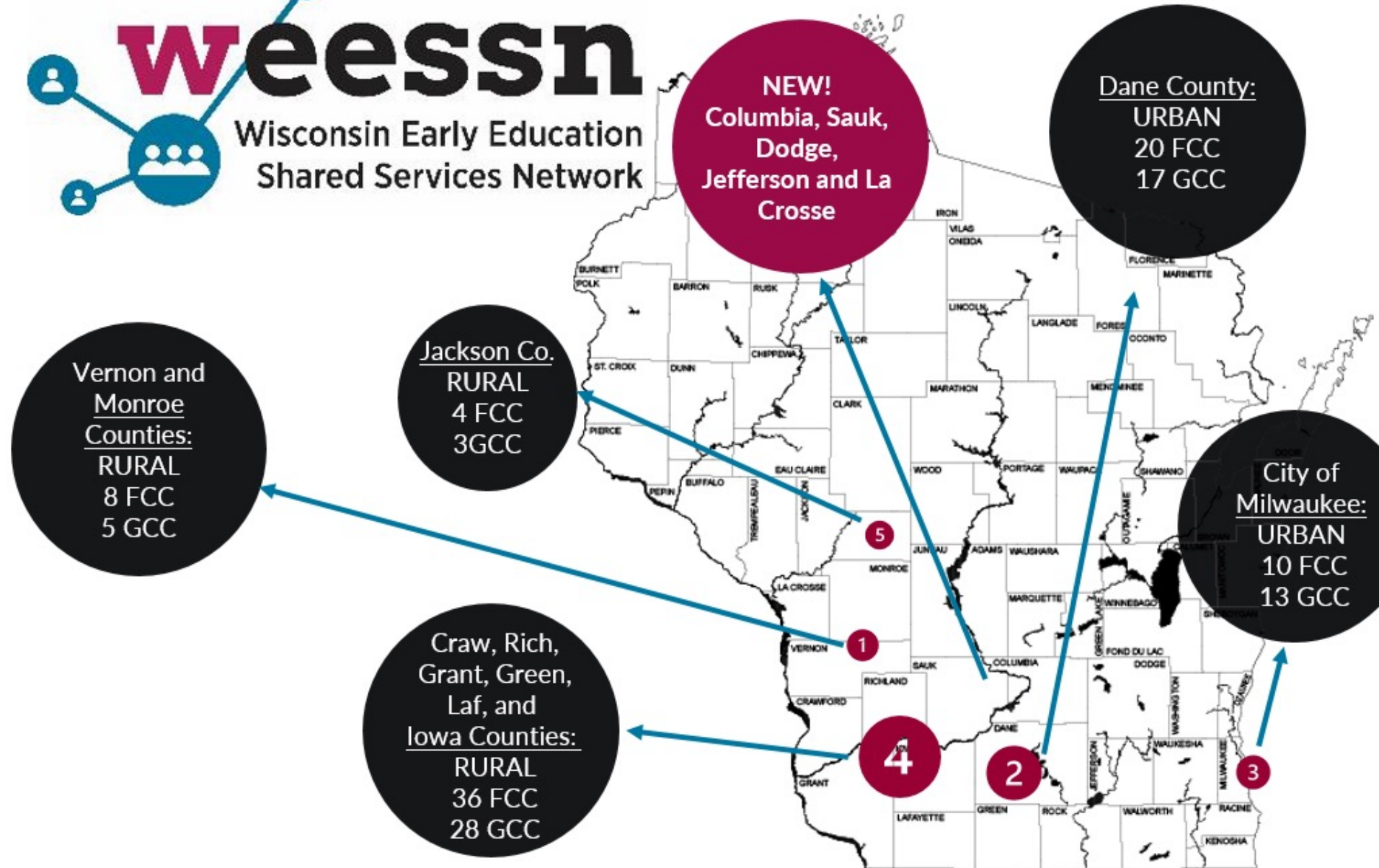
Benefits

- Leverages community, state and national partnerships to benefit local ECE providers.
- Shares staffing and administrative expertise to reduce ECE program expenses
- Maximizes ECE programming efficiencies
- Advocates for system level change to benefit the ECE sector





TIER 1	TIER 2	TIER 3
BI-LINGUAL VIRTUAL ACCESS	BI-LINGUAL VIRTUAL ACCESS	BI-LINGUAL REGIONAL ACCESS
Shared resource, tools and templates	Tier 1 Benefits	Tier 1 & 2 Benefits
Digital hiring platform	Virtual WEESSN Coach	Shared Substitute Pool
Quarterly training	6 mo. subscription to software system	Shared Back-office staff
WEESSN Newsletters	Telemedicine Benefit	Food System Supports
		Dedicated WEESSN Coach



TIER 1 REGIONS

FUNDING

Fees for Services

National Philanthropy

**Local and Regional
Funding**

State Funding



Questions

Find out more about WEESN here:
<https://wisconsinearlychildhood.org/programs/weesn/>

Kelly Matthews: kmatthews@wisconsinearlychildhood.org

Paula Drew: pdrew@wisconsinearlychildhood.org

The Future of Child Care in Door County:

A Community-Informed, Collective Impact Initiative



Learning About Child Care in Door County: Efforts to Date

Community Work Facilitated by United Way of Door County Feb 2020-present

- Community conversations
- Community-staffed committees (Child Care Study, Child Care Models, Workforce Pipeline, Future of Child Care)
- Community Surveys
- Advocacy
- Education (community & internal)
 - “No Small Matter” screenings
 - Biweekly town hall meetings
 - Including final one attended by legislators and/or their staff
 - State and national webinars
 - Online research
 - Conversations w/ experts





Possible Future Initiatives: Community-Informed Discussions

- 17 potential solutions identified from community discussions
- General goals
 - Maintain quality of care/education
 - Attract and retain childcare workforce; improve compensation
 - Maintain or improve affordability
- What will work in Door County?

Consensus on Focus Areas for Next 5 years:

1. Workforce recruitment, training & retention strategies (working with local partners, i.e., Tech College, Economic Development)
2. Develop ongoing funding sources that will help to stabilize and grow the system (charitable donors/grants, Fund 80, employment community)
3. Resources and support systems for home-based providers





Potential Application of ARPA Funds

- **27 possible ARPA initiatives submitted to County Administration/Board for consideration; 3 were child care related**
- **Budget retreat Sept. 1; Prioritization exercise completed**
- **Child Care identified as one of the top priorities**
- **More detailed proposal is being developed for formal action:**
 - **Continue community collaborative approach**
 - **Designated FT staff position to continue research, move planning and implementation forward, and work on sustainability efforts**
 - **Recruitment supports**
 - **Workforce retention incentives (including wages, benefits, provider-requested trainings, etc.)**
 - **Grants for new provider start-up costs and ongoing professional development**





QUESTIONS?

Cori McFarlane
Deputy Director
Door County DHHS
cmcfarlane@co.door.wi.us
920-746-2250

Christina Studebaker
Community Impact Coordinator
United Way of Door County
Christina@unitedwaydc.com
920-746-9645

Questions?

