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

September 13, 2021
9:00 a.m.
• 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 (WEESSN), 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.
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

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
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
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
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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
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.
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

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<tr>
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<th>WORKERS &amp; FAMILIES</th>
<th>SMALL BUSINESS</th>
<th>PUBLIC SECTOR</th>
<th>IMPACTED INDUSTRIES</th>
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<tbody>
<tr>
<td>1</td>
<td>• Assistance to unemployed workers and job training</td>
<td>• Loans and grants to mitigate financial hardship</td>
<td>• Rehire staff</td>
<td>• Tourism, travel and hospitality</td>
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<td>• Food, housing, cash and other assistance to households (proportionate)</td>
<td>• Loans, grants and in-kind assistance to implement COVID-19 prevention or mitigation tactics</td>
<td>• Replenish state unemployment insurance funds</td>
<td>• Other similarly affected sectors</td>
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<td>• Survivor’s benefits for family members of COVID-19 victims</td>
<td>• Technical assistance</td>
<td>• Administer economic relief programs</td>
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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
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
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.
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<th>TIER 1</th>
<th>TIER 2</th>
<th>TIER 3</th>
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<td>BI-LINGUAL VIRTUAL ACCESS</td>
<td>BI-LINGUAL VIRTUAL ACCESS</td>
<td>BI-LINGUAL REGIONAL ACCESS</td>
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<tr>
<td>Shared resource, tools and templates</td>
<td>Tier 1 Benefits</td>
<td>Tier 1 &amp; 2 Benefits</td>
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<td>Digital hiring platform</td>
<td>Virtual WEESSN Coach</td>
<td>Shared Substitute Pool</td>
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<td>Quarterly training</td>
<td>6 mo. subscription to software system</td>
<td>Shared Back-office staff</td>
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<td>WEESSN Newsletters</td>
<td>Telemedicine Benefit</td>
<td>Food System Supports</td>
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<td>Dedicated WEESSN Coach</td>
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FUNDING

State Funding
Local and Regional Funding
National Philanthropy
Fees for Services
Questions

Find out more about WEESN here: https://wisconsinearlychildhood.org/programs/weessn/

Kelly Matthews: kmatthews@wisconsinearlychildhood.org
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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
  o Maintain quality of care/education
  o Attract and retain childcare workforce; improve compensation
  o 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?

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Questions?