

The Pandemic Significantly Harmed Child Care in Idaho

First Steps Alliance believes parents in every corner of the state should have the opportunity to send their children to high quality, affordable child care. The year 2020 was unlike any other in our state's history, a once in a lifetime pandemic that shuttered businesses and disrupted our lives. In April of 2020, Idaho was on track to permanently lose an estimated 27,230 Idaho child care spots as a result of the pandemic's damage, but federal support prevented most of this loss.¹ Congress acted quickly to provide direct relief with specific attention to the nation's child care industry by allocating a total of \$303.6 million to Idaho in 2020 and 2021.²

Coronavirus Aid, Relief, and Economic Security (CARES) Act: Passed March 2020, the CARES Act was the first federal relief passed related to the coronavirus pandemic. The aid package addressed the urgent needs of states, business, and families and included specific funding for states' Child Care and Development Block Grants (CCDBG).³

Coronavirus Response and Relief Supplemental Act (CRRSA): Passed December 2020, CRRSA was the second federal relief bill related to the coronavirus pandemic that provided funds for the child care industry. The package provided additional CCDBG supplemental funding.⁴

American Rescue Plan Act (ARPA): Passed March 2021, this relief package addressed the enduring impact of the coronavirus pandemic. The child care provision included a funding boost for CCDBG and a permanent annual increase to the mandatory Child Care Entitlement to States (CCES); in addition to stabilization funding.⁵



STABILIZING IDAHO'S CHILD CARE INDUSTRY MUST BE AN ONGOING PRIORITY FOR LEADERS

To distribute the needed pandemic relief to child care providers throughout the state, the Idaho Department of Health and Welfare created the Idaho Child Care Grant – regular payments made to licensed providers who applied for relief ranging from \$500 for small family care providers up to \$5,000 for large center providers. These grants are being used by providers for costs like rent, utilities, supplies, payroll, and health and safety measures. Providers can also apply for a wage enhancement grant that provides \$300 monthly bonuses for their staff.

Idaho has dispersed Idaho Child Care Grants to child care providers in three rounds thus far. The third round of grant applicants

have received grant relief from February 2021-December 2021 and supported over 731 child care providers. Idaho has around 850 licensed child care providers. This means approximately 85 percent of child care providers in Idaho are depending on these relief dollars to stay open and provide care for families in their community.

The current round of the Idaho Child Care Grant begun dispersing relief funds in mid-January with final payment later in June of this year. To prevent child care providers from falling off of a financial cliff next summer, the Idaho Legislature must approve funding to continue Idaho Child Care Grants in Fiscal Year 2023.

“These [Idaho Child Care] grants have been a lifesaver... They have allowed us to give our staff wage increases and provide additional resources for our [kids]. Without the relief money we would have to cut back on our staff and decrease enrollment.”

- Donna | Noah's Ark Learning Center (Coeur d'Alene)



CHILD CARE BUSINESSES ARE STILL UNDER THREAT

Idaho's stressed and overburdened child care industry still needs relief. A recent study by Idaho Association for the Education of Young Children found 91 percent of child care providers are experiencing a workforce shortage in Idaho.⁶ Providers report:

9 out of 10

Idaho providers are experiencing workforce shortages.

- They are unable to pay their teachers at a competitive wage.
- They need more funds to sustain their business.
- Fear they may lose existing paying customers if they raise their rates.
- Experienced teachers are leaving the industry to earn more in retail settings.



We are seeing several parents quit their jobs or find a babysitter because they cannot afford to pay for childcare. The \$300 wage enhancement has saved our business! That helps us be able to offer competitive wages to our employees and the only reason we've been able to retain the ones we have is because of that. We live in fear of when that expires because we cannot afford to pay each employee \$300 per month from our regular tuition funds and we anticipate a mass exodus of employees if we are unable to continue that.



- Jennifer | Storybook Nook (Sandpoint/Ponderay)

CHILD CARE IS ESSENTIAL TO A THRIVING ECONOMY

Quality child care is highly valued in every community. Across the state, parents can be desperate to find a spot for their child that is affordable, safe, and within their community. Child care providers report getting calls from parents constantly, some begging to pay more than their child's age costs just to be able to receive consistent care so they can go to work.

Our leaders need to prioritize keeping child care providers – hundreds of small businesses – open so that parents can go to work with peace of mind that their children are receiving quality care. If the Idaho Child Care Grants are discontinued before the market stabilizes, too many child care providers will close their doors. By continuing funding for the Idaho Child Care Grants, the Idaho Legislature can protect and stabilize the state's economy, ensure children have quality care, and secure a brighter future for the state.

“Jerome is already struggling with quality childcare programs. Working parents need a place they feel safe and comfortable bringing their children while they are at work or they simply cannot work which affects everyone in our community. I have had multiple parents tell me if they could not bring their children to our center, they would quit their jobs.”

- Glenda | Glenda's Daycare LLC (Jerome)

1. Center for American Progress, Coronavirus Pandemic Could Lead to Permanent Loss of Nearly 4.5 million Child Care Slots
2. Office of Child Care, 2021 CCDF Allocation
3. Bipartisan Policy Center, CCDBG Funds in the CARES Act
4. Bipartisan Policy Center, Child Care in the December 2020 COVID-19 Relief Package
5. Bipartisan Policy Center, Child Care in the American Rescue Plan Act of 2021
6. KTVB, Survey: 91% of daycare centers are understaffed