



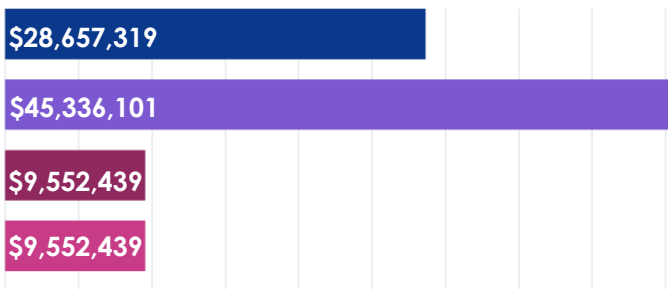
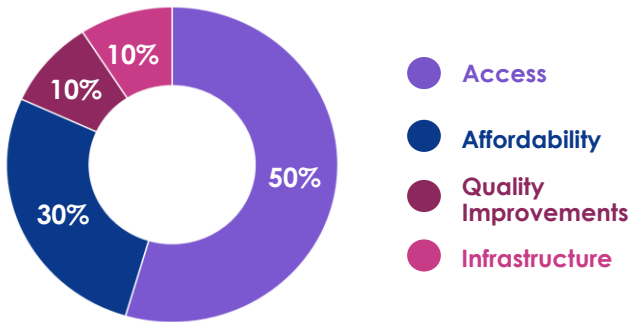
Child Care Stabilization Fast Facts

Coronavirus Response & Relief Supplemental Act & American Rescue Plan Act

Background

The State of Alaska received \$95.5M through the Coronavirus Response & Relief Supplemental Act (CRRSA) and the American Rescue Plan Act (APRA) to help child care programs remain open and able to care for children through the COVID-19 public health emergency.

The Department of Health Child Care Program Office (CCPO) designed a multi-year spending plan to respond to the pandemic’s impact on the child care sector. Aligning to the state’s Child Care Development Fund (CCDF) plan, the relief funding was allocated to four categories: access, affordability, improvements and infrastructure. Fifty percent was designated to support access in order to stabilize regulated, licensed child care businesses.



Stabilization Grant Program

In 2020, the CCPO in partnership with **thread**, Alaska’s Child Care Resource & Referral organization, as the intermediary, began distributing relief funds to regulated, licensed child care businesses in the form of the COVID-19 Child Care Stabilization Grant Program.

From 2020-2023, an estimated \$51M was awarded to approximately 446 regulated, licensed child care businesses statewide.

- The Stabilization Grant Program distributed funding in three phases (from 2020-23) to eligible child care businesses, including approved relative or in-home care, licensed school-age center, licensed group home, licensed family child care, and licensed child care centers.
 - **Phase 1 - \$4.5M** | provided rapid response and collected information to inform future phases
 - **Phase 2 - \$16M** | helped child care reach intended licensed capacity and begin to stabilize
 - **Phase 3 – Estimated \$30M** | focused on stabilization and workforce initiatives geared at retention and recruitment

- Each phase addressed the current need as well as the remaining gaps for child care businesses achieving stability. Input from the sector was gathered by the CCPO - via focus groups, surveys, town hall meetings - throughout the grant program to inform decision-making and planning at each phase.



The Stabilization Grant Program provided critical support, helping child care businesses to keep the doors open and support families going back to work.

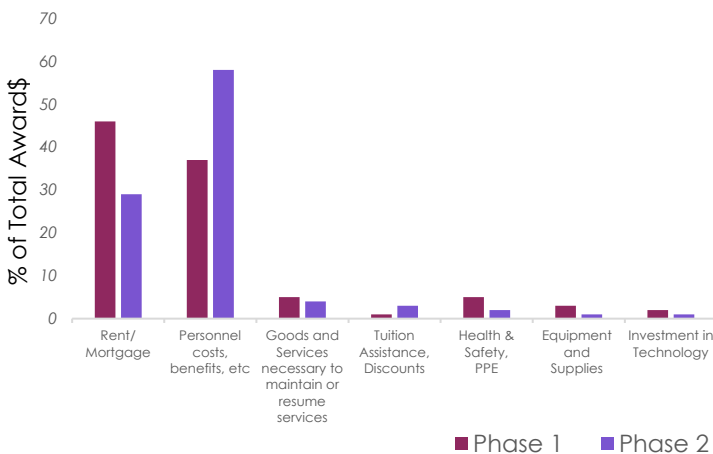
- Today, 431 licensed child care businesses are open. There has been a net loss of 45 providers since 2020.
- In December 2022, 50% of child care programs reported that without this federal assistance they would have had to close their doors. (State Survey, National Association for the Education of Young Children)

"...I felt so strongly that the kids should not have to pay the price for this big grown up problem. So, grant funds were used to keep the program going... Without the checks, we would have had to close after the lockdown. I just wouldn't have been able to pay the bills and/or have enough students to keep going. I am thankful every day for being part of a country that values their children and families enough to help to provide assistance to the programs that are nurturing and caring for the kids. Thank you so much!"

– Cheri Francis, My Favorite Preschool

Stabilization grants helped to cover the largest business expense categories – personnel and mortgage/rent.

- Federal guidelines allowed stabilization grants to be spent on mortgage/rent/utilities, personnel costs, goods and services, equipment and supplies, mental health services, and past expenses from the first year of the public health emergency.
- At the end of Phase 1, grant recipients self-reported that 50% of funding was spent on mortgage/rent/facility maintenance, and 37% on personnel.



The Stabilization Grant Program has generally helped programs serve an increasing number of children. The workforce shortage is impacting the number of seats.

- At each phase of the stabilization grant program, child care businesses reported how many children were enrolled compared to the desired capacity. While child care is open, desired capacity is not yet reached. Early indicators are that this is due to the child care workforce shortage.

The stabilization grant program application process was easy and accessible, resulting in high participation rates.

- Response rates
 - **Phase 1** 88% eligible businesses
 - **Phase 2** 87% eligible businesses
 - **Phase 3** Estimated 90% eligible businesses
- To ensure a high participation rate at each phase, applicants received the following support and resources: application step by step guide, FAQs, instructional webinars, email box for support, easy online application with google translate, technical assistance provided by **thread** and more.

Final Analysis

- A comparative analysis of the results of all three phases, including workforce support, will be available in Spring/Summer 2023. Watch the **thread** website: threadalaska.org

Additional Funding to Support Child Care Workforce

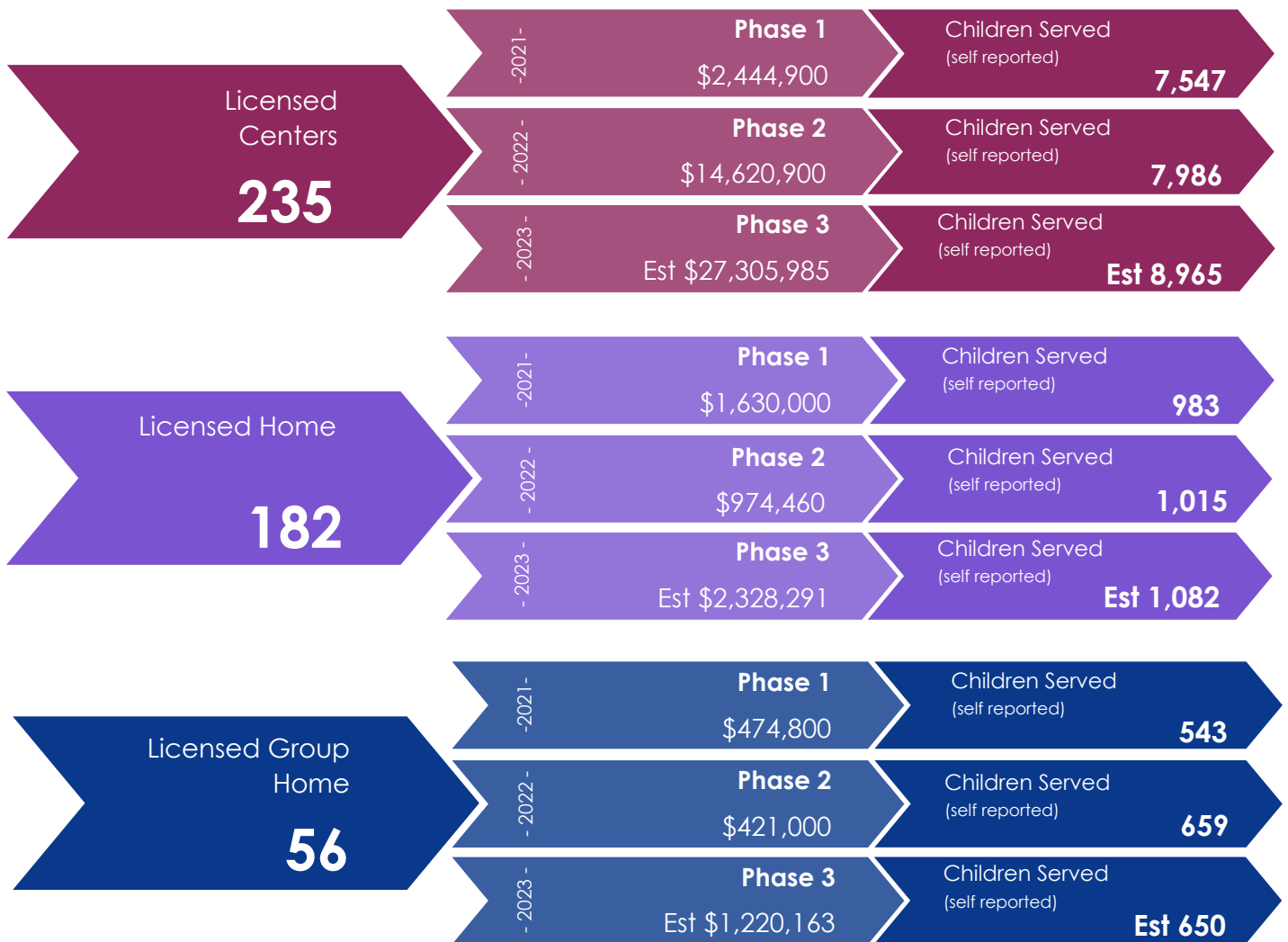
\$10M was allocated to address workforce recruitment and retention at various stages of the Stabilization Grant Program.

- **Between Phase 1 & 2 - \$4.6M** provided wage bonuses to 1,546 early educators via the Alaska SEED ROOTS (Retaining Our Outstanding Teachers) Award
 - Bonus: \$3,000 per person
- **Phase 3 - \$5M** supported a Workforce Initiative for workforce recruitment/retention. This funding was available as an opt-in to eligible programs. An estimated 118 child care businesses opted in.



Stabilization Grant Program Summary as of February 2023

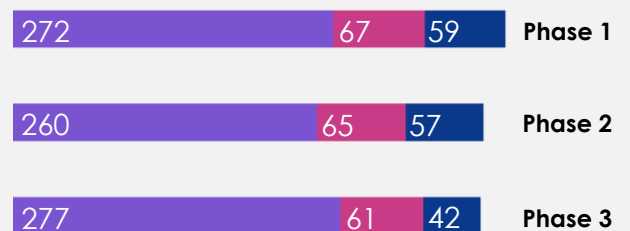
A breakdown of stabilization grants by business license type, total funds received, and number of children served from 2021-2023. Phase 3 numbers are estimations.



Regional Impact

Providers who applied for and received relief funding were spread out through three different regions in Alaska. This is a breakdown of numbers from each region:

- Southcentral
- Southeast
- Northern Interior



Resources

CCPO Spending Plan: health.alaska.gov/dpa/Documents/dpa/programs/ccare/Documents/Broadcasts/Spending-Plan-Update.pdf

thread website: threadalaska.org

Alaska Covid Relief Timeline: health.alaska.gov/dpa/Documents/dpa/programs/ccare/Documents/Broadcasts/COVID-Relief-Timeline.pdf

**September-
December
2021**

American Rescue
Plan (ARPA)

Phase 1 – Child Care Stabilization Grant

TOTAL GRANTS DISTRIBUTED STATEWIDE: \$4,549,700

Purpose

- Short-term assistance for licensed child care programs to remain open.

Impact

- Total Programs Awarded: 398
- Average Payout: \$11,431
- Children Enrolled (self report): 9,073
- Desired Enrollment (self report): 14,401

Status of Child Care at Phase I

- Majority of child care programs owners were concerned about their future business stability.
- Ninety-six owners were not receiving a salary in order to cover operational expenses.
- Child care enrollment was down overall, specifically in child care centers and after-school programs.
- Child care programs were experiencing labor shortages.
- Family access to child care was worse than pre-COVID, especially for children with special needs.

**December 2021-
January 2022**

Coronavirus Response
and Relief
Supplemental
Appropriations Act
(CRRSAA)

Alaska SEED ROOTs (Retaining Our Outstanding Teachers) Award

TOTAL AWARDS DISTRIBUTED STATEWIDE: \$4,638,000

Purpose

- Retain the child care workforce.

Impact

- Total Early Educators Approved: 1,546
- Payout: \$3,000 per person

**January-
June 2022**

American Rescue
Plan (ARPA)

Phase 2 – Child Care Stabilization Grant

TOTAL GRANTS DISTRIBUTED STATEWIDE: \$16,016,360

Purpose

- Stabilize licensed child care programs.

Impact

- Total Programs Awarded: 382
- Average Payout: \$41,927
- Children Enrolled (self report): 11,108
- Desired Enrollment (self report): 14,383

**December 2022-
Q1 2023**

American Rescue Plan
(ARPA) and
Coronavirus Response
and Relief
Supplemental
Appropriations Act
(CRRSAA)

Phase 3 – Child Care Stabilization Grant

TOTAL GRANTS DISTRIBUTED STATEWIDE: Estimated \$42,550,159*

Purpose

- Fully stabilize licensed child care programs.
- Support programs in developing workforce initiatives for retention/recruitment of staff.
- Include additional community-based funding, supporting stabilization.

*Estimated Funding Breakdown

- \$30M stabilization grants
- \$5M workforce initiative
- \$7.5M location based award made possible by the Municipality of Anchorage's Assembly and Mayor's Office, and the Mat-Su Health Foundation.

*Estimated Impact

- Total Programs Awarded: 385
- Payout Range: \$21K-\$3M
- Children enrolled (self report): 10,697
- Desired enrollment (self report): 15,580