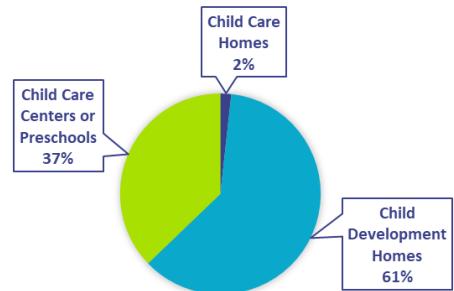


## CHILD CARE BUSINESS SURVEY SUMMARY

July 17, 2020

The Iowa Department of Human Services collected information from Iowa child care and preschool businesses from July 1<sup>st</sup> - 10<sup>th</sup> and received 1,544 electronically completed surveys.

**SURVEY RESPONSES = 1,544**



### Open Child Care Businesses

Of the 1,381 currently open child care and preschools businesses that completed the survey, 320 (or 23%) reported a temporarily Coronavirus-related closure. [4 Child Care Homes; 112 Child Development Homes; and 199 Child Care Centers and Preschools]

The three top factors influencing child care businesses' decision to remain open were:

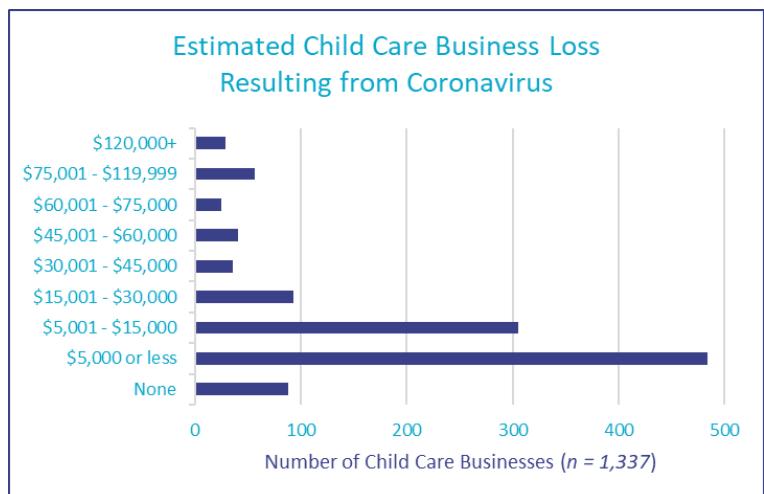
- ◆ Providing care to children whose parents are healthcare professionals and first responders
- ◆ Providing care to children whose parents are employed in other essential jobs
- ◆ Maintaining cash flow/revenue

The most frequently identified supports that child care businesses need to remain open included:

- ◆ Cleaning and disinfecting supplies
- ◆ Hand sanitizer and hand soap
- ◆ Mini-grants for deep-cleaning and replacement of supplies
- ◆ Grants/stipends to cover fixed operating expenses (rent, utilities, etc.) because of lost revenue

### Enrollment Declines and Financial Losses

Business closures and companies moving employees to telework from home status as a result of the Coronavirus pandemic impacted child enrollment and revenues at child care businesses. When comparing enrollment data from the weeks of March 2, 2020 and June 15, 2020 submitted in the survey, child care businesses lost an average of more than 20% of their enrollment in each of the six child age categories. Average enrollment loss of children receiving Child Care Assistance was 17%. Many larger child care center businesses lost between 60-80 percent of their enrollment. Besides the loss in child tuition, child care businesses also experienced increased food, cleaning, and supply costs. Survey respondents indicated financial losses for their businesses.



## Supports for Child Care Businesses

DHS used federal CARES funding to purchase and distribute needed supplies through Child Care Resource and Referral to child care businesses. Open child care businesses completing the survey identified receiving items in the table. Note: 407 survey respondents indicated that they did not request any supplies.

In addition, DHS is using CARES funding for 'Basic Monthly Stipends,' 'Essential Employees Monthly Stipend Add-on,' and 'Rejuvenation Grants' for child care businesses. To support child care businesses that care for children on the Child Care Assistance (CCA) Program, providers are allowed to bill for unlimited absent days and DHS is paying providers the amount parents' owe for the tuition co-pay.

Besides funding available through DHS, federal funding was available to child care businesses through the Small Business Administration (SBA) and state funding through the Iowa Small Business Relief Grant Program from the Iowa Economic Authority. Survey respondents from currently open child care businesses identified applying for and receiving funding from the following grants/loans or unemployment benefits because of temporary closures or underemployment based on parents keeping children at home.

Paper goods	217
Hand sanitizer	404
Bleach	148
Thermometer	317
Gloves	142
Other: Thermometer ear covers; face masks; hand soap; disinfectant wipes; toilet paper; educational materials (books and activities); detergent	168

	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)	Iowa Small Business Relief Grant Program	Unemployment Benefits
Child Care Home with a Child Care Assistance (CCA) Agreement (non-registered)	1	2	0	2
Child Development Home (registered)	34	79	25	122
Child Care Center or Preschool (licensed)	18	206	33	190

## Comments from Survey Respondents

- ◆ Consider extending the two \$500 grants of Child Development Homes; provide us with food assistance.
- ◆ Thanks for all your help to keep us open and moving!
- ◆ I just want to restate that the biggest killer we have to staying open is the limited kids per room.
- ◆ I worry about the guidelines that child care centers are required to follow, that may cause a child to miss up to 10 days due to symptoms of any kind. This will cause financial burden to our center with such a high rate of Child Care Assistance (CCA) families. Unlimited absence coverage will need to continue until we have a vaccination in place or there is a good chance that I will need to limit the CCA spots we have.
- ◆ It is the State Child Care Assistance that if keeping my program running. After July 25, if funding does not continue for families still laid off, my program will be in deep financial stress. I realize funding cannot continue indefinitely but another month or until school starts would be extremely helpful.
- ◆ Appreciate the emails to keep us updated. All is going well. The stipends help so much! Thanks!
- ◆ The stipend has been extremely helpful during this difficult times.
- ◆ I am wanting to know when it would be possible to be able to open up to full capacity? With school going back in session soon we will need to take on more children. I am following the 10 per room the best I can, but I have added more children because parents need childcare. If I would take them all back we would be reopening fully.

## Closed Child Care Businesses

Of the 158 currently closed child care and preschool businesses that completed the survey, 111 (or 70%) reported the closure was the result of the Coronavirus pandemic. [5 Child Care Homes; 22 Child Development Homes; and 83 Child Care Centers and Preschools]

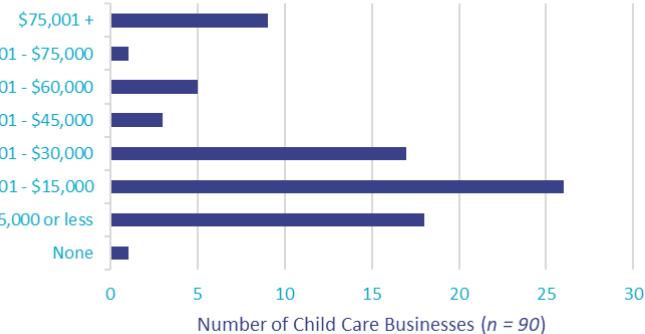
Nearly 50% of the reasons identified for the Coronavirus-related closures was related to K-12 school closures and families keeping children at home.

### Enrollment Declines and Financial Losses

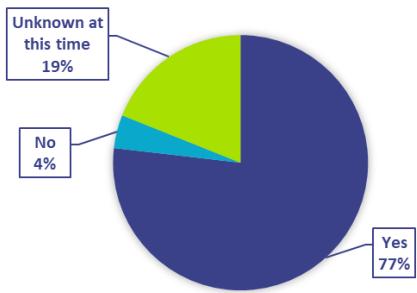
When comparing enrollment data from the week of March 2, 2020 and the date the facility closed, an analysis found there was little changes in enrollment. Based on respondent comments, some child care businesses experienced revenue losses because they did not receive tuition payments when parents began working from home and kept their children at home with them.

### Reopening Child Care Businesses

Estimated Child Care Business Loss Resulting from Coronavirus



### PLANS TO REOPEN



The most frequently identified supports child care businesses need to reopen:

- ◆ Masks
- ◆ Cleaning and disinfecting supplies
- ◆ Thermometers
- ◆ Mini-grants for deep-cleaning and replacement of supplies
- ◆ Grants/stipends to cover fixed operating expenses (rent, utilities, etc.) because of lost revenue

The survey included questions related to the DHS 'Basic Monthly Stipend,' 'Essential Employees Monthly Stipend Add-on,' and 'Rejuvenation Grants.' Many survey respondents indicated that applying for and receiving the 'Essential Employees Monthly Stipend Add-on' would not be a good business decision. The loss of revenue by giving a 25% discount to essential employees would not be equal to or less than the amount of money received from the DHS stipend. The child care business would lose revenue by participating in this grant opportunity.