

Item 6: Department of Education / Department of Human Services /

Department of Administrative Services

Childcare Provider Assistance

Analyst: Doug Wilson

Request: Establish a \$45,000,000 Other Funds expenditure limitation for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Oregon Department of Education’s Early Learning Division for assistance in meeting the increased costs of childcare providers.

Description: Childcare providers are facing many economic and operational challenges as a result of the COVID-19 pandemic. Governor’s Executive Orders and new regulations from the Oregon Department of Education’s (ODE) Early Learning Division (ELD) mean increased costs for providers including staff costs to meet lower children to staff ratios and increased safety/sanitation procedures. ELD has received direct CARES Act funding specifically designated for childcare, as well as indirect funding through the Governor’s Education Emergency Relief (GEER) and the Coronavirus Relief Fund. A summary of what has been already received as well as what is proposed in this request is summarized in the table below.

Program/Activity	Original Budget	Actual Budgeted	Amount Spent	Amount Obligated
<i>Governor's Education Emergency Relief CARES Act Funding - \$2.5 Million for Child Care - Obligated by 9/30/2022</i>				
Emergency PPE for Child Care Providers	1,307,956	1,307,956	586,350	721,606
Relief Nurseries - Respite Care - in Procurement Process	900,000	900,000		
Child Care Grants for Tribal Governments - in Procurement Process	300,000	300,000	-	-
Total	2,507,956	2,507,956	586,350	721,606
<i>Child Care CARES Act Funding - \$38.6 Million - Obligated by 9/30/2021</i>				
Emergency Child Care Grants - Phase 1	8,000,000	7,756,538	7,756,538	-
Set-Aside for ERDC Co-Pay Policy - Depends on ERDC Caseloads	7,000,000	7,000,000		7,000,000
Additional Funds for Providers - Plan Under Development	23,595,401	23,838,863	-	23,838,864
Total	38,595,401	38,595,401	7,756,538	30,838,864
<i>Coronavirus Relief Funds (CRF) Round 1 - \$30 Million - Spent by 12/30/2020</i>				
Emergency Child Care Grants - Phase 2	5,300,000	4,824,013	4,824,013	
Supplemental Grants to Opportunity Providers (Phase 1 & 2)	14,155,240	20,151,181	13,680,973	6,470,208
Supplemental Grants to Non-Opportunity Providers (Phase 1 & 2)	9,044,698		<i>in amounts above</i>	
COVID-19 Training for Providers - in Procurement Process	1,500,000	350,000		350,000
Grants to Open Providers Who Have Not Received Grants - Phase 3	-	4,674,806	-	-
Total	29,999,938	30,000,000	18,504,986	6,820,208
<i>Proposed Coronavirus Relief Funds (CRF) Round 2 - \$45.0 million - Spent by 12/30/2020</i>				
Comprehensive Supports for School-age Children	7,500,000			
Emergency Child Care Grants - Phase 4	33,100,000			
Transfer to DHS for Family, Friend and Neighbor Providers	3,000,000			
PPE for Providers Not Covered by FEMA	1,200,000			
Administrative Costs	200,000			
Total	45,000,000			
<i>Note: Obligated numbers are as of a specific date and will likely change.</i>				

The current ELD request for Coronavirus Relief Fund resources is for \$45.0 million and is divided into five components.

1. **Comprehensive Supports for School-age Children - \$7.5 million:** Funds are proposed to be disbursed to 23 YMCA and Boys and Girls Clubs organizations representing up to 79 facilities or sites (42 YMCA and 37 Boys and Girls Club) to offset the costs of services that have been provided to school aged children during the emergency including nutrition services, distance learning supports, and other costs that were eligible for the various phases of emergency childcare grants. Funds will be distributed through grant agreements for YMCAs (\$3.5 million) and Boys and Girls Clubs (\$4.0 million). Grants will be made for facilities across the state including the metro areas, Baker, Rouge Valley, Tillamook, Umpqua Valley, and Treasure Valley. The grant amounts for the organizations will range from an estimated \$35,000 to just over \$1.0 million.
2. **Emergency Childcare Grants - \$33.1 million:** A fourth phase of grants is proposed similar to what has been included in earlier distributions to assist existing emergency childcare programs to remain open. Previous grants totaling over \$38.3 million have been made to providers in all counties in the state. Overall, statewide capacity of childcare providers remains at less than half of pre-pandemic levels (as of October 21st). Grants will be made to roughly 3,300 providers ranging from \$6,500 for Registered Family providers to over \$15,000 for the larger Certified Centers. Specific “Opportunity” providers that are located in rural communities, childcare deserts, high poverty communities, and racially isolated communities will be eligible for enhanced grants over and above those listed above (10% greater). Also included in the grant recipients are a number of “Recorded” programs which are providers which usually operate for four hours a day or less, are educational, and serve children from 36 months of age to when eligible to attend public school. Many of these now are providing all day childcare to meet the demand as school buildings are not open.
3. **Transfer to DHS for Family, Friend and Neighbor Providers - \$3.0 million:** Funds are proposed to be transferred to the Department of Human Services (DHS) to distribute to active Family, Friends and Neighbors (FFN) providers who serve Employment Related Day Care (ERDC) families for their increased costs during the pandemic. FFN care is generally defined as childcare provided in-home by relatives and neighbors with three children or less and are license exempt. Only a few of these providers were part of the previous rounds of emergency childcare grants and it was determined the most efficient way to provide funding was through DHS agreements with these FFN providers. Grants are estimated to be approximately \$2,500 for roughly 1,200 providers.
4. **Sanitation and Other Supplies - \$1.2 million:** In the early stages of the pandemic, childcare providers received diapers, masks, gloves, baby wipes, cleaning supplies, and other supplies. At this point it is unclear if some or all of this proposed funding will be needed since FEMA has not indicated whether they will cover these costs. Since CRF funds must be spent by December 30, 2020, it is likely that this funding will remain unspent by that date. For this reason, this component of the request is not recommended. ELD still has CARES Act funding which does not have to be obligated until September 2021 to cover any of these costs.
5. **Administrative Costs - \$200,000:** Both ELD and some central ODE functions (e.g., accounting) have had increased responsibilities and activities due to the distribution of the funding outlined in the table above and for work on new policies and technical assistance. This \$200,000 will cover these costs. It should be noted that this could free up funding already in the agency’s legislatively approved budget. The agency should determine the amount of these savings and report them to the Legislative Fiscal Office and the Chief Financial Office.

The Early Learning Division will require \$43.8 million in Other Funds expenditure limitation. The Department of Human Services will require \$3.0 million in Other Funds expenditure limitation for the funds transferred to them for the FFN grants. The Department of Administrative Services will use Federal Funds expenditure limitation previously provided for purchase of personal protective equipment (PPE) to transfer the additional CRF funding to ODE. Excess Federal Funds expenditure limitation is now available due to the state receipt of \$75.0 million in funding from the Federal Emergency Management Agency (FEMA) as reimbursement for the purchase of PPE. This FEMA reimbursement makes the original CRF monies available for eligible CRF uses (see Item #3 on the agenda).

Recommendation: The Co-Chairs of the Emergency Board recommend increasing the Other Funds expenditure limitation for the Oregon Department of Education’s Early Learning Division, initially established at the June 5, 2020 meeting of the Emergency Board, by \$43,800,000, for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to ODE for assistance in meeting the increased costs of child care providers. In addition, an increase of \$3.0 million in Other Funds expenditure limitation is recommended for the Department of Human Services for the funds transferred from the Oregon Department of Education.



Oregon

Kate Brown, Governor



OREGON
DEPARTMENT OF
EDUCATION

Oregon achieves . . . together!

Colt Gill

Director of the Oregon Department of Education

November 5, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
Salem OR 97301-4048

Dear Co-Chairpersons:

Nature of Request

Oregon Department of Education (ODE), Learning Division (ELD) respectfully requests \$45,000,000 in Coronavirus Relief Funds (CRF), received by the Department of Administrative Services and transferred to ODE, for the ELD Emergency Child Care (ECC) Grant Program. As well, establish a \$45,000,000 additional Other Funds expenditure limitation for this funding from the CRF.

Agency Action

There are an estimated 4,500 child-care providers that are open and providing services to Oregon families. The objective of this stimulus grant is to help all open emergency child care providers (both licensed and license-exempt) pay for costs incurred during the COVID-19 pandemic. These entities and organizations provide essential, vital services to Oregon communities, families, and children, and are key to our state's economic recovery from the pandemic.

These funds are needed to help existing child-care programs remain open. The number of emergency child-care facilities has steadily increased over the last several months, resulting in the number of facilities going in the direction of pre-pandemic levels (3,200 as of October 15, 2020). However, data suggests that child-care programs are not operating at full capacity, and fewer child care centers have been able to operate during the emergency. In addition, ECC providers are reporting an increased need for resources to support families with school-age children in communities where school is not operating in person.

The grant awards are non-competitive and available to all open and operating ECC providers, including recorded programs and license-exempt providers serving Employment Related Day Care (ERDC) families. Providers operating in census tracts within rural communities, high poverty communities, and racially isolated communities will be eligible for enhanced awards.

Comprehensive School Age Care: \$7.5 million

ELD proposes to fund The Boys and Girls Clubs at the \$4.0 million level and Oregon State Alliance of YMCAs with \$3.5 million. There are thirty-seven (37) Boys and Girls Club locations and forty-two (42) YMCA locations. These facilities have been providing childcare and out-of-school comprehensive distance learning and other family supports to school aged children beginning in March of 2020.

Recorded Programs (Part-Time and Full-Time): \$2.2 million

Traditionally speaking, recorded programs are license-exempt and operate four hours or less per day. They are typically operated by a school district; a political subdivision of the state; or by a governmental agency, in which youth development activities are provided to children during hours that school is not in session. During this state of emergency, many recorded programs are operating as all day child-care.

Recorded programs are included in this phase because ELD recognizes that the child-care environment has changed as a result of the current public health emergency and child-care providers of all types are more involved in filling the role that was previously filled by schools.

Family, Friends, and Neighbors Providers (ODHS): \$3 million

ELD proposes to transfer \$3 million to the Oregon Department of Health and Human Services (ODHS) to distribute to open family, friend, and neighbor (FFN) providers who are currently receiving payments. ODHS and ELD believe that utilizing the ERDC payment mechanism will more effectively reach family, friend, and neighbor caregivers. The supplemental payments will help cover costs incurred during the period of the current public health emergency. ODHS will determine the funding breakdown depending on number of eligible providers, currently would range between providers receiving between \$2,300 and \$2,700 per eligible provider.

Licensed Providers (Certified Centers, Certified Families, Registered Families): \$30.9 million

ELD proposes to allow existing emergency child-care providers eligible for funding that meet the following three criteria:

- Open and operating under an Emergency Child Care Facility (ECCF) license;
- Agree to remain open and serving children through December 30, 2020; and,
- Commit to adhering to specified health and safety guidelines.

This will be a non-competitive grant opportunity to provide enhanced payments to providers operating in opportunity zones. Providers are eligible to use these funds for CRF allowable costs incurred during the current public health emergency, including costs associated with re-opening their programs.

Emergency Supplies : \$1.2 million

ELD proposes \$1.2 million of this CRF request to cover previously incurred costs to provide emergency supplies for child-care providers. This amount includes Phase 1 supplies sent to child-care providers including food, diapers, masks, gloves, and baby wipes. This request also includes funding Phase 2 supplies to cover shipping and labor costs for nearly 3,000 care packages that were delivered to child care providers across the state.

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
November 5, 2020

Administrative Costs: \$0.2 million

ODE and ELD propose funding to cover temporary accounting and grant support to fund direct personal service costs associated with the administrative processes involved with disbursing these funds.

Agency Request

ELD respectfully requests establishment of a \$45,000,000 Other Funds expenditure limitation for the Oregon Department of Education (ODE), Early Learning Division (ELD), for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to ODE, ELD for the Emergency Child Care Grant program.

Legislation Affected

Thank you for considering the approval of this request.

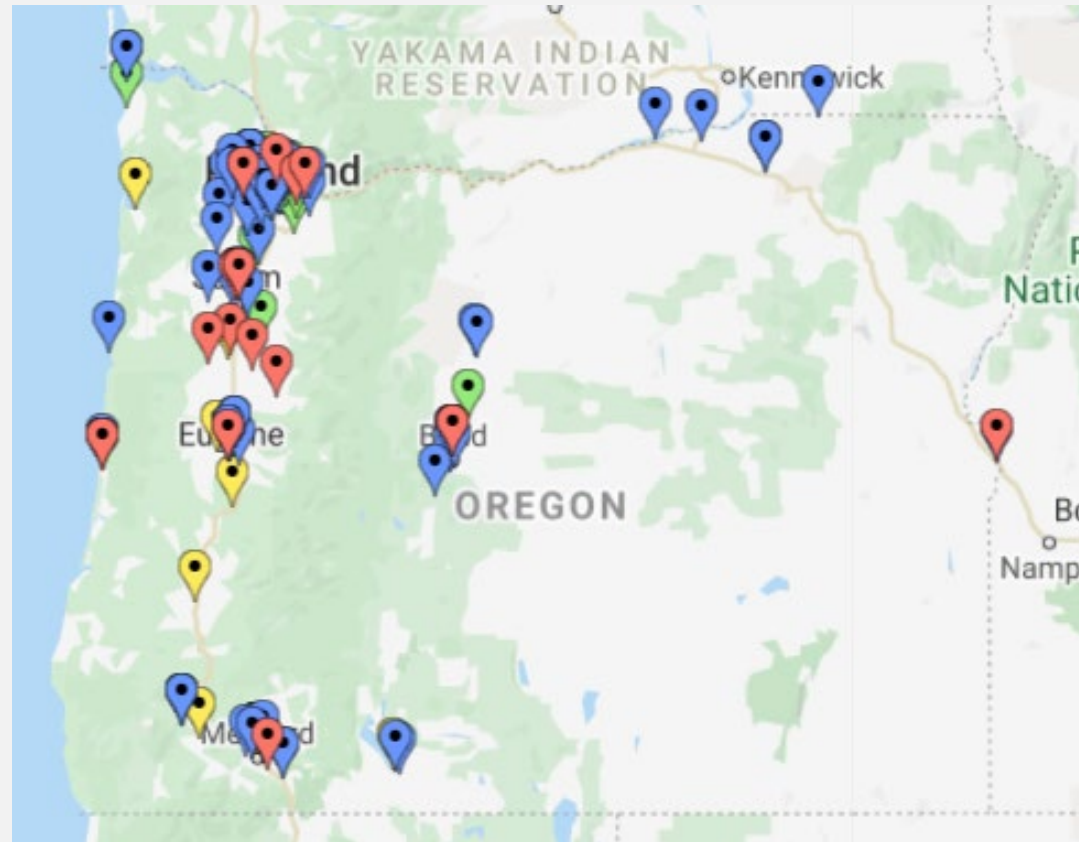
Sincerely,

A handwritten signature in blue ink, appearing to read "Colt Gill", with a stylized flourish at the end.

Colt Gill
ODE Agency Director

Distribution of School Age Providers

- Green – Part Time Recorded Programs
- Blue – Full Time Recorded Programs
- Yellow – YMCAs
- Red – Boys and Girls Clubs



Awards and providers by Provider Type

Provider Type	ECC1		ECC2		ECC3		Total Providers	Total Sum of Award Total
	Providers	Sum of Award Total	Providers	Sum of Award Total	Providers	Sum of Award Total		
CC	267	\$ 8,082,702	277	\$ 8,780,994	405	\$ 3,057,540	948	\$ 19,921,236
CF	528	\$ 6,141,459	216	\$ 2,479,717	127	\$ 440,400	868	\$ 9,061,576
DHS	234	\$ 644,598	182	\$ 380,268			416	\$ 1,024,866
RA	26	\$ 574,249					26	\$ 574,249
RF	781	\$ 5,329,193	275	\$ 1,803,113	289	\$ 665,000	1338	\$ 7,797,306
Grand Total	1836	\$ 20,772,201	950	\$ 13,444,092	821	\$ 4,162,940	3596	\$ 38,379,233

Award Average by Provider Type

Provider Type	ECC1	ECC2	ECC3	Grand Total
CC	\$ 30,272	\$ 31,700	\$ 7,549	\$ 20,992
CF	\$ 11,632	\$ 11,480	\$ 3,468	\$ 10,404
DHS	\$ 2,755	\$ 2,089		\$ 2,464
RA	\$ 22,087			\$ 22,087
RF	\$ 6,824	\$ 6,557	\$ 2,301	\$ 5,797
Grand Total	\$ 11,314	\$ 14,152	\$ 5,071	\$ 10,640

Awards and providers by county

Counties	# of Providers Awarded	Award Average	Sum of Award Total	Total # Providers In County	% of Providers Awarded
Baker	19	\$ 7,526	\$ 142,992	20	95.0%
Benton	47	\$ 12,575	\$ 591,042	55	89.1%
Clackamas	241	\$ 10,888	\$ 2,624,122	274	91.2%
Clatsop	21	\$ 10,952	\$ 229,993	25	84.0%
Columbia	34	\$ 9,666	\$ 328,642	42	81.0%
Coos	47	\$ 8,680	\$ 416,648	49	95.9%
Crook	11	\$ 9,877	\$ 108,650	12	91.7%
Curry	11	\$ 8,394	\$ 92,330	11	100.0%
Deschutes	162	\$ 12,153	\$ 1,968,795	174	92.0%
Douglas	72	\$ 8,826	\$ 635,472	77	93.5%
Gilliam	2	\$ 31,713	\$ 63,426	2	100.0%
Grant	5	\$ 9,139	\$ 45,697	5	100.0%
Harney	4	\$ 5,303	\$ 21,211	4	100.0%
Hood River	40	\$ 8,952	\$ 358,083	40	100.0%
Jackson	196	\$ 9,976	\$ 1,965,242	213	92.5%
Jefferson	13	\$ 10,442	\$ 135,744	16	93.8%
Josephine	62	\$ 12,650	\$ 784,275	64	95.3%
Klamath	48	\$ 10,988	\$ 527,444	51	94.1%
Lake	1	\$ 8,515	\$ 8,515	2	50.0%
Lane	279	\$ 10,901	\$ 3,041,413	311	89.7%
Lincoln	22	\$ 11,009	\$ 242,193	25	88.0%
Linn	106	\$ 8,486	\$ 899,548	112	93.8%
Malheur	23	\$ 9,592	\$ 220,622	27	88.9%
Marion	373	\$ 10,426	\$ 3,909,765	380	93.7%
Morrow	7	\$ 12,991	\$ 90,935	8	87.5%
Multnomah	920	\$ 11,123	\$ 10,266,234	881	96.5%
Polk	61	\$ 10,249	\$ 625,166	83	92.8%
Sherman	3	\$ 8,530	\$ 25,591	3	100.0%
Tillamook	12	\$ 9,561	\$ 114,735	16	75.0%
Umatilla	77	\$ 9,703	\$ 747,159	84	91.7%
Union	42	\$ 6,517	\$ 273,718	44	95.5%
Wallowa	10	\$ 7,692	\$ 76,924	10	100.0%
Wasco	35	\$ 7,172	\$ 258,207	35	100.0%
Washington	508	\$ 11,183	\$ 5,703,537	615	92.5%
Wheeler	1	\$ 7,805	\$ 7,805	1	100.0%
Yamhill	81	\$ 10,090	\$ 827,356	87	92.0%
Grand Total	3596	\$ 10,640	\$ 38,379,233	3858	3316.4%

0.9212166
0.932089165