Review of Early Childhood Education Business Needs Survey

By The OEC-UConn Research Partnership

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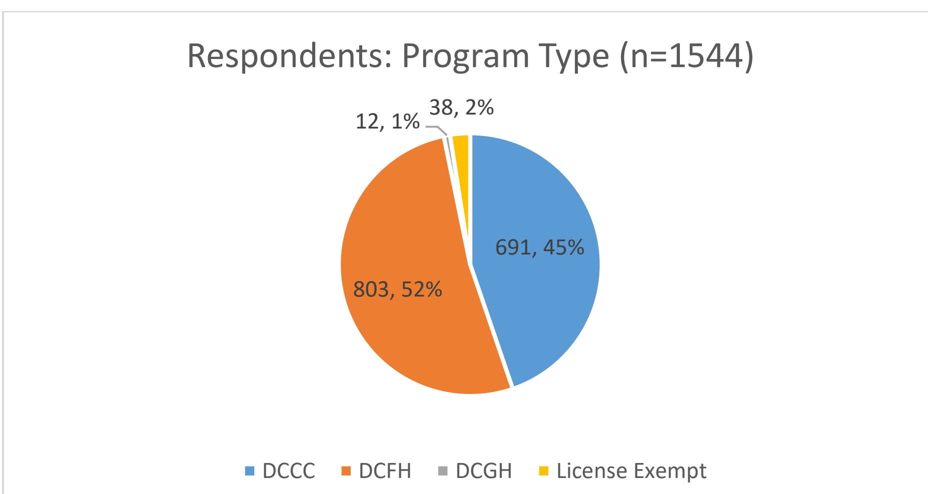
The Office of Early Childhood's Business Survey 1 was a project of the OEC's COVID-19 ESF14 team, in partnership with OEC and UCONN data staff. The survey was released Monday, May 5, 2020 and closed Monday, May 18, 2020. The purpose of the survey was to (1) understand the impact of the COVID-19 pandemic on child care providers in Connecticut in order to (2) create a plan for recovery efforts. The survey explored facility level enrollment, fiscal impacts of the crisis, program closure reasons, re-opening needs, and access to government relief. The OEC used survey questions both unique to child care businesses and questions used by other Connecticut state departments in surveys to their respective populations.

Survey links unique to each provider were distributed using OEC licensing and registry data to 3,038 providers representing 3,925 licensed child care centers, group homes, family child cares, and state-funded license exempt programs. For the purposes of this report, state funding was defined as receiving any combination of the following funds: Care4Kids, School Readiness, Child Day Care contracts, or State Head Start. The distribution of the links was followed-up with promotion through Connecticut's early childhood listserv, emails to OEC partner organizations (including OEC's Staffed Family Child Care Networks and Accreditation Quality Improvement Support contractors), and personal calls to licensed providers by their OEC licensing specialists.

1. Who Responded?

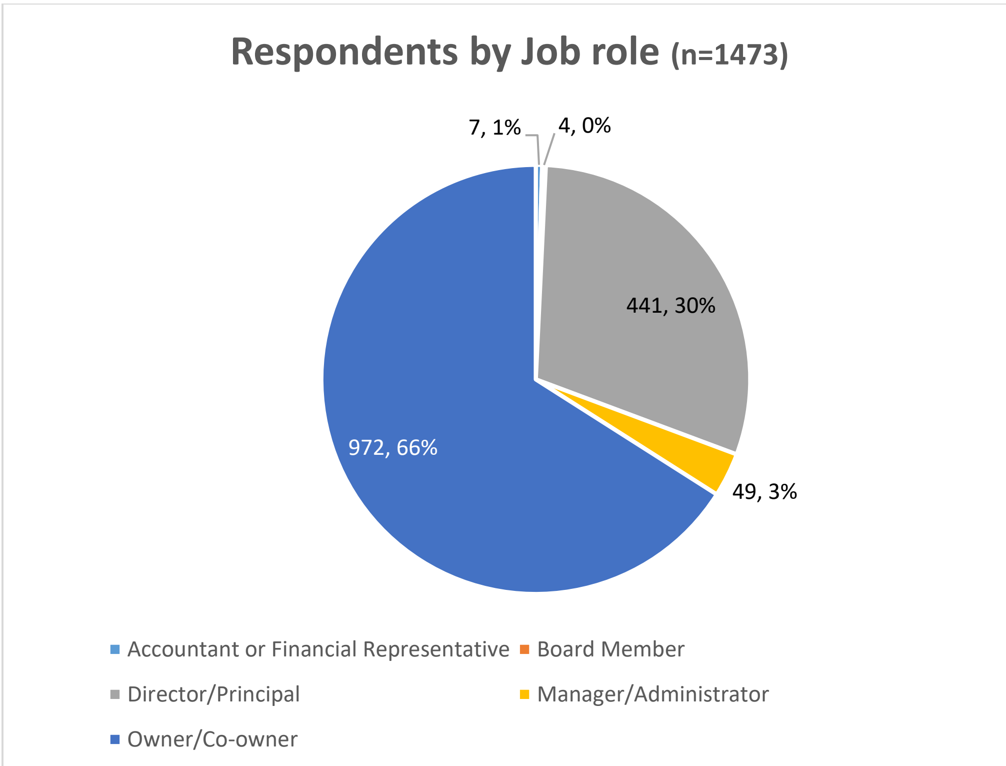
In a two-week time frame, 1,548 programs at least partially responded to the OEC survey for a response rate of 39%. The survey included questions about revenue and expenses that were recognized as sensitive though valuable input. For this reason, portions of the survey were not required and providers were encouraged to complete as much as they felt comfortable doing.

- Of these responses, 803 were licensed family child care providers (DCFH). This represented 52% of responses, and 42% of the 1,890 total licensed family providers.
- 703 respondents were licensed child care centers (DCCC) and group homes (DCGH), representing 46% of responses and 50% of the 1,415 total licensed centers and group homes.
- The remaining providers were 38 (2%) state-funded license exempt providers (LE).



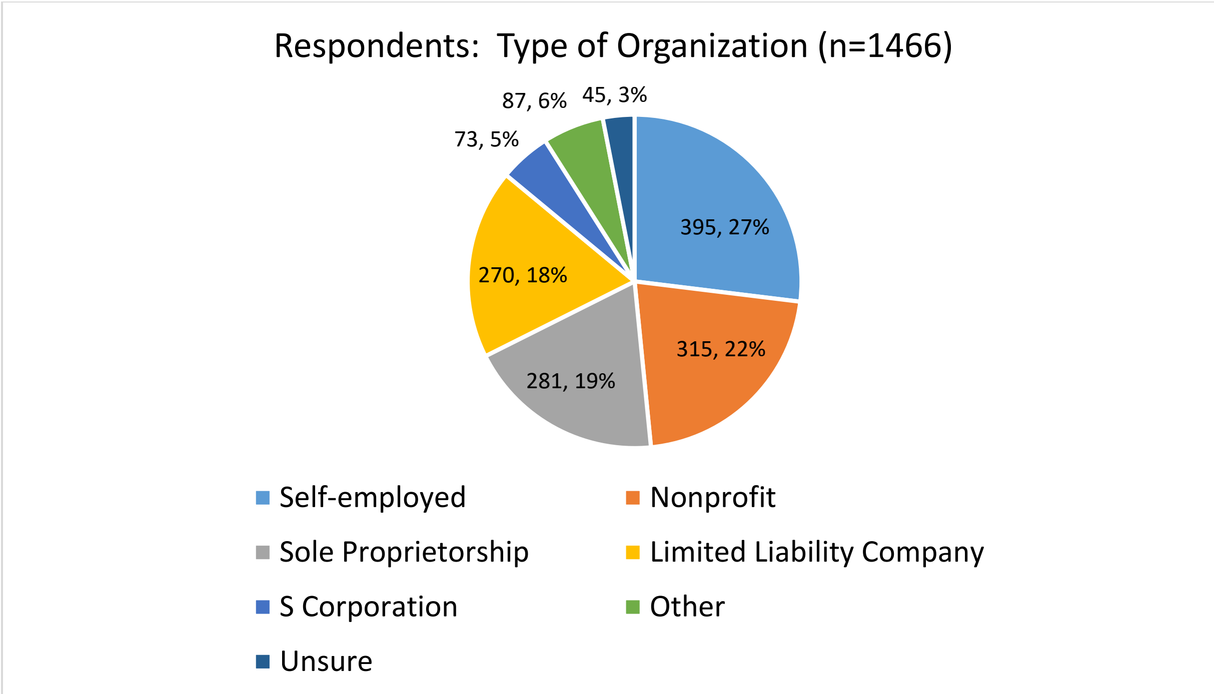
- The survey was offered in both English and Spanish. Approximately, 10% of the respondents chose to respond to the survey in Spanish.
- A total of 75 respondents reported for multiple programs as chains or CAP agencies.

The majority of survey respondents were Owners/Co-Owners (66%) or Program Directors (30%). Other respondent types comprising 4% included: Administrators, Board Members, and Accountants or 'Other'.

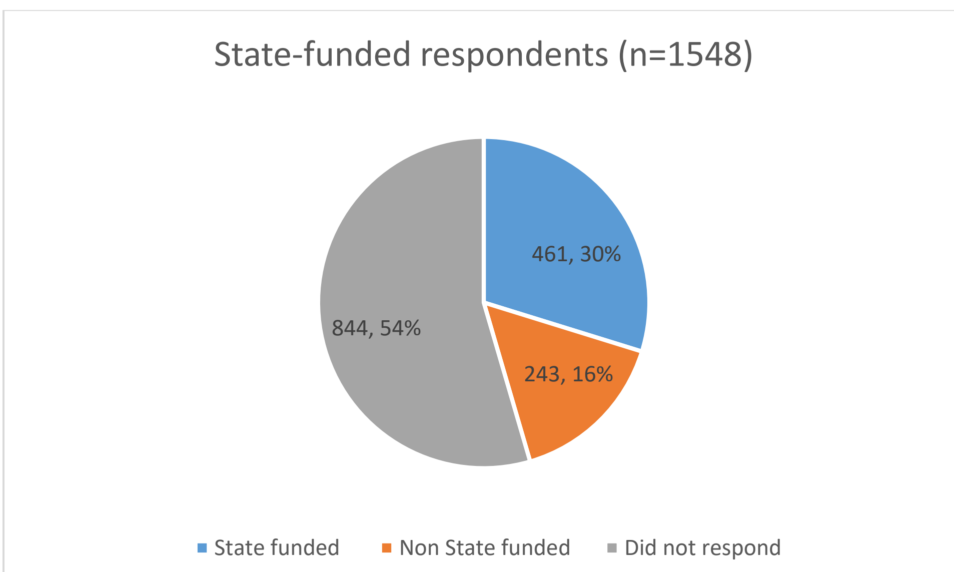


The most common business types are reflective of the small business niche in which most child care programs inhabit; particularly the licensed family child care providers.

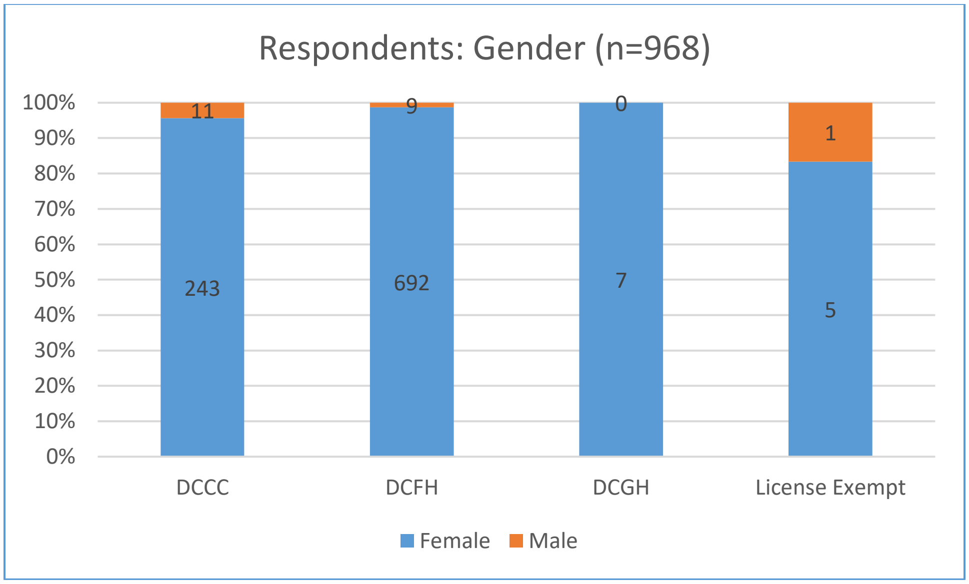
- Of the people who answered the survey, 27% described themselves as self-employed. This was the most frequent type of business indicated. This is an important distinction because self-employed individuals are not necessarily eligible for the same public benefits as other workers.
- 21% of the child care businesses described themselves as 'non-profits'.
- A further 19% described their business as 'sole proprietorships'; 18% as limited liability corporations; and 3% were unsure of their business status.



Of the 1,548 respondents, 704 (45%) reported data on income sources. Of these, 461 respondents reported receiving state funds in January 2020. Care4Kids was the most common state funding source, with 382 respondents reporting Care4Kids income. Child Day Care Contracts were the next common funding source (116), followed by School Readiness funds (80). A total of 844 respondents did not report income.

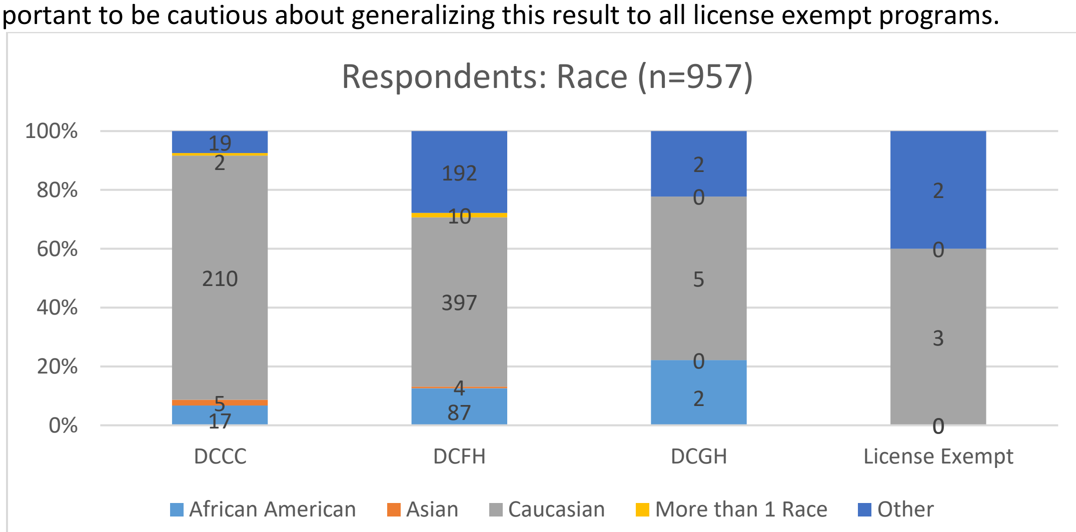


Respondents were given the option of providing their demographic information. These questions asked the owner or program administrator about their gender, race, and ethnicity. In general, licensed child care centers had the least racially and ethnically diverse leadership. Women dominated leadership in all license types.



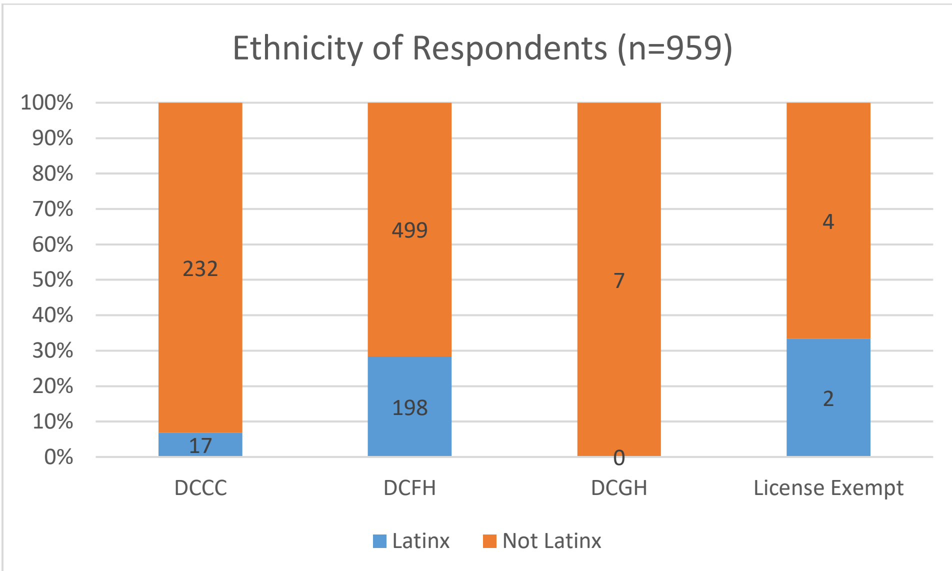
Leadership was generally racially diverse at licensed family child cares, group homes, and state-funded license exempt programs.

- Licensed family child cares were headed by individuals of minority status 42% of the time.
- Licensed group home were headed by individuals of minority status 44% of the time. This should be interpreted with caution as only a small number of respondents in this category shared their race.
- State-funded license exempt programs had respondents indicating minority status 40% of the time; but only a small percent of license exempt programs responded to this survey. As a result, it is important to be cautious about generalizing this result to all license exempt programs.



Similarly, licensed family child cares and state-funded license exempt programs were more likely to have ethnically diverse leadership.

- Licensed family child cares had leadership who identified as Latinx 28% of the time.
- State-funded license exempt programs had leadership who identified as Latinx 33% of the time.
- Licensed child care centers had leadership who identified as Latinx only 7% of the time.



Overall, there were 1,544 programs represented in the survey. There were 803 licensed family child cares, 691 licensed child care centers, 12 group home child cares, and 38 state-funded license exempt programs. Different sections of the survey had more or fewer respondents. Each section reports the number of respondents for that section. Caution should be used in generalizing results in cases where there are limited responses.

2. How is the COVID-19 Pandemic Impacting Providers?

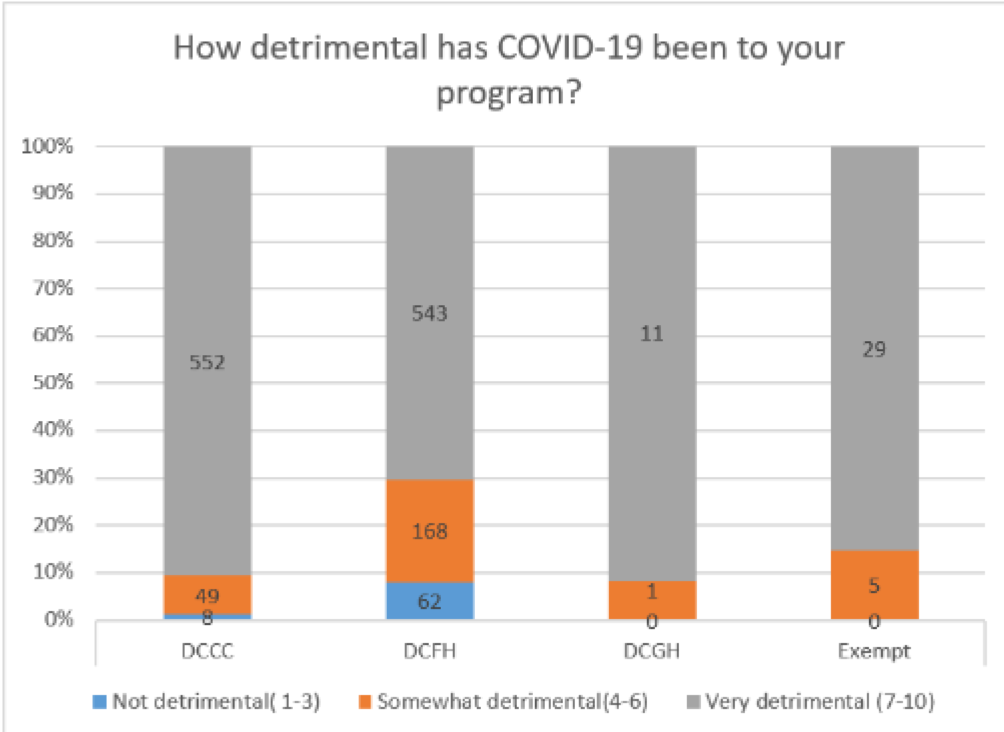
Providers were asked to rate how detrimental the COVID-19 public health crisis has been for their business on a scale of 1 to 10. A rating of 1-3 means the impact has been not very detrimental. A rating of 4-6 means the public health crisis has been somewhat detrimental. A rating from 7 to 10 means that COVID-19 has been extremely detrimental to their business.

How detrimental has COVID-19 been to your program?

Overall, 80% of providers said that COVID-19 has been extremely detrimental to their business.

- Licensed family child care providers were most able to weather the impact but with a still staggering 70% reporting an extremely detrimental impact.
- Licensed child care centers and group home child cares had the largest impacts; with 91% and 92% reporting extremely detrimental impacts respectively.

Despite some variability, these figures suggest that the child care industry in Connecticut has been devastated by the COVID-19.



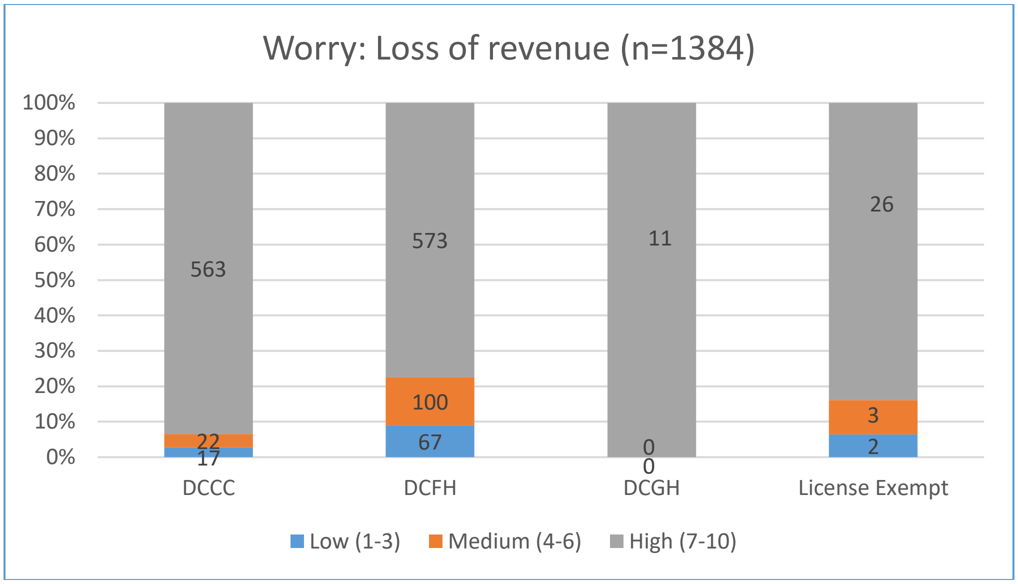
Providers were also asked to rate a series of concerns on a scale of 1 to 10. A rating of 1-3 means the issue is a low concern. A rating of 4-6 means the issue is a medium concern. A rating from 7 to 10 means that the issue is a significant concern.

How big of a worry is loss of revenue?

Of the seven worries listed, the biggest concern was loss of revenue during this period.

- A total of 97% of respondents identified this as a concern; with 85% of these providers identifying it as a significant concern.

Most providers are losing revenue by being closed or having lower attendance. Although the Office of Early Childhood agreed to continue to pay state-funded programs until June 30, family fees - an integral part of the revenue - were often not able to be collected (see page 34). Although most programs have tuition policies that require families to pay fees even when the child does not attend (i.e. on vacation), those policies were not designed by programs or understood by families to cover months of pandemic disruption.

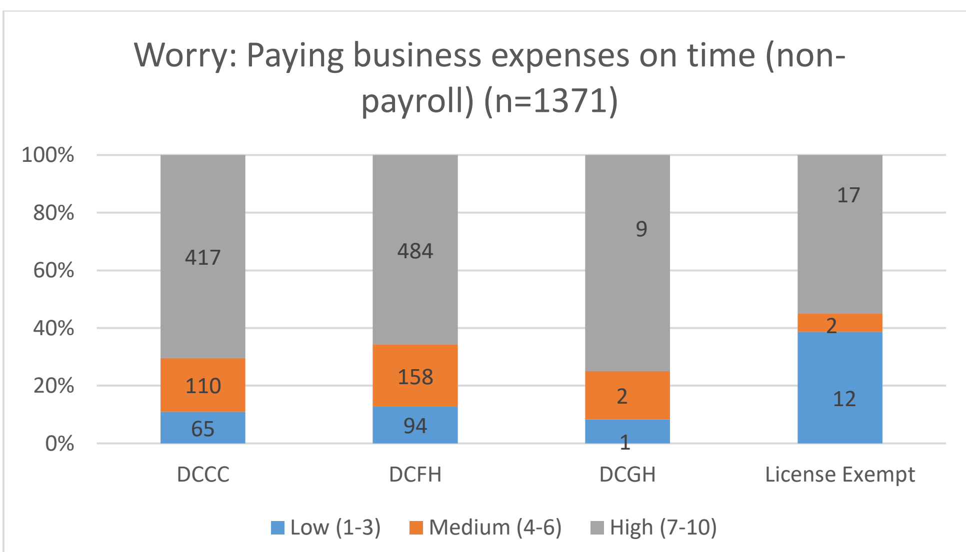


Of those who responded, 100% of licensed group home child cares and 93% of licensed child care centers were significantly worried about revenue loss. Interestingly, licensed family child care providers reported that revenue loss was a significant concern only 77% of the time.

How big of a worry is paying business expenses on time (non-payroll)?

Of those who responded to this question, 96% reported that paying non-payroll business expenses on time was a concern. This was the second most frequently endorsed worry.   These includes expenses like rent, mortgage, and utilities that are owed to other entities regardless of whether the agency is operational or not.

- A total of 67.6% of those identifying business expenses as a worry reported that it was an extreme or significant worry.



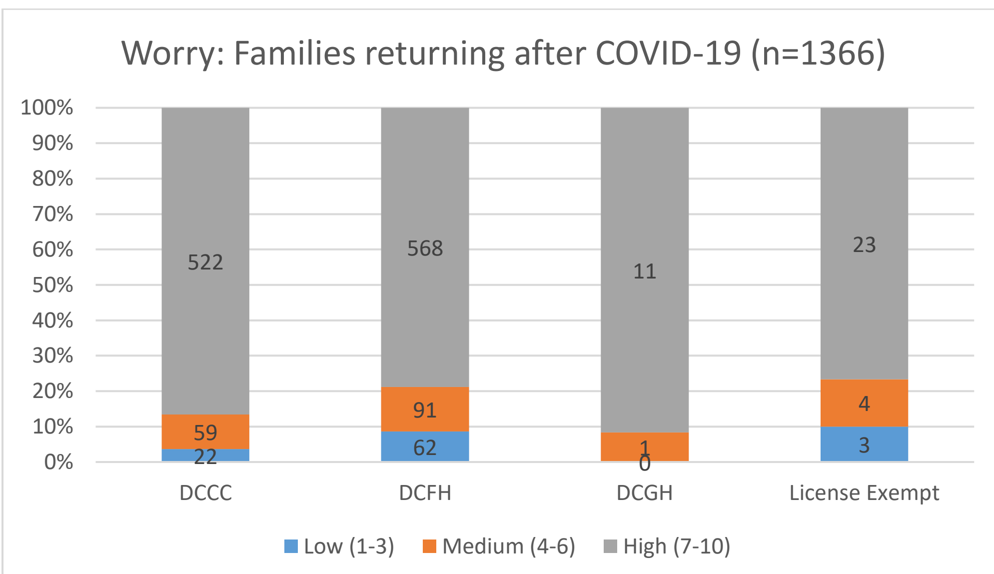
- Licensed group home child cares were particularly concerned about paying these expenses as 75% identified this as a significant or extreme worry.
- Seventy-percent of licensed child care centers and 66% of licensed family child care providers identified this as an extreme worry.
- State-funded license exempt providers were least likely to be concerned as only 55% identified this as an extreme concern.

All types of the providers were likely to identify this as a worry and most identified this as an extreme worry.

How big of a worry is that families will not return after COVID-19?

A similar proportion of respondents stated that *families* not returning after the COVID-19 shut down was a concern for them. This survey did not ask why families might not return, though reasons such as loss of employment and health risks feature prominently in the news. A separate survey of families would be helpful in assessing their return plans and concerns.

- Of the 96% of providers reporting that families not returning was a concern, 82% reported it was an extreme or serious concern for them.

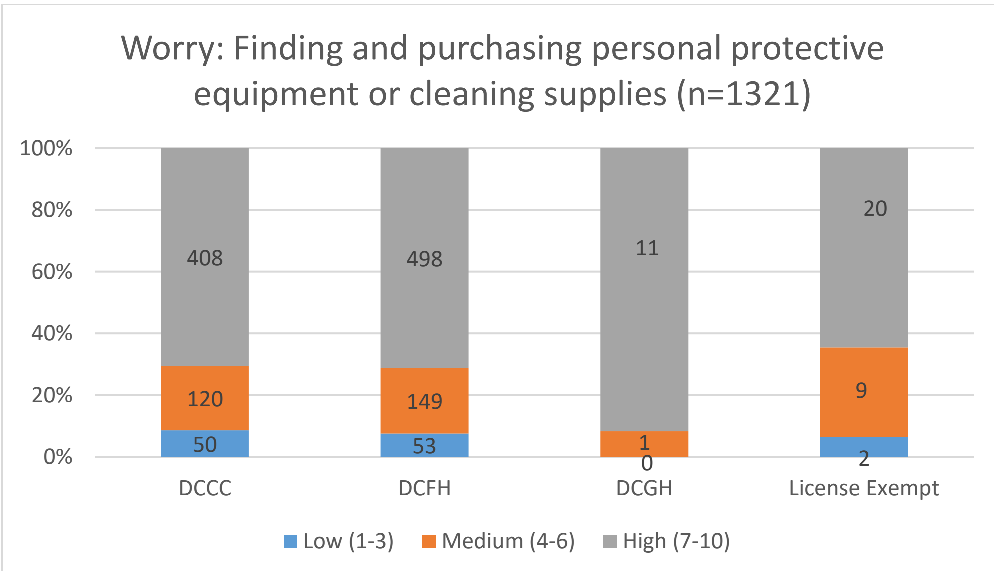


- Licensed group home child cares and child care centers expressed the highest rate of extreme concern at 92% and 87%.
- Only 79% of family child care providers were extremely concerned about their families not returning.
- State-funded license exempt providers still had high rates of concern with 77% reporting extreme worries about this issue.

How big of a worry is getting Personal Protective Equipment or Cleaning Supplies?

Providers reported this was a concern 93% of the time. Providers are facing enhanced cleaning protocols at the same time that there are shortages of these essential supplies.

- Although the OEC has been facilitating provision of these essential supplies, it remains a significant concern for 71% of providers.

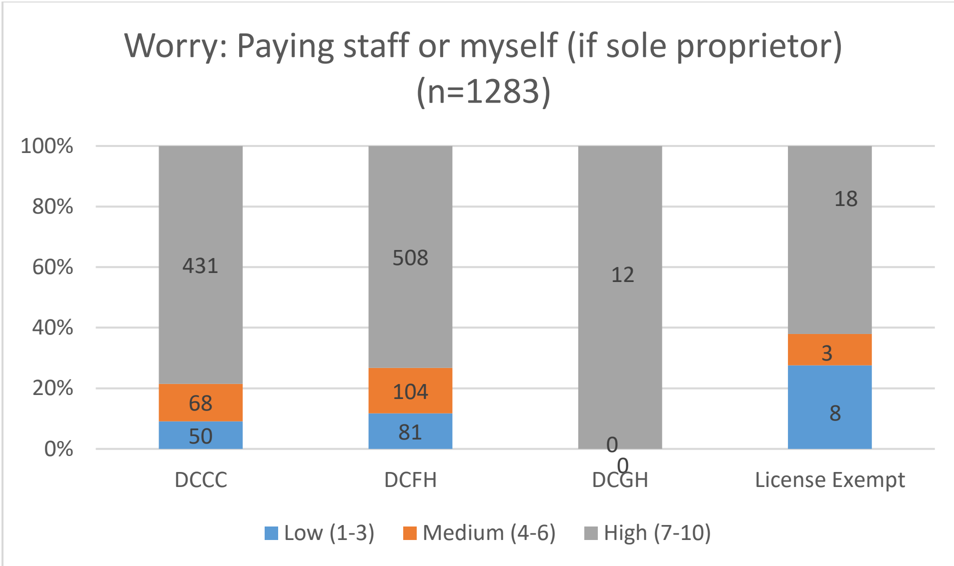


- Licensed group home child cares were most likely to report this as a significant concern (92%).
- Both licensed child care centers and family child care providers reported PPE and cleaning supplies were a significant concern for 71% of respondents.
- State-funded license exempt providers reported this as a significant concern for 65% of respondents.

How big of a worry is paying staff or myself (if sole proprietor)?

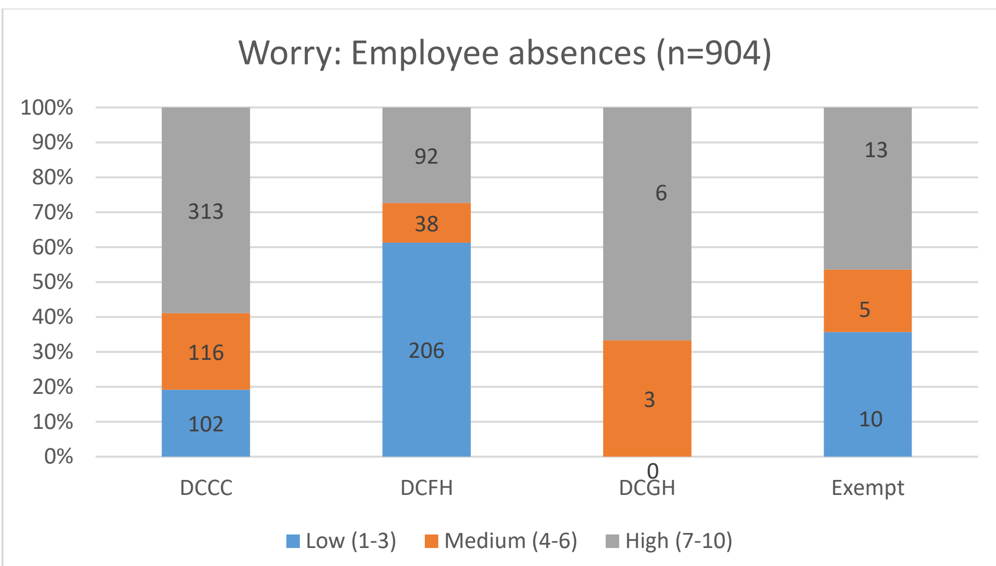
Interestingly, providers were slightly less worried about paying staff or paying themselves compared to other options. This may be because 43% of the respondents were closed at the time of the survey. In addition, government assistance through extended unemployment benefits and payroll loans were available.

- In all, 90% of providers identified paying staff as a concern.
- All of the licensed group home child cares who responded this question reported extreme worry.
- Seventy nine percent of licensed child care centers, 73% of licensed family child care providers and 62% of state-funded license exempt cited this as an extreme concern.



How big of a worry are employee absences?

Of the choices, providers were least worried about employee absences. Employee absences have been a significant issue in other service sectors. Employees who have been exposed to COVID-19 may be forced to quarantine for 14 days and miss work. Other employees may be concerned about exposure and not show up to work.



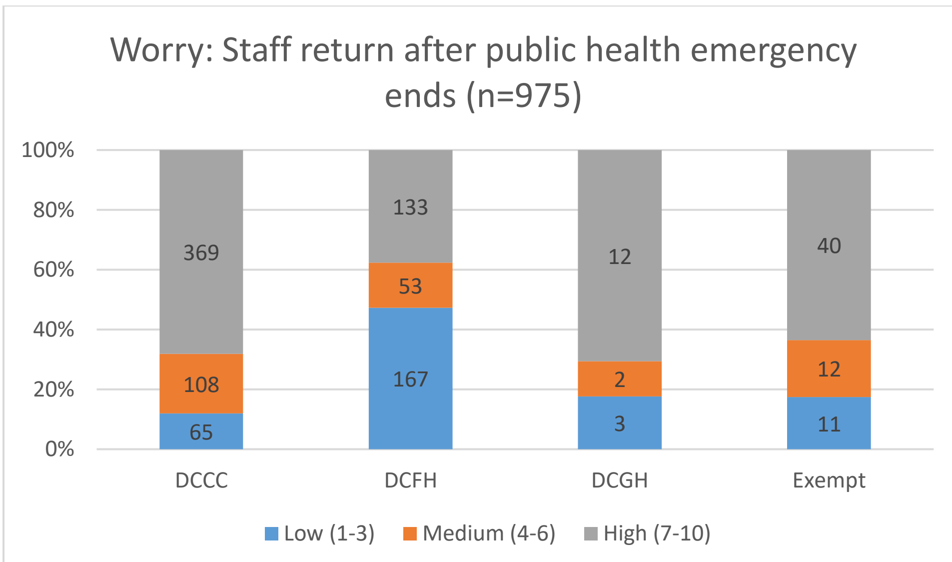
Of the respondents, 63% identified employees showing up to work as being a concern. Of these, only 47% who selected this option felt it was a serious concern.

- Licensed group home child cares were most likely to report employee absence as a significant concern. They reported it as a significant concern 67% of the time.

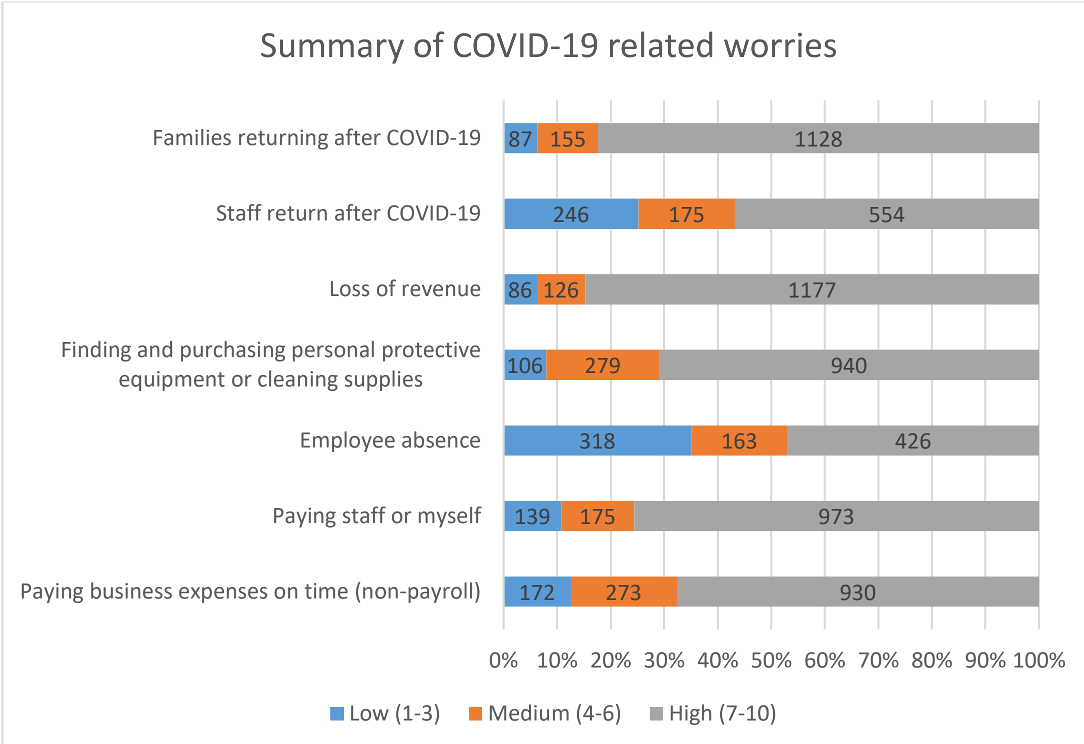
- Licensed family day care providers were the least likely to identify this as a significant concern with only 27% reporting it as such – perhaps because they are usually the sole staff member as owner / operator.

How big of a worry is ensuring staff return after the public health emergency ends?

Similarly, fewer providers felt that employees returning after COVID-19 was an issue even though this varied by provider type. The survey asked this question because some service sector employers have found that employees are reluctant to return to work. This reluctance can be related to fears about exposure to COVID-19 or because of the rich unemployment benefit compensation they are receiving. About 68% of respondents identified this as a concern. Of these, 57% identified this as a significant concern.



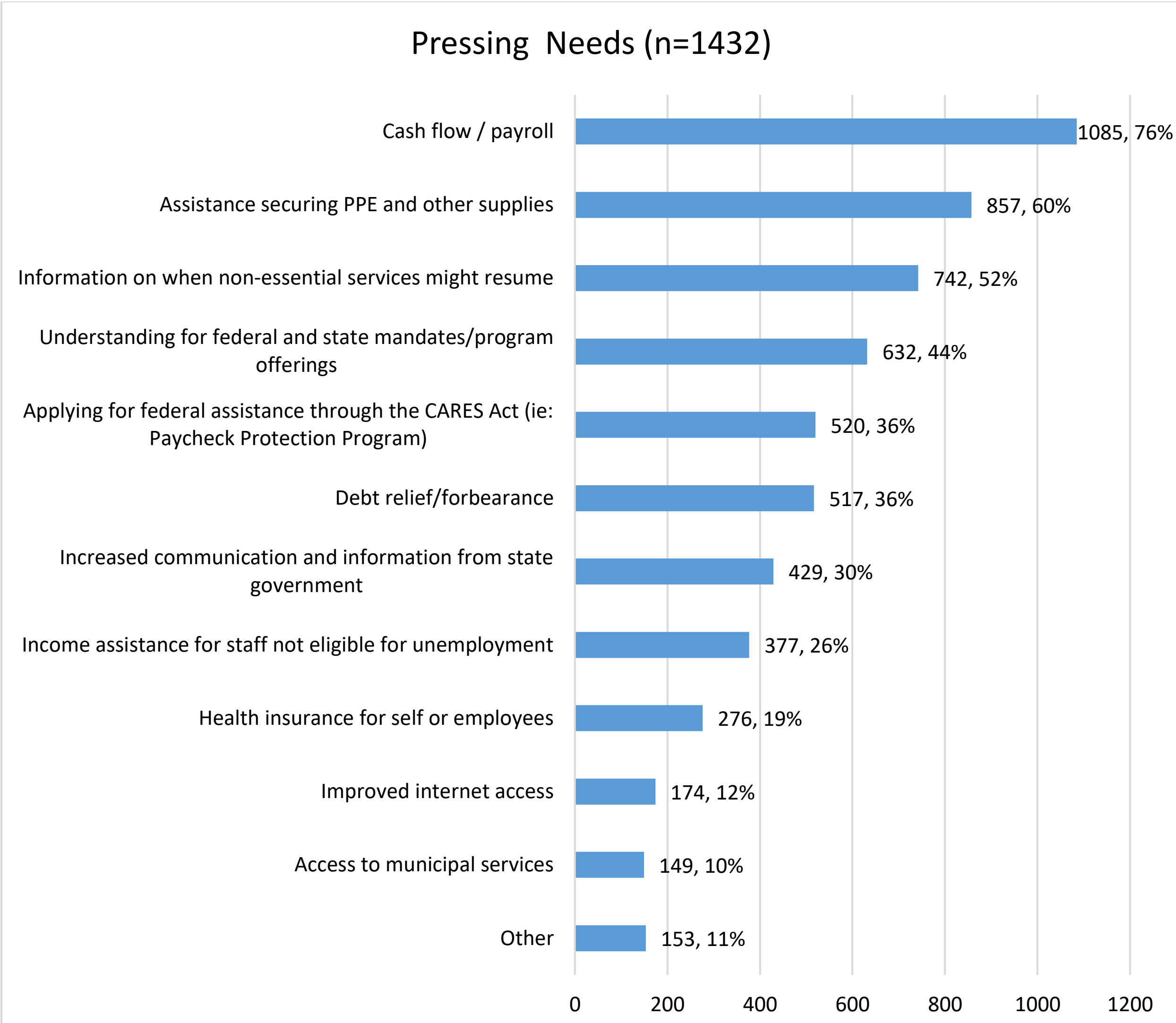
- Licensed family child care providers were least likely to have this concern – again, perhaps because they are usually the sole staff member of the business. Only 35% of family child day care providers reported this as a significant concern. Additionally, this may also be because more of the licensed family child care respondents were still open.
- Licensed group homes (70%), child care centers (69%), and state-funded license exempt programs (69%) all reported this as a significant concern. These providers were more likely to be closed and to have more employees per program who may be affected by this issue than family child cares.



Overall, providers were most worried about loss of revenue, paying non-payroll business expenses, and families returning when they re-opened. Families will have to make decisions in the coming weeks and months about returning to work and whether to send their child back to their previous setting. It is unclear at this point, what families will choose to do. Family fees are a significant portion of revenues. Closed businesses would not be receiving those revenues and still required to pay non-payroll expenses in the short term.

3. What are your most pressing needs that government can help you with?

This survey question was used in common across several sector surveys in Connecticut. This section asked providers to identify their most pressing needs with which the state government could help them. A further 'other' open text category was added to allow providers to add their own ideas. A total of 1432 providers identified at least one category with which they felt the OEC could help. There were a wide range of categories endorsed.



- The most frequently endorsed category was help with cash flow to pay payroll. A total of 1085 of programs or 75% of programs endorsed this category.
- Acquiring Protective Personal Equipment (PPE) and other cleaning supplies was the second highest priority.
- About half of respondents wanted more information on when the economy would re-open to support their planning process.
- Only 10% of respondents needed help accessing municipal services.

In general, 83% of respondents endorsed a need related to **financial help**. A total of 1188 providers need help with cash flow, debt relief, applying for CARES, or supports for their staff. This need was across all provider types.

The second most endorsed theme was **more information**. Programs are looking for direct lines of clear and timely communication from the government. Roughly 71% of programs endorsed needs surrounding information. A total of 1010 programs wanted either: (1) information on when nonessential services might resume; (2) help understanding federal and state mandates or program offerings; or (3) increased communication and information from state government.

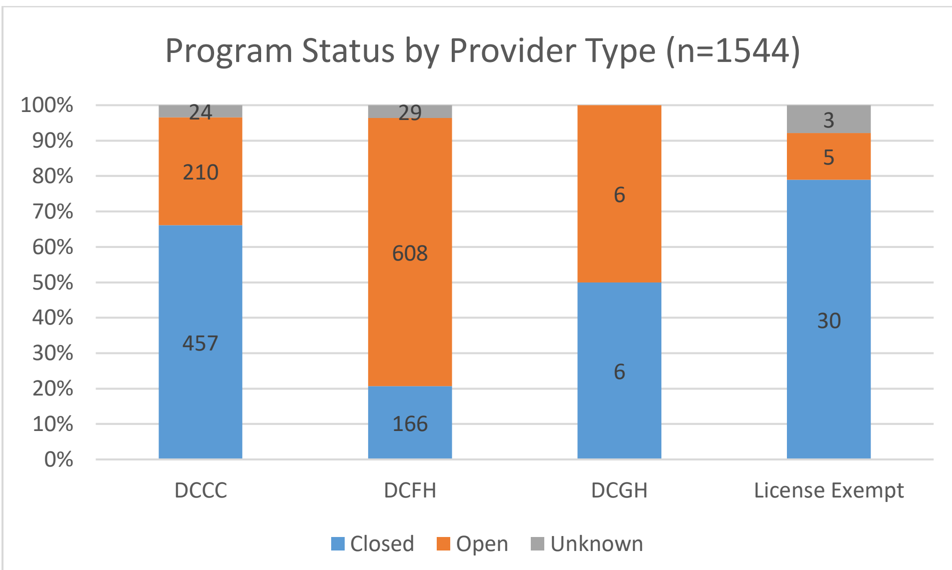
A write-in option was included for providers who had other needs. A total of 153 (11%) of providers wrote in additional answers. The common themes and related discussion can be found in the Appendix.

4. Program Status

The survey asked programs to identify if they were open or closed.

- Closed providers were asked why they closed, when they closed, if they were planning on re-opening, what arrangements they had made for their employees, and what assistance they might require to re-open.
- Open programs were asked about the conditions under which they were operating such as new regulations, employees, enrollment, profitability, etc.

This purpose of these questions was to understand the current landscape of strengths and weaknesses in the child care system as well as how the state can support the industry.



- Of those who responded to this survey, 54% of programs were open; 43% were closed; and 4% did not report a status.
- Licensed family child care providers were mostly to be open with 608 or 73% of all programs open.
- Licensed child care centers were most likely to be closed with 457 or 69% of programs closed.
- Licensed group homes were evenly split with 50% closed and 50% open.
- Of the 89 state-funded license exempt providers who responded to the survey, 79% of those reported being closed.

4a. Closed Programs

When did program's close?

Of the 659 programs that closed, 602 reported the date they closed.

- The majority of programs (63%) closed by March 15/20.
- Another 32% of programs closed by the end of March.
- Since that time only a handful of additional programs (5%), have closed.

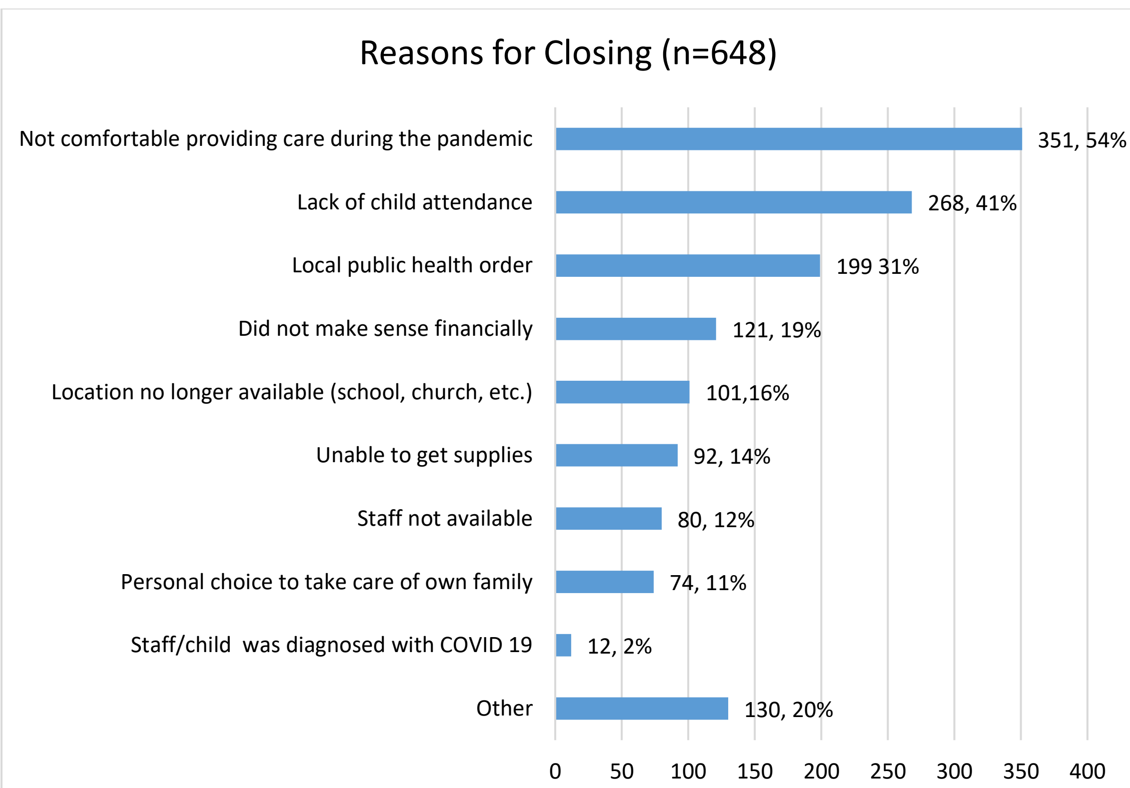
The timing of the closures suggests that child care closed as the rest of the economy was closing.

Why did program's close?

A total of 648 of the 659 closed programs responded to the question asking why programs closed by selecting a category shown in the figure below. A subset of these, 118 providers, also provided comments. However, the comments largely expounded on and reflected the categories listed below.

- The most common reason for closing was because of fear of spreading COVID-19 (54%).

In the comments, providers reported fears for themselves, for their families, for their staff and for their charges. In some instances, providers or their families were immunocompromised and did not want to risk getting COVID-19. Eight programs reported COVID-19 cases at their programs. (Note that this has not been substantiated. Child care programs are required to report COVID-19 cases to the Department of Public Health.)



- Lack of child attendance or lack of demand by parents was the second most common reason for closing with 41% of respondents endorsing this category. In the comments, one provider put it this way:

"The first and second week in March we went from 44 children to numbers like 6 one day then 5, as parents became more and more uncomfortable with their child safety with COVID-19."

Other Reasons included: parents either working from home or furloughed so they did not need child care (reducing fiscal viability for many programs), and programs located in public schools or other public buildings that were closed. Some providers felt they were not designated 'essential services' by the state and therefore did not need to stay open (though Connecticut did deem them essential).

It is important to understand the reasons programs closed in order to understand the preconditions to opening them. The primary drivers for closings are fear of COVID-19 infection, lack of demand for services, and closure of schools and other buildings.

What happened to your staff?

Closed providers were asked a series of questions about their staff. These questions were designed to assess the status of the labor force and the potential for a smooth re-opening.

- Of the 659 closed providers, 569 reported the number of full and part time staff they usually employ (see chart). Among licensed family child care providers, most were sole proprietorships. Some likely may have counted themselves in this question, as the vast majority of family child care providers do not employ staff. Taken as whole, the number of full time employees affected by the closures was 5789 with an additional 3685 part-time employees.

License Type	Full Time Staff		Part Time Staff	
	Average	Total	Average	Total
DCCC	12	5140	7	3293
DCFH	1	132	1	58
DCGH	2	8	2	9
License Exempt	17	509	2	9
Total	10	5789	6	3685

- Unionization: The overall rate of unionization among child care workers in the survey was low (4.9%). State-funded license exempt programs were most likely to report unionized workers (18%), although that is among only 33 providers. In some cases, these workers are state or school employees and benefit from that relationship. Licensed child care center employees were unionized 4% of the time. Licensed family child care providers and group home providers reported their workers being unionized at rates of 5% and 8% respectively.

Arrangements for Staff

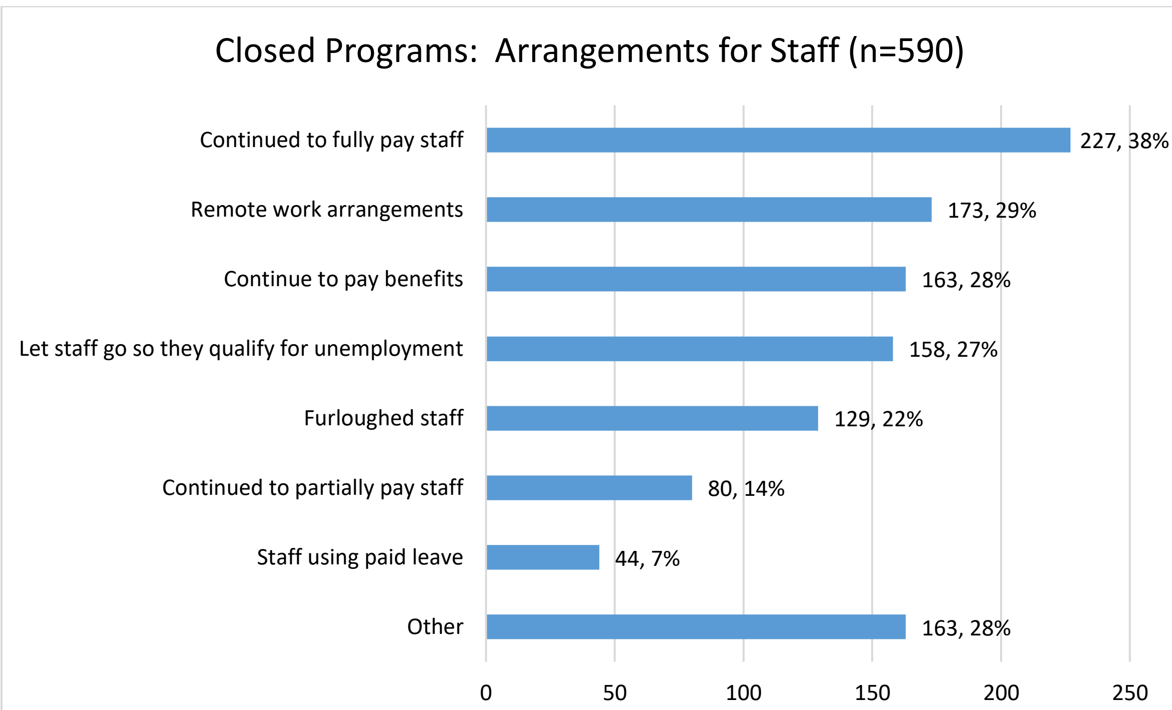
As with many small businesses during this pandemic, many child care programs closed with the expectation of opening again soon. Providers were faced with difficult decisions about their staff. No doubt, programs wanted to maintain and support their workforce. At the same time, the federal government made generous unemployment benefits available for workers who had been terminated.

The response from the child care centers was understandably mixed. Roughly 59% (339) of respondents used some strategy other than furloughing workers or letting workers go to collect unemployment benefits for at least some of the workers. These providers reported paying staff full or part wages, paying for telework, or paying some workers but not others. For instance, some providers continued to pay directors or full time staff but let part time staff go. These arrangements were generally short lived and ended by the end of March.

When asked about their arrangements for their staff, a fairly high proportion responded with 'other' and an open text response (28%). One child care program reported:

> "We paid staff for the first 2 weeks. Once parents stopped paying us we could not keep paying staff and therefore furloughed them starting on 4/1. We are still covering their medical/insurance expenses."

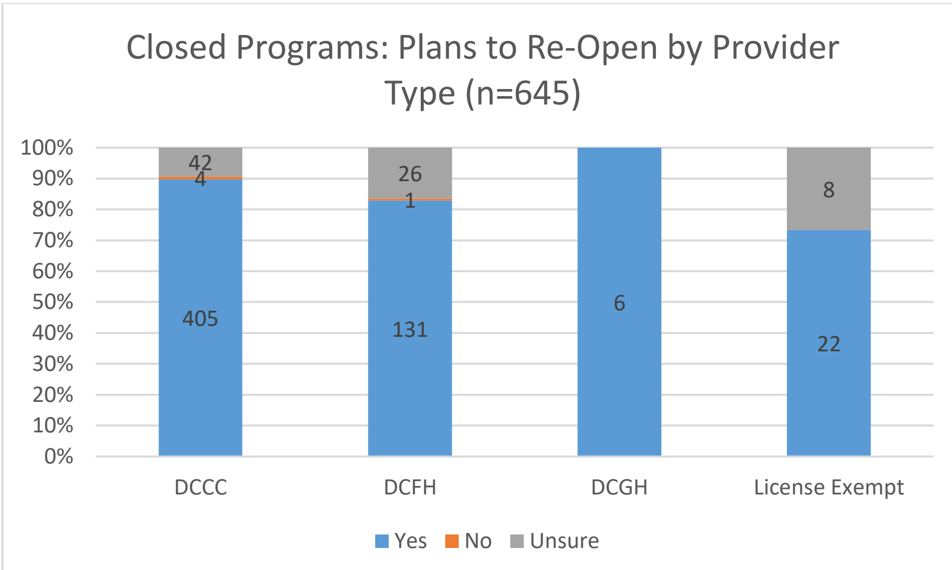
Some state-funded license exempt programs noted that their employees were state-funded and continued to be paid. Several providers reported applying for Paycheck Protection Program (PPP) loans. A total of 18 child care centers and 1 family child care providers reported receiving these loans with plans to rehire all of their employees (see page 38 for funding application data). Some programs were able to pay their workers to work remotely with families to support e-learning.



In the 'other' comments, the majority of licensed family child care providers re-emphasized that they did not have any employees (63 comments). One licensed family child care provider stated: "I don't have employees - I applied for UEC and will need to apply for PUA when that's denied. Takes too long and I feel defeated."

Will providers re-open?

Of the 645 closed providers, 86% planned on re-opening. Only five programs reported they definitely would not be re-opening. A number of child care programs were unsure if they would re-open. Licensed family child care providers were unsure if they would re-open 16% of the time. By comparison, only 9% of licensed child care centers were uncertain about re-opening. State-funded license exempt programs were most uncertain of the future, with 27% reporting to be unsure of reopening.

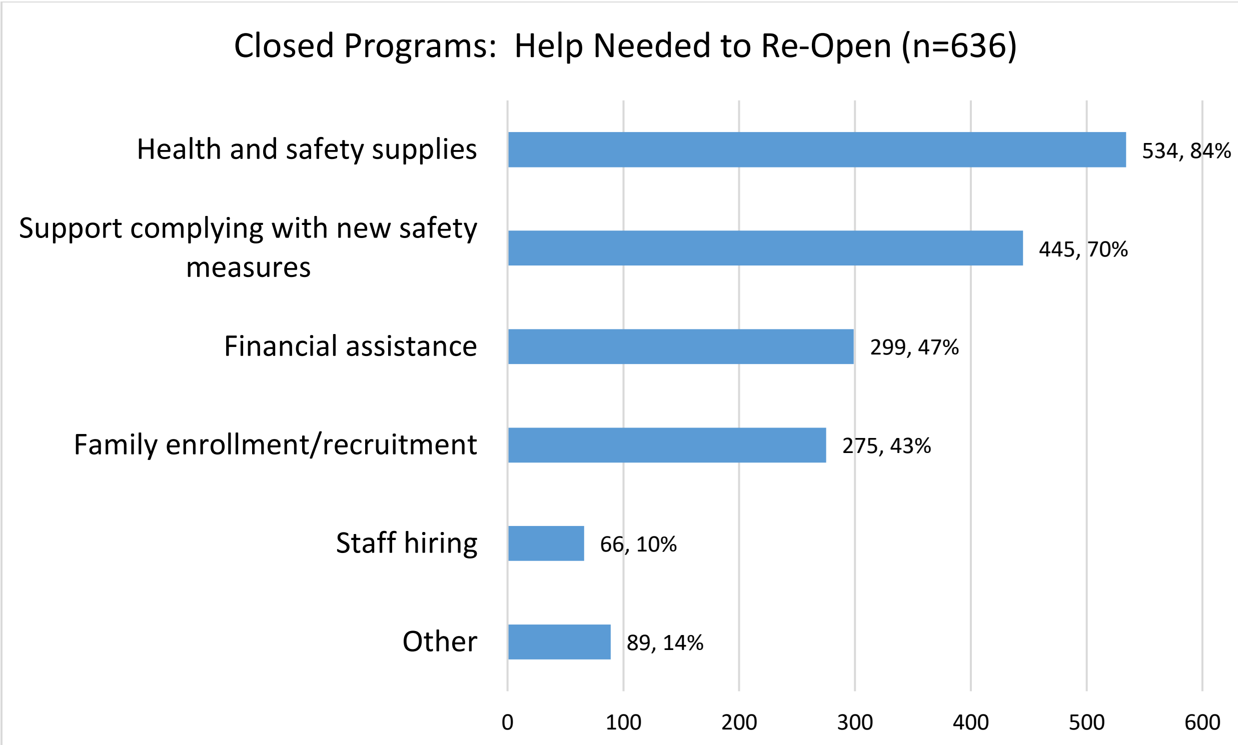


When those same programs were asked if they were planning on rehiring their staff, 91% said yes. Of the child care centers, group homes, and state-funded license exempt programs, all but four planned to hire their staff back.

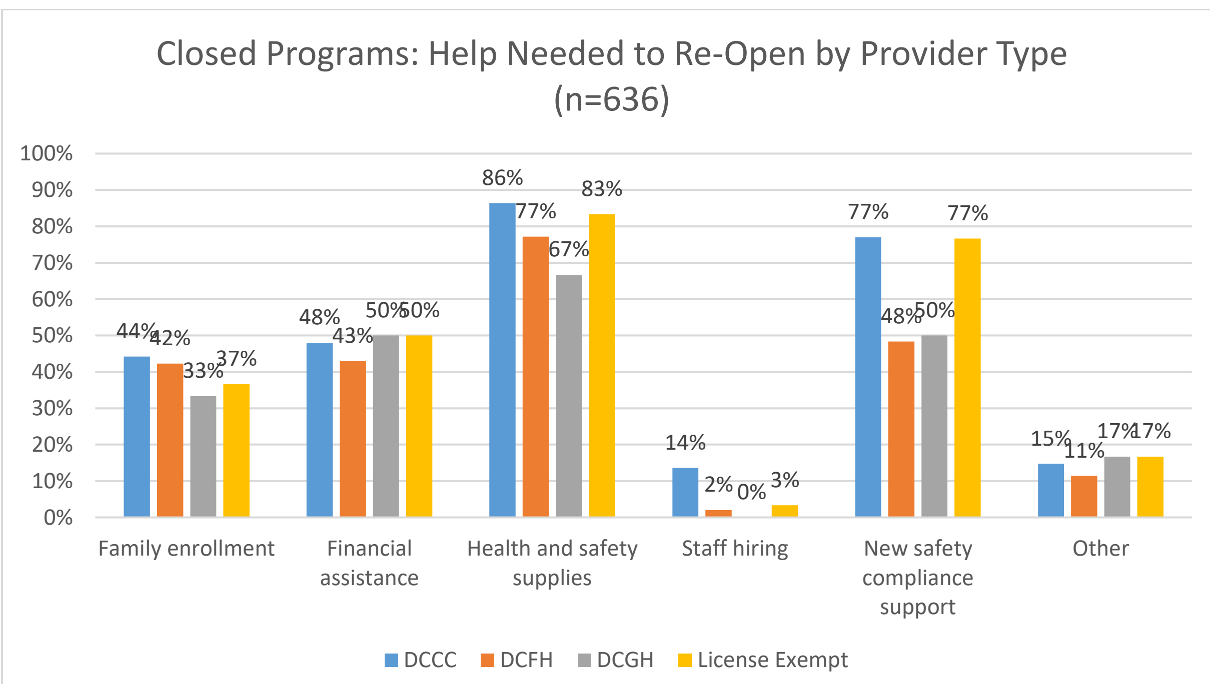
Only 46% of licensed family child care providers planned to hire their staff back, however with so few licensed child care providers employing anyone other than themselves, there was likely confusion among those respondents. Another explanation is that family child care providers considered themselves as staff, and therefore reported that they would be returning to work upon reopening. Either way, this data point very likely does not reflect staff levels of the licensed family child care provider field.

What types of assistance are most needed to open?

The survey asked providers what types of assistance they needed from the OEC to re-open. A total of 636 of the 659 closed providers answered this question. They either selected a specified option or used the 'other' write-in option (89 cases). These responses were analyzed for frequency of response by provider plan type and themes in the write-in option. They can be found in the Appendix at the end of this document.



Programs that were unsure about re-opening were more likely to want help recruiting families (53%) compared to all other programs (43%). They were also less likely to want help finding staff (10% vs. 5%). It seems that programs that were unsure about opening were most concerned about not having enough families in their programs to break even.



There were also differences in response by provider type. Licensed child care centers reported more needs overall than licensed family child care providers. Support finding health and safety supplies was a major concern regardless of the provider type. Compliance with new safety measures was a concern for 77% of licensed child care centers compared to only 48% of licensed family child care providers. This could be that smaller group sizes are the norm for family child care providers and are therefore there may be less need to adjust current practices. Financial assistance was identified as a need by only about half of providers for each license type.

A write-in option was included for providers who had other needs. A total of 89 providers wrote in additional answers. The common themes and related discussion can be found in the Appendix.

4b. Open Programs

In this survey, 829 programs (54%) reported their program status as open. For these providers, the survey sought to understand the conditions under which they were operating. The survey asked about changes in staffing, safety protocols, hours, and whether or not they were serving essential workers. By understanding the conditions under which providers are currently operating, it better serves to help OEC guide them to weathering the COVID-19 pandemic.

What happened to staff at open programs?

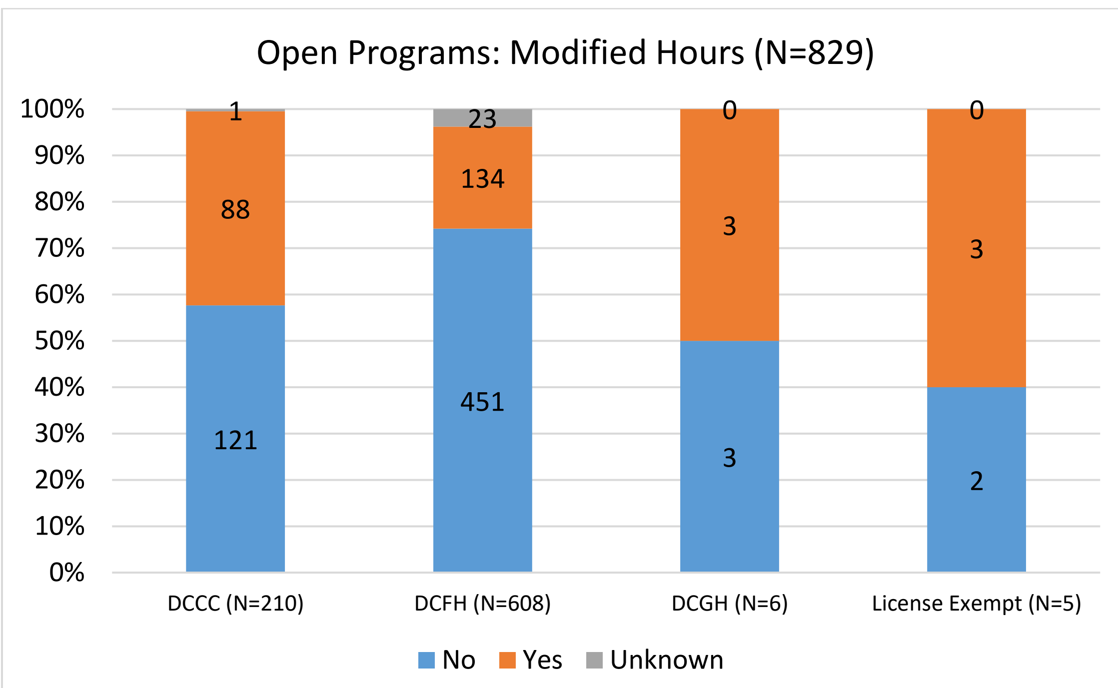
A total of 829 programs reported they were open. Licensed family child care providers represented 73% of these programs, with licensed child care centers the second largest category at 25%. Programs were asked how many full and part time staff they had in January, 2020, pre-COVID-19. The sum of all employees for these 829 programs was 4,765. The majority of the employees worked for licensed child care centers (83%). Licensed family child care providers reported 699 employees, or about 15% of the total. However, as discussed previously, licensed family day care providers inconsistently included themselves as employees. For example, providers that identified as 'self-employed' organization types, listed no employees while others listed 1 employee. The licensed family child care staff data should be viewed cautiously and with that additional context in mind. For the purposes of this analysis, family day care providers were allowed to define their number of employees as they chose to. Only 5.8% of workers at open programs were identified as belonging to a union.

License Type	Programs		Workforce	
	# Reporting	% with Furloughs / Lay-offs	Total Full & Part Time	% Furloughed or Laid Off
DCCC	210	70%	3951	45%
DCFH	608	11%	699	26%
DCGH	6	50%	37	54%
License Exempt	5	20%	78	13%
Total	830	27%	4765	42%

Overall, 27% of open programs reported at least one full or part time employee had been laid off or furloughed. Furloughs and lay-offs were most frequent in programs with the largest numbers of employees. A total of 70% of licensed child care centers reported laying off at least one employee. All told, open licensed child care centers cut 45% of their workforce between January and April 2020. While, licensed group home child cares and state-funded license exempt programs laid off 54% and 13% of their workforce, respectively. However, the overall number reporting was very small. Caution should be used in drawing inferences from this data. Of the estimated 4,765 employees represented in this survey, 1,991 (42%) were laid off or furloughed by open child care providers.

What happened to open program hours?

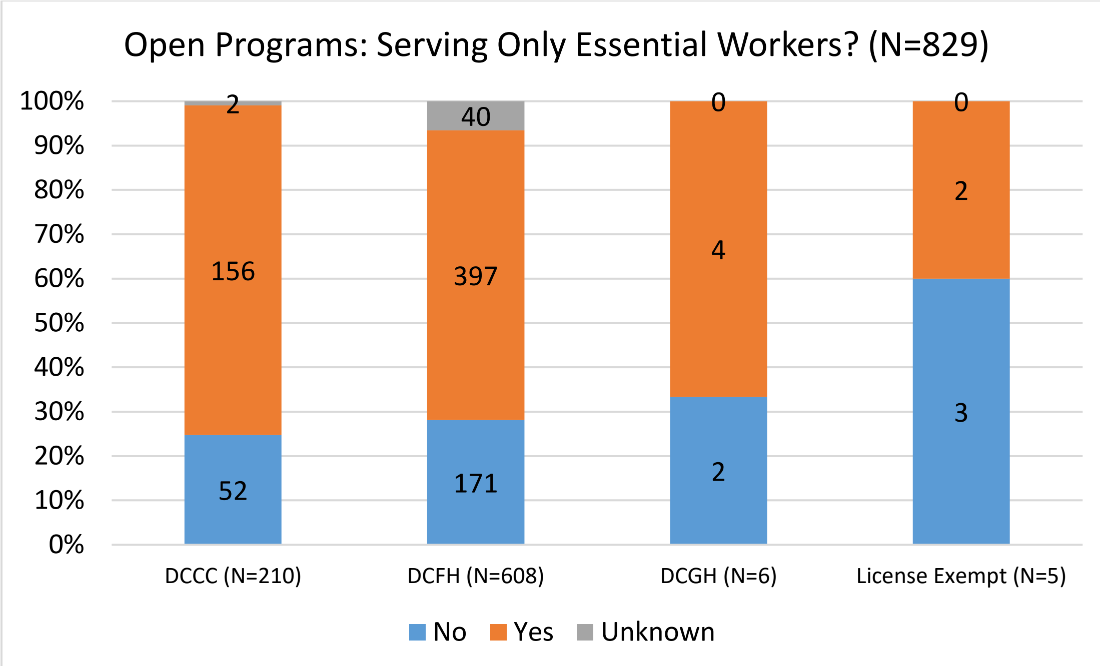
In addition to reducing staff, open programs also reduced the number of hours they were open. This likely reflects an overall reduced demand for child care services during the COVID-19 shut down. Although they consisted of small samples, state-funded license exempt programs and licensed group homes were the most likely to reduce hours. Exactly 60% of state-funded license exempt programs reduced hours an average of 17.5 hours per week from 34.2 hours to 16.7 hours per week. Licensed group home child cares reduced their average hours from 40 to 36.5 hours on average per week at exactly 50% of programs. Licensed child care centers reduced their average hours from 50.4 to 41.1 at 42% of programs. Licensed family child care providers were the least likely to reduce their hours. Only 22% of licensed family child care providers reduced their hours by an average of 14.7 hours per week from 49.6 to 34.9 hours per week.



Overall, 28% of providers modified their hours. While this is not a majority of providers, it does reflect a trend toward reduced demand even for those providers who remained open during March and April.

Who did open programs serve?

Most open child care programs served essential workers. Overall, 559 of 829 open programs reported serving essential workers.

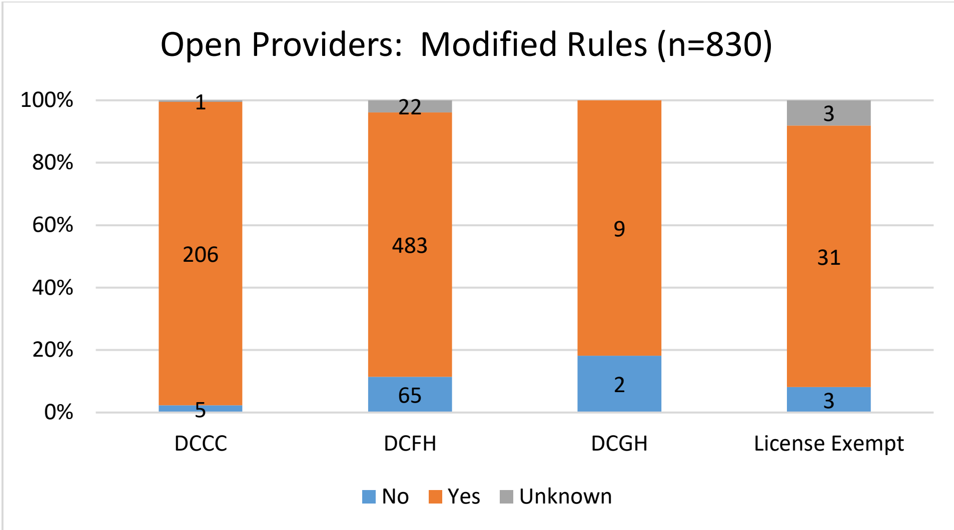


- Licensed child care centers were most likely to report serving essential workers (74%).
- Licensed group home child cares were second with 67% serving essential workers.
- Licensed family child care providers were a close third with 65% serving essential workers
- State-funded license exempt providers were the least likely to report serving essential workers at 40%.

It seems that the majority of the child care sector responded to the call to serve essential workers during the COVID-19 crisis.

Did open programs modify their rules?

Open programs faced a variety of unprecedented challenges while operating during the COVID-19 crisis. State guidelines limiting the number of child care slots meant restructuring business models. Also, some providers had to restructure physical space to meet new guidelines. Some local municipalities and public health boards also had new rules that needed to be integrated into policies and practices. Other safety protocols such as taking temperatures and wearing masks became good operating practices. Programs who chose to stay open had to adapt to these many changes in a very short period of time.



The vast majority of programs, 88%, reported operating under new or modified rules. For the majority of providers, COVID-19 has meant a rapid adjustment to a new reality. Providers continue to look for guidance on how to adapt to this new environment.

A total of 1542 programs responded with an open or closed status. Of these, 829 programs remained open and 659 closed. Among both open and closed programs fear of COVID-19 has been a dominant theme. Child care programs face unique challenges in stopping the spread of disease particularly among very young children. Programs are concerned not only about clients but also about potential legal liability related to the spread. Child care programs, particularly closed ones, are concerned about staff returning to work. They are looking for training opportunities to support good safety practices as well as personal protective equipment and sanitary supplies. Above all, providers are requesting a set of clear guidelines that are understood by all that will keep themselves and their charges safe.

Providers also face uncertain demand for their services. Although many open providers have served essential workers, large scale lay-offs in the broader economy reduce the number of families looking for child care. Parents also have concerns about the spread of infection in child care settings. Public health limitations have also affected the business model of many child care centers as the number of children has been limited to 30 for most.

The impact of the broader shut down has been significant. The 659 closed programs resulted in 5,789 full time and 3,685 part time workers laid off by providers who responded to this survey. The impact to the entire sector is much larger. Even open programs laid off or furloughed 2,001 workers as reported in this survey – 42% of their workforce. Moreover, many programs also reduced their hours by about 10 hours per week while continuing to serve essential workers.

The child care sector has always faced low wages. Yet, at the same time, it is a pivotal support industry for the rest of the economy. Providers in this sector are looking for both guidance and mentoring around safety, business operations, and navigating assistance programs so they can continue to provide an essential service to the rest of the economy.

5. Enrollment

What happened to enrollment?

Providers were asked to report their enrollment for both January and April for school age, preschool, toddlers, and infants. A total of 764 open providers reported enrollment numbers. Open providers reported a 74% drop in enrollment for preschool children. Toddler and infant enrollment also fell; albeit with smaller total enrollment numbers. Enrollment of school age children was the least impacted, however still experienced a 64% total reduction, most heavily at licensed child care centers.

Provider Type	January School Age - FT	January School Age - PT	April School Age - FT	April School Age - PT	Percent Change
DCCC	1085	1118	358	82	-80%
DCFH	551	370	285	139	-54%
DCGH	5	0	17	0	240%
LE	53	2200	48	1000	-53%
Total	1694	3688	708	1221	-64%

Provider Type	January Preschool - FT	January Preschool - PT	April Preschool - FT	April Preschool - PT	Percent Change
DCCC	5402	1040	1214	277	-77%
DCFH	694	186	286	74	-59%
DCGH	139	0	10	0	-93%
LE	159	0	158	0	-1%
Total	6394	1226	1668	351	-74%

Provider Type	January Toddler - FT	January Toddler - PT	April Toddler - FT	April Toddler - PT	Percent Change
DCCC	2882	639	667	149	-77%
DCFH	1037	299	407	138	-59%
DCGH	39	5	10	0	-77%
LE	28	0	28	0	0%
Total	3986	943	1112	287	-72%

Provider Type	January Infant - FT	January Infant - PT	April Infant - FT	April Infant - PT	Percent Change
DCCC	1310	284	285	78	-77%
DCFH	600	175	278	59	-57%
DCGH	6	4	3	1	-60%
LE	0	0	0	0	NA
Total	1916	463	566	138	-70%

6. Childcare Finances

What happened to total revenue?

The survey asked providers to report their total income for January and April. A total of 498 open providers reported income for both months. Licensed child care centers experienced a 34% loss in average income, with licensed family child care providers experiencing a 31% reduction.

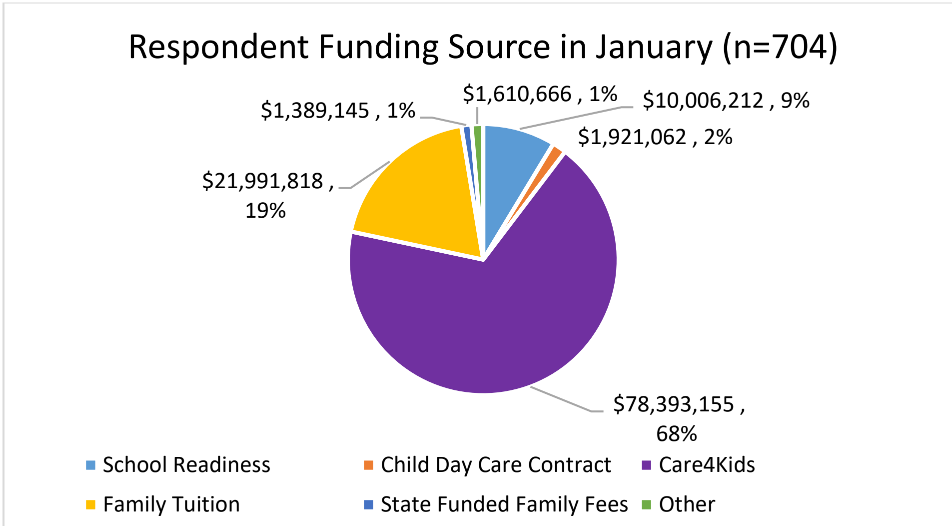
	Average January Income	Average April Income	Percent Change
DCCC	$ 60,552.35	$ 40,010.93	-34%
DCFH	$ 4,886.29	$ 3,353.53	-31%
DCGH	$ 48,703.00	$ 22,281.00	-54%
License Exempt	$ 112,201.00	$ 143,976.00	28%
Total	**$ 20,485.17**	**$ 13,857.93**	-32%

When looking further at revenue by enrollment size, mid- to large-size providers reported the most drastic reductions in revenue occurred from January to April. Providers with fewer than 12 children enrolled still experienced a reduction of revenue by 28% during the same time period. While providers with over 240 children enrolled saw the smallest decline in revenue, only two such providers reported this information. In many cases, they may have relied on other funding sources besides family fees.

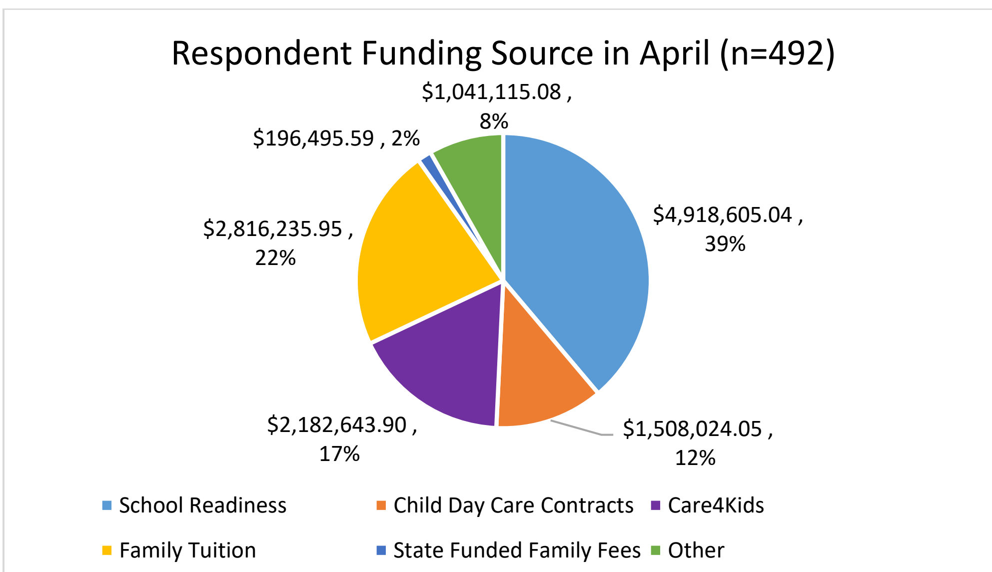
	Average January Income	Average April Income	Percent Change
<12	$ 4,589.23	$ 3,290.10	-28%
13-60	$ 34,056.70	$ 27,894.96	-18%
61-120	$ 79,335.76	$ 45,061.78	-43%
121-240	$ 183,536.99	$ 94,465.79	-49%
240+	$ 267,000.00	$ 260,000.00	-3%

What are the sources of revenue?

A total of 704 providers reported 'January' income by source. This income represents the pre-COVID income sources. The most prevalent funding source for these providers was Care4Kids funding (68%). The next highest funding source was is Family Tuition at 19%; followed by School Readiness funds at 9%. Family Fees from state-funded programs were reported separately, and make up 1% of all January revenue reported. The 'Other' category is comprised of Smart Start, Federal Head Start, State Head Start/Early Head Start, Municipal Funds, Charitable Sources, and Other. These categories combine for 1% of January revenue reported.

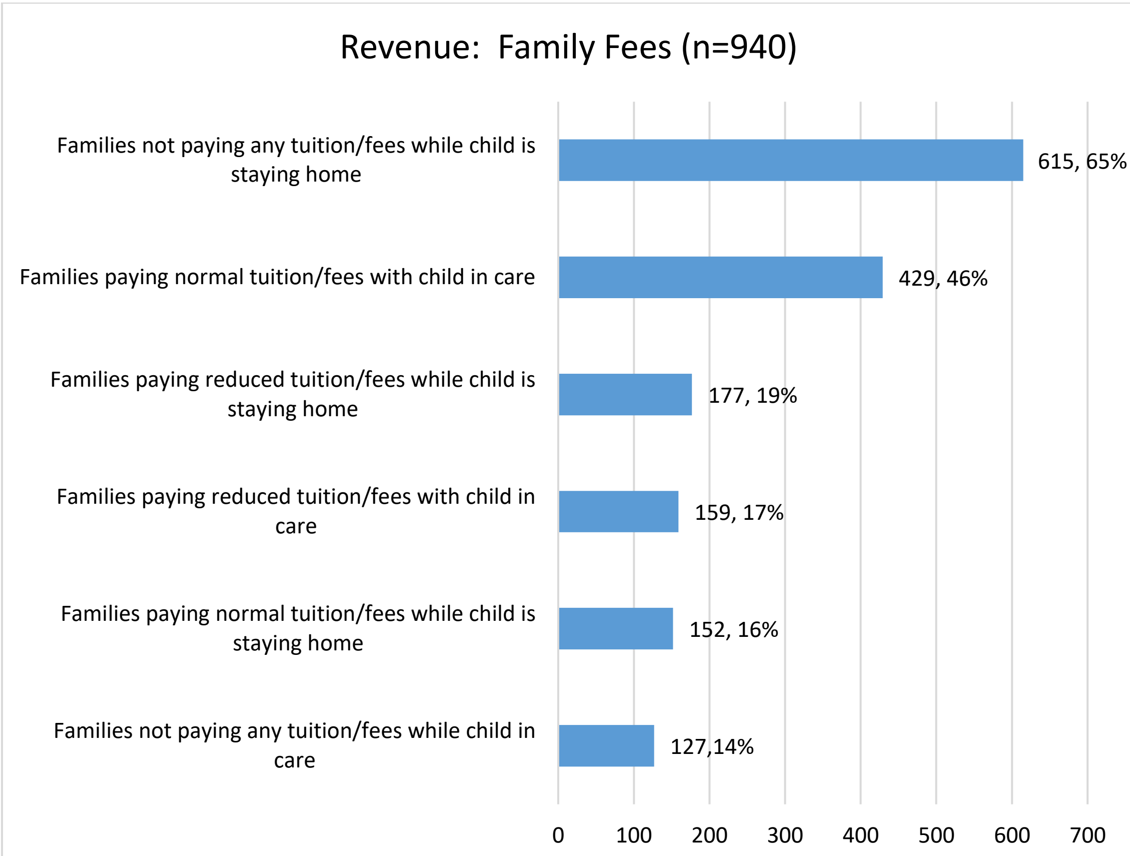


When reporting April income or 'post-COVID' income, 492 providers entered information. Reported Care4Kids income falls even though the OEC continues to pay Care4Kids providers. In addition, other state funding reported also fell including: School Readiness, Child Day Care contract and State Head Start. It is unclear why these numbers are so different. One possibility is that respondents lumped Care4Kids revenue and the Care4Kids family fees together. Caution should be used in interpreting this data.



What's happening with Family Fees?

One important revenue source is family fees. It is not uncommon for child care centers to require families to sign a contract that requires them to pay child care fees; whether their child attends child care or not. This arrangement allows the provider to hold the child's slot for them while they are away since the cost of the business does not decrease. However, the COVID-19 situation is unprecedented. Many families are now working from home or temporarily not working because of the economic shut-down. They may not need child care or be able to afford it for the time being. Some parents may be uncomfortable sending their children to a group setting during a pandemic. Either way, child care providers have faced a dilemma related to whether or not to collect fees from parents even if they are legally entitled to do so.



To better understand what providers are doing, this survey asked about the different arrangements that could be made regarding child care and family fees. A total of 940 programs answered this question by selecting from all of the different arrangements in which they were engaged.

By far the two most common arrangements were families not paying fees while the child is staying home (65%) and the families paying fees for their child in care (46%). Some child care providers did report families paying either reduced (19%) or normal fees (16%) while the child is staying home, as they would in normal circumstances. There were also families paying reduced fees (17%) or no fees (14%) for children in care.

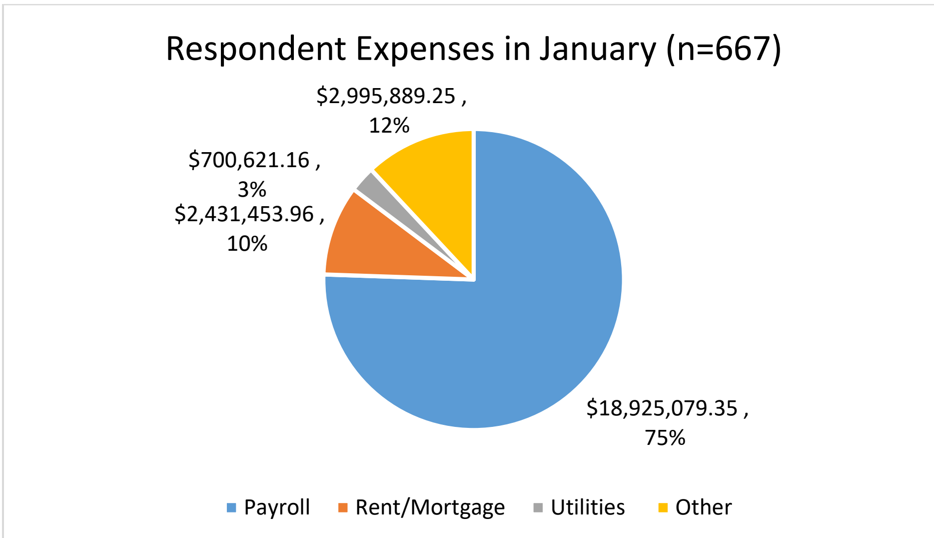
There were some small differences between the different child care types.

- Licensed group home child cares and licensed child care centers were more likely to have families paying reduced fees while the child is at home (17% and 14%, respectively) compared to licensed family child care providers (9%).
- Licensed family child care providers and licensed child care centers were more likely to have families paying normal fees while the child was at home (11% and 9%, respectively) compared to state-funded license exempt providers (5%).

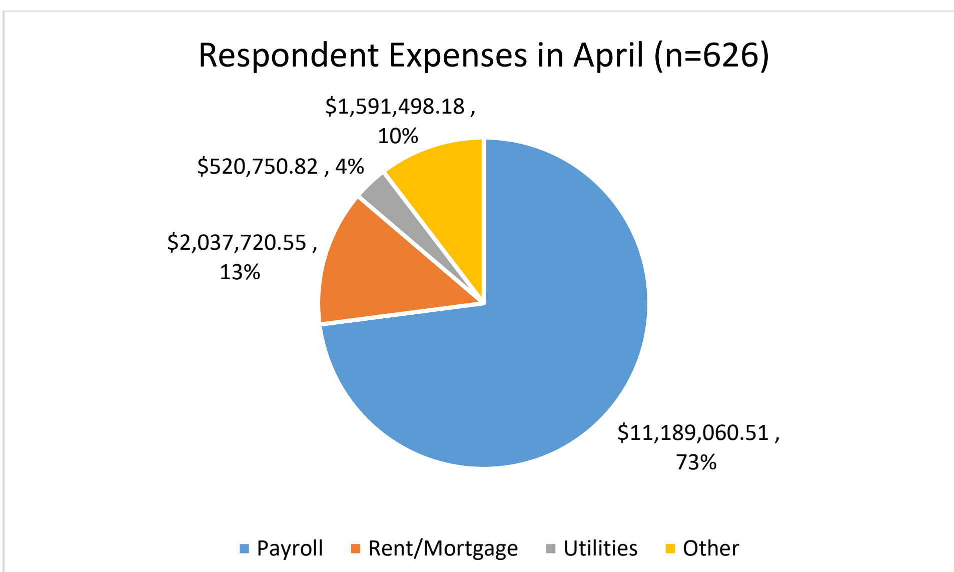
- Licensed child care centers and licensed family child care providers were more likely to have families paying reduced fees while the child was still in care (11% and 10%, respectively) compared to state-funded license exempt providers (3%).
- Licensed family child care providers were slightly more likely to waive all family fees and still provide care compared to licensed child care centers (10% vs. 7%).

What's happening with provider expenses?

A total of 667 providers reported a breakdown of expenses for January or pre-COVID. Payroll represents 75% of expenses.



A total of 626 respondents reported a breakdown of expenses for April or during COVID. While payroll became slightly less of a share of overall expenses. Payroll dropped by about $7.7 million for respondents. Rent/mortgage's share of expenses became relatively larger in April



Providers were asked to report their payroll, rent/mortgage and utilities expenses for both January and April. Open providers experienced a dramatic decrease in average payroll expenses from January to April (59%), while there was very little reduction in rent/mortgage expenses (4%). Utilities dropped by about $150 (16%) from January to April.

Providers were also given the opportunity to record other expenses. The most common 'Other' expense was food (including groceries and snacks). The next common categories were classroom supplies followed by insurance/benefits.

Aside from a significant decrease in payroll expenses, the expenses of licensed family child care providers remained relatively steady from January to April.

	Average Payroll January	Average Payroll April	Percent Change
DCCC	$ 49,277.50	$ 20,423.08	-59%
DCFH	$ 2,519.38	$ 1,040.87	-59%
DCGH	$ 14,852.50	$ 8,066.50	-46%
License Exempt	$ -	$ -	0%
Total	$ 17,321.87	$ 7,172.87	-59%

	Average Rent January	Average Rent April	Percent Change
DCCC	$ 6,103.40	$ 5,746.31	-6%
DCFH	$ 1,648.74	$ 1,669.86	1%
DCGH	$ 2,700.00	$ 850.00	-69%
License Exempt	$ 2,049.07	$ 2,049.07	0%
Total	$ 3,063.35	$ 2,945.67	-4%

	Average Utilities January	Average Utilities April	Percent Change
DCCC	$ 1,672.29	$ 1,188.02	-29%
DCFH	$ 616.21	$ 618.85	0%
DCGH	$ 875.00	$ 875.00	0%
License Exempt	$ 375.00	$ 375.00	0%
Total	$ 949.65	$ 798.04	-16%

	Average Other January	Average Other April	Percent Change
DCCC	$ 6,470.75	$ 5,339.23	-17%
DCFH	$ 566.02	$ 598.86	6%
DCGH	$ 700.00	$ 80.00	-89%
License Exempt	$ -	$ -	0%
Total	$ 2,452.36	$ 2,095.13	-15%

Providers of all sizes that remained open experienced similar but significant reductions in payroll expenses from January to April. Rent and mortgage expenses fell, but only by a small amount for all providers. However larger providers experienced larger reductions in their utility expenses, yet a smaller reduction in ‘Other’ expenses in things such as employee insurance, payroll taxes, professional fees and program supplies.

While there were 3 providers with enrollments larger than 240 children, none provided their expense information.

	Average January Payroll	Average April Payroll	Percent Change
<12	$ 2,206.75	$ 1,031.87	-53%
13-60	$ 23,517.53	$ 10,853.15	-54%
61-120	$ 68,844.20	$ 24,582.68	-64%
121-240	$ 158,578.38	$ 74,826.23	-53%
240+	NA	NA	0%

	Average January Rent	Average April Rent	Percent Change
<12	$ 1,667.60	$ 1,683.35	1%
13-60	$ 3,313.64	$ 3,246.36	-2%
61-120	$ 8,090.74	$ 7,478.07	-8%
121-240	$ 17,955.57	$ 16,441.29	-8%
240+	NA	NA	0%

	Average January Utilities	Average April Utilities	Percent Change
<12	$ 608.38	$ 618.10	2%
13-60	$ 978.11	$ 843.73	-14%
61-120	$ 2,708.45	$ 1,774.79	-34%
121-240	$ 1,949.04	$ 786.49	-60%
240+	NA	NA	0%

	Average January Other	Average April Other	Percent Change
<12	$ 495.56	$ 544.91	10%
13-60	$ 2,771.08	$ 2,200.90	-21%
61-120	$ 7,781.09	$ 6,538.38	-16%
121-240	$ 34,150.86	$ 28,295.29	-17%
240+	NA	NA	0%

6. Government Assistance

Throughout the COVID-19 shut down there have a number of federal and state programs available to affected businesses and individuals. The federal Paycheck Protection Program (PPP), Federal SBA Loans, and Economic injury Disaster Loans (EIDL) were quickly stood up and/or authorized for small businesses. Available Connecticut programs include the DECD Bridge Loan program, HEDCO line of credit and, for programs serving essential workers' families, the CT CARES programs. Additional authorizations were made for unemployment compensation for employees and Pandemic Unemployed Assistance (PUA) for self-employed individuals; additional $600/week FPUC (Federal Pandemic Unemployment Compensation) was made available for all eligible unemployed. Child care programs were asked about their participation in these programs in general and each one specifically.

Are providers aware of these government assistance programs?

In all cases, a majority, but not all, of providers were aware of these programs.

- Of the 1,024 providers who answered these questions, 74% said they were aware of these government assistance programs.
- Licensed child care centers were most likely to be aware of the programs (86%).
- State-funded group home child care programs were least likely to be aware of these government programs with only 50% reporting they were aware.
- A total of 61% of licensed family child care providers reported being aware of these programs and 67% of state-funded license exempt providers.

Did providers apply for these government assistance programs?

Of the 754 providers who were aware of federal or state assistance programs, 522 ended up applying for one or more programs (69%).

- Licensed child care centers were mostly likely to apply (74%).
- State-funded license exempt programs were least likely to apply (24%). This may be because license exempt programs are often part of a larger institutions that might not qualify like the public school systems or a municipality.
- Licensed group home child cares were likely to apply for the programs (44%) if they were aware of the programs (50%).
- However, only 44% of licensed family child care providers applied for these programs despite 61% being aware of the programs.

For which government assistance programs did providers apply?

In this section of the survey, providers were asked if they had applied for up to 10 different programs. Some of the programs were for small businesses such as the Paycheck Protection Program (PPP) or the Federal Small Business Administration (SBA) loans and some were for individuals like Unemployment Benefits or the Pandemic Unemployment Assistance (PUA) for self-employed individuals. Other programs were specific to child care providers to pay for child care for health care workers (CT CARES) or front line workers (CT CARES FLW). Also, providers were given the option of writing in other types of assistance. The survey gave providers the opportunity to write in the amount received if they had received assistance.

The data quality in this section of the survey was low. Only 586 respondents answered any part of this section. Most individuals reported if they had applied for a program only. There were a few instances where some individuals checked the box for "Yes, I applied" and "No, I did not apply" simultaneously.

These answers were omitted from the analysis. Based on the comments and responses in other sections, it also appears the respondents to the survey might not have known the answers to this section. Particularly in larger organizations or organizations co-located with other charities or churches, the child care program administrators were not party to applying for assistance. Similarly, the respondents did not seem to have information regarding receipt of unemployment benefits particularly for staff. As a result, the findings in this section should be interpreted with caution.

License Type	Government Assistance	
	# Applied	# Received
PPP	324	193
EIDL	157	49
SBA	71	13
DECD Bridge Loan	19	4
HEDCO	20	1
Unemployment Benefits (self)	149	19
Unemployment Benefits (staff)	163	19
PUA	57	8
CT CARES	146	27
CT CARE FLW	62	7
Other	11	0

Even with the data quality issues taken into consideration, it is clear that less than a majority of providers applied for these programs.

- The most frequently applied for and received program was the Paycheck Protection Program (PPP). The average amount received per program was $180,350. Most of the applicants were licensed child care centers (75%).
- The next most popular support was Unemployment Insurance/Benefits for staff where 91% of applicants were licensed child care centers.
- Licensed child care centers were the main applicant for most of the Federal and State loan programs.
- Licensed family child care providers were the main applicants for unemployment benefits for themselves (64%) and their staff (72%).
- Licensed child care centers and family child care providers were about evenly split in applications for the two CTCARES programs. On average, programs reported receiving benefits 29% of the time that they applied for in either program.

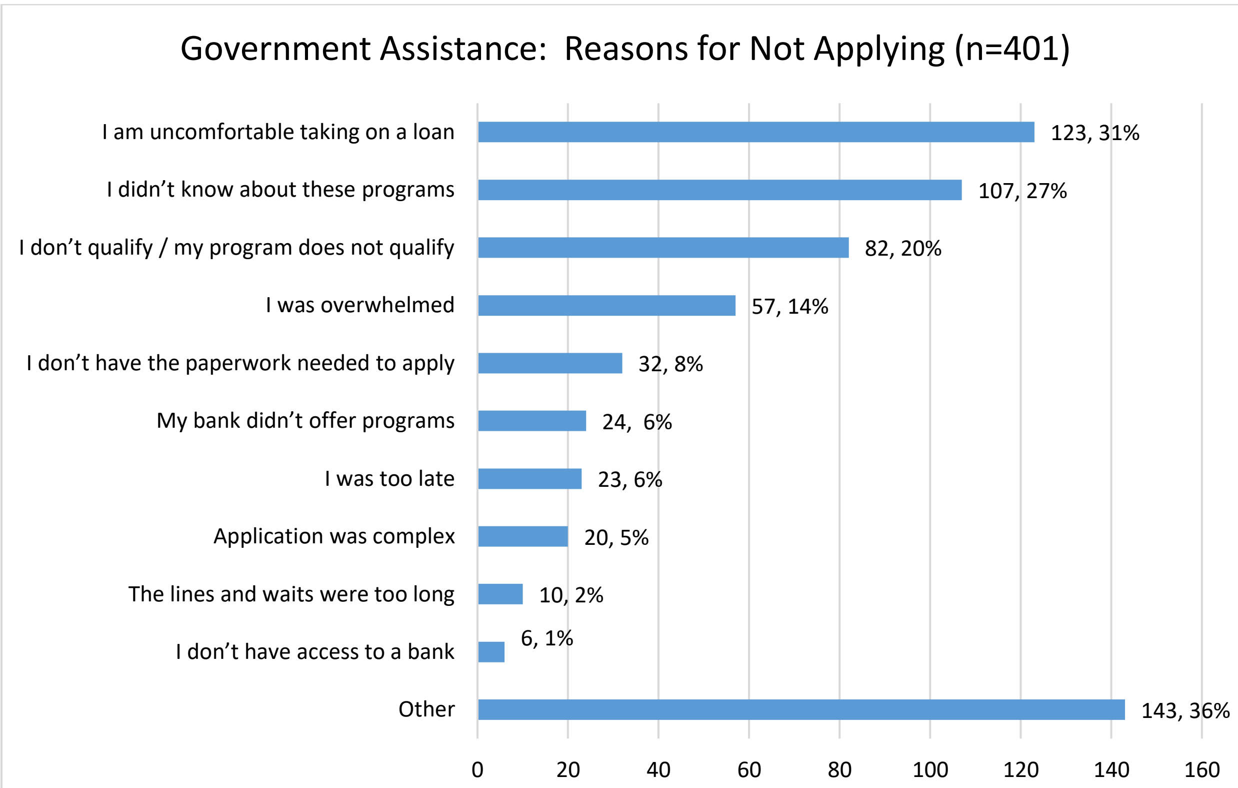
Why didn't providers apply for these government assistance programs?

No entiendo mucho de eso, me da miedo tener deudas

(I don't understand much of that, I'm afraid of having debts)

While there was no one dominant reason given why providers did not apply for assistance, the most frequently cited factor was the unwillingness to take on a loan (31%). Many of the programs require providers assume some risk either to repay the loan or met the loan's requirements for forgiveness. Many of Connecticut's child care providers were not comfortable assuming this risk. This was true for 26% of licensed child care centers and 11% of licensed family child care providers.

For a close second, programs reported they did not know about these programs 27% of the time. This was the top reason licensed family child care providers gave for not applying for assistance (31%). For licensed child care centers, it was an issue 14% of the time.



Other significant reasons for licensed family child care providers not applying for assistance were that the application was too complex and they were overwhelmed (17%). Licensed child care centers felt they did not qualify 26% of the time.

Interestingly, only 1% of respondents said they did not have access to a bank. Although this was a concern reported in the media, this does not appear to have held true for this sample.

The write-in option 'other' garnered the largest number of responses (143). These responses were analyzed and coded for common themes and be found in the Appendix.

Many of the child care providers (74%) were aware of the government assistance programs. Licensed child care centers and group homes were most likely to take advantage of these opportunities if they qualified. Licensed family child care providers applied for assistance just 45% of the time despite 64% being aware of the programs. Many providers, especially licensed family child care providers, were uncomfortable with taking on loans. Licensed family child care providers found the process overwhelming and complicated.

In addition, state child care funding was a bedrock for many child care providers. By continuing this funding, several providers were able to continue operating and remain fiscally stable without having to apply for government assistance.

Would providers like personalized business coaching or help applying for benefits?

About 58% of those that responded said they would be interested in business coaching or help applying for benefits. This represents about 258 licensed child care centers and 248 licensed family child care providers. The findings in this section suggest there are two types of providers in this context. One type of provider is able to navigate the assistance system and apply for benefits or leverage other supports. A significant percent of other providers were unaware of the available benefits or found them to be too overwhelming or complicated and would greatly benefit form support.

Where do providers get their COVID-19 information?

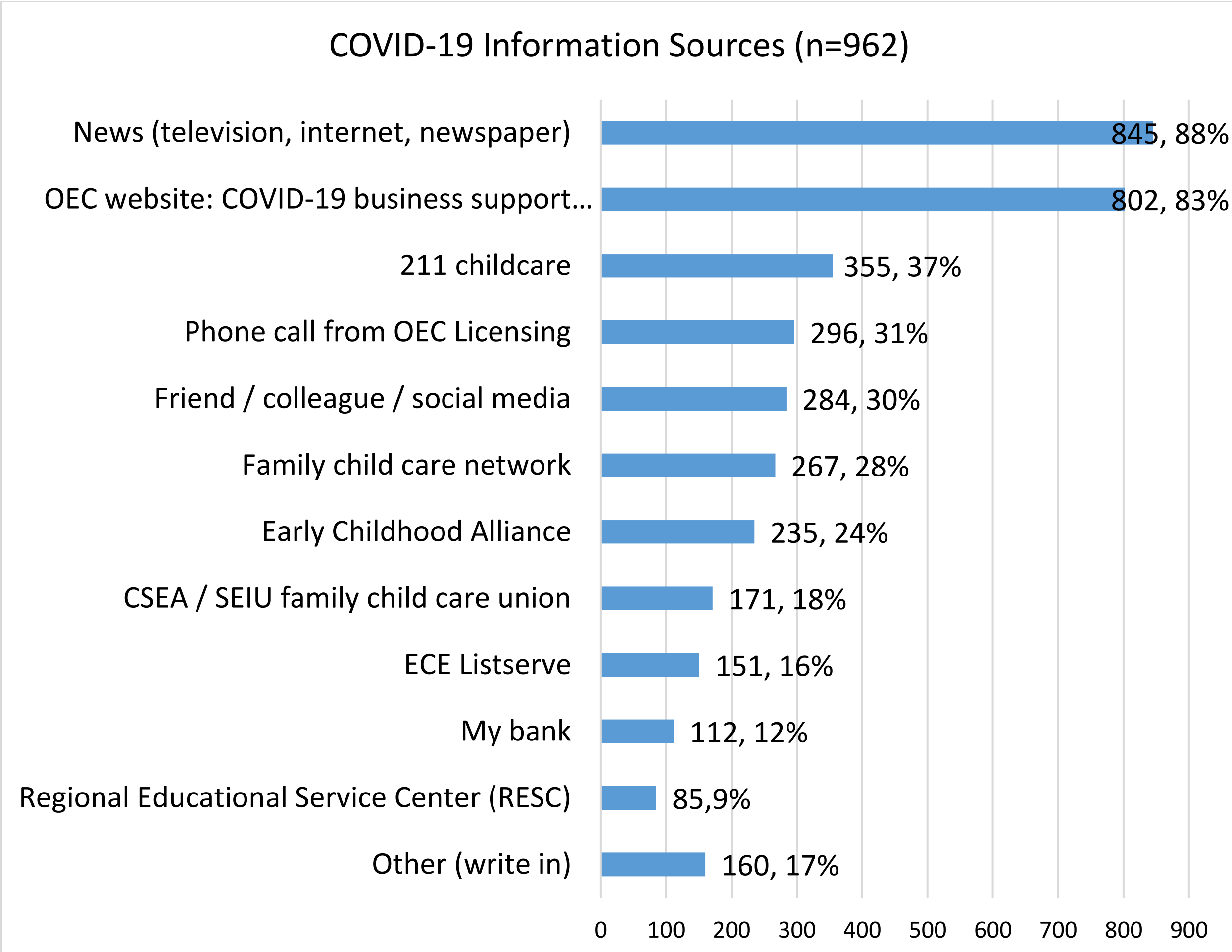
Todo mundo habla solo de esto!!!

(Everyone talks only about this!!!)

One of the most important issues rising from the field has been the thirst for guidance and information. Because of this, the OEC survey asked providers where they are currently getting their COVID-19 information. This question was designed to provide some insight about the best way to communicate with providers.

The two most important data sources were the news (88%) and the OEC website (83%). While the news is clearly an important source, it is a less direct source about child care information. The 211 line was the next source of information (37%). Thirty-one percent of providers received direct phone calls from OEC licensing and described this as an important source of information. None of the other sources of information were important to more than 30% of the population. This question did not ask what preferred source of information was. However, it does suggest that the OEC website and the effort put into the memos and FAQs are important to the provider community.

There were 160 response to the ‘write-in’ category other. These responses were coded and analyzed for themes. Many of these responses mirrored the major categories. However, there were a few that were unique. An unusually large number (18) providers cited conversation or communications directly with specific politicians. The second largest group reported using the CDC website (15). Other novel sources of information included national organization webinars like NAYEC, schools and local towns.



7. Conclusions

The child care industry is weathering an unprecedented challenging time. In addition to economic repercussions of the COVID-19 pandemic, providers are facing often unrewarded risk as they care for society's most precious asset – our children. With the stay-at-home orders, the demand for child care has become uncertain. Some parents are no longer working and able to care for their children at home. Others are worried about sending their children into group settings where they might face infection. Essential workers continue to depend on childcare for both their young and school-aged children. This experience has been marked with uncertainty surrounding both the plans for social activity as well as knowledge about the virus as well. This survey provided an opportunity to take the temperature of the current and future plans of this sector.

A total of 1,544 programs responded to this survey; yielding a response rate of 39%. The respondents included a variety of different programs including 803 licensed family child cares, 651 licensed child care centers, 12 licensed group homes, and 38 state-funded license exempt providers. Providers had the option to report their leadership's demographics. Most of the businesses are headed by women.

Licensed family child cares and group homes were most frequently headed by people of racial minorities and/or Latinx ethnicity.

Of the respondents 54% of programs were still open, 43% were closed and 4% had unknown status. Licensed family child care providers were mostly likely to still be serving families. The main reason for closing cited for closing was concern about offering child care during the pandemic. Programs also found that demand for their services dropped. Other providers felt it was not economically viable for them to continue to serve clients. In some cases, this was related to public health size limits on group size. Based on just the survey respondents, an estimated 5,789 full time and 3,685 part time employees have lost their positions because of closures. Several providers attempted to continue to pay staff but were unable to continue beyond March in most cases. Even open programs have had to reduce hours and staff. Another 2,001 employees of open programs have been furloughed or laid off. Enrollments for open programs have declined between 74-64%. Revenues for open programs have declined an average of 34% with expenses not keeping pace.

Most providers were planning on re-opening as the economy re-opened. However, providers acknowledge that re-opening in the time of COVID-19 was going to be “like opening a new center”. Licensed family child care providers were less certain about whether or not they would re-open. While they did not definitively say no, this segment of the industry expressed greater hesitancy about re-opening than the other provider types. In addition, providers who have been closed will have to update practices and procedures to meet new safety requirements. Respondents requested training opportunities for staff in safety and health protocols. They were also looking for help recruiting families. Part of this is support implementing clear guidance and safety protocols. Providers were also concerned about the public health limits on gathering size as an impediment to achieving financial stability.

Only 74% of respondents were aware of government assistance programs for small businesses and laid-off employees. Licensed childcare centers were most likely to be aware of these programs (86%). Despite this, many child care programs were reluctant to apply for aid. For instance, although 61% of licensed family child care providers were aware of assistance programs, only 44% applied for them. The main reason that these programs did not apply is because they were not comfortable taking on loans (31%); even if they could be forgiven. Additionally, some providers found the applications too complicated or became overwhelmed. When asked, 58% of providers who responded to the question said they would be interested in having personal coaching to help them with their business and assistance applications.

The survey asked about provider needs in several different ways. Similar themes emerged from these questions and from the write-in options provided in the questions. Some of the themes were:

- Financial support – Programs reported the continuation of state funding a financial lifeline during COVID-19. They asked for continued assistance to sustain their programs under the new limits and safety requirements.
- Guidelines – Programs are hungry for protocols they can implement and share with their families that will keep their charges and themselves safe.
- Information - Programs want to be able to plan ahead as much as possible to know when they can return to normal operations.

- Safety equipment – Programs are struggling to find and purchase personal protective equipment and sanitary supplies.
- Liability – Programs are looking for clear guidance on legal liability for COVID-19 infections at a minimum or relief from this liability if possible.
- Direct communication – many providers pointed to examples of direct communication/consultation as a preferred way to share information. Many providers were looking for an authoritative source on medical and safety issues they could consult directly.
- Staff supports – As with many members of the public, staff are concerned about the easy transmissibility of COVID-19 and the unique challenges posed by working with young children. Providers were looking for trainings and other supports that would help staff feel safe coming to work.
- Outreach to Families – Several programs closed citing a lack of demand by families. Families are concerned about the safety of child care settings in addition to many being currently out of work. Providers asked for business supports to help re-engage their families in their programs.
- Classroom size limits – Many providers – especially licensed child care centers – felt that limits were an economic burden for their programs. They were hoping for alternative ways to keep children and staff safe.

The early childhood care and education sector continues to be a pivotal resource upon which the rest of the economy depends. Like much of the rest of the economy, it has faced an unprecedented blow. Like much of the rest of the economy, it will need unprecedented assistance if it is to continue to be there to serve the other economic sectors.

8. Appendix

Respondents had the opportunity to add additional comments to selected questions. This feedback is summarized below.

What are your most pressing needs that government can help you with?

A write-in option was included for providers who had other needs. A total of 153 (11%) of providers wrote in additional answers. These answers were reviewed for common themes and are discussed below.

Theme #1: Guidelines and Communications

"Participacian directa de los Proveedores de Cuidado de Ninos en las conversaciones y decisiones para reabrir los negocios."

(Direct participation of child care providers in conversations and decisions to reopen businesses)

Of the 153 written comments, about 30% related to this theme. All types of child care providers – licensed family child cares, child care centers, and group homes, and state-funded license exempt – want specific guidelines to keep the community safe and continue to provide care. Providers want to be part of the conversations related to industry. They want guidelines about operations and a timeline for future events so they can plan. Also, they felt that a specific set of guidelines that they direct families to, would help facilitate some difficult conversations that may have to happen. One provider asked for a "template for steps on reopening and how to keep staff and children safe". Other providers had very specific questions they were looking for feedback on. For example:

"We would like the ability to move to a 7 day week so we can stagger days for students. We would also like support in food service as bringing outside materials (lunch boxes, etc.) is not recommended."

Although Connecticut never ordered child care programs to close and instead deemed them essential, some providers had parents in need of child care but were unable to commit to opening at this time. This was especially true for providers housed in closed public school buildings.

Providers felt that there should be clearer guidance for each type of child care setting. Operators of Child care centers felt they had different concerns than Family day care providers and would like guidance addressing their concerns.

Some providers were struggling with conflicting information from their local public health authorities and the state government.

"Our town … was the only town in the area that was shut down by local health and not allowed to open as an essential business. We are also not being considered to open May 20 when the state has a soft open. … I would like to understand why the local health trumps a Governor's executive order on this issue ... "

In order to reach programs, providers felt that direct communication was the best. Despite the size of the field, programs wanted opportunities to communicate one-on-one with OEC. One provider felt regular emails was most useful. Another praised the OEC licensing staff for reaching out by phone to providers.

Theme #2: Safety

"[we need} ideas on disinfecting and keeping little ones from putting things in mouths and not sharing. Keeping children safe."

Closely related to the need for clearer guidelines, are providers' safety concerns. This issue was raised by 25 providers. Providers were concerned for the children, the parents, their staff, their families, and themselves. Respondents expressed a keen sense of the risks they were facing in continuing to operate. This sense was compounded by fears related to the unknown or unclear facts of COVID-19. Some providers did not feel the state considered the risks they faced with the same concern as other essential workers.

Several providers wanted a source of medical information to which they could go. Providers wanted more information about the newly reported syndrome with "high fever, inflammation of the blood vessels, etc." found in young children recently. Respondents asked about the most effective disinfectant protocols for a child care environment. They wanted to understand specific risks and best practices for special populations like newborns. While these questions are indicative of concerns, it is likely that providers need an open source that they can continue to access with current information as questions and/or new information arises.

Also, programs wanted to know about supports for programs. For instance, they asked about the potential for staff trainings related to safety protocols and health risks. One provider felt they should be given similar consideration to nursing homes with regular testing for staff, parents, and children to avoid becoming virus hot spots. Given the possible new expectations for families and staff, they asked for help crafting new child care family contracts that would have provisions to keep people safe and also address liability issues.

Theme #3: Public Health Limits to Class Size

"Just get us back to work the sooner the better without crazy expectations like the staff wearing masks and groups of 10"

The current limits of 10 children per class per teacher with no more than 30 children per center were a theme for 24 providers. Many providers were eager to know when or how they could go back to having larger class sizes. They asked for more information about timing or about applying for a waiver. Some providers found they could not meet the demand of their families who were starting back at work as the economy re-opens at the current limits. Others noted that now they were serving both children 0-5 and school aged children 6-11, and this resulted in extra demand for their services. One provider stated: "I believe we can successfully manage a larger group size given the enhanced health and safety protocols we have in place."

Providers noted that the size limitations were detrimental to the business bottom lines. Reducing the number of children means a reduction in revenue. One provider echoed several providers when they said: "We cannot survive with the current restrictions." Another provider stated:

"My registration is in process and the current limit of 10 children to a room space and the definition of a space as a sealed exclusive room (no furniture divisions) means I can barely make a break-even to each class and I may have to reduce offerings of enrichment classes or let go staff. If the count can be readjusted even to 12 we would be in better shape on income break evens and on wait list reductions."

All but three of the providers commenting on this issue were licensed child care centers where the reductions have been particularly impactful. Also reported was the cost of remodeling child care spaces to create separate spaces for each cohort. However, given the uncertainty around when these limits may be lifted, programs are unclear if this is worth the additional financial investment.

Theme #4: Government Assistance

"I'm having trouble applying for help with the assistance program for essential employees. I'm not good with computers and I'm missing out because I don't know how to apply."

Providers were grateful for the assistance such as the Care4Kids payments and the CT CARES programs. Individuals also tried to access unemployment assistance either through the usual unemployment compensation program or the Pandemic Unemployment Assistance (PUA) for self-employed individuals. PUA is critical for many licensed family child care providers who are classified as self-employed and temporarily closed. This was a topic for 26 of 158 comments (16%).

Providers raised three main concerns with respect to these programs. First, providers cited delays and problems applying for the programs. One provider stated:

"I have very little income coming in and I am worried my program won't survive. I have not received any money from the CT CARES program for the essential child I have been taking care of. I have applied every week for the past 6 weeks. It's all been so frustrating and disappointing."

Another provider asked OEC to provide: "Clear, concise, honest, simple instructions, and help navigating the process for applying for unemployment and PUA". While the Department of Labor is the responsible agency for unemployment benefits, the volume of immediate need coupled with the DOL aged system and slow federal guidance, there is a clear need to provide mentoring and guidance for providers to navigate these state and federal assistance programs.

Secondly, some providers were looking forward to next school year and wondering what plans would be for other types of funding such as CDC or School Readiness; particularly if limits on group size remain. Child care providers are looking to thread a difficult needle of "cover[ing] expenses with less tuition coming in, or having to pay more staff, without increasing tuition and losing students."

Finally, other providers were concerned about their staff returning when they re-opened. Because wages are so low in the child care sector already, providers felt that collecting unemployment along with the $600 FPUC bonus coupled with the dangers of COVID-19 exposure would incentivize their employees to continue to collect unemployment rather than work.

Theme #5: Mentorship

"We need free mentors to assist directors with hard decisions that we will have to make like closing permanently."

Running throughout many of the comments above, as well as independently, providers' comments asked for personalized business guidance. Several providers wanted help accessing government assistance programs. They want guidelines to support profitability under group size limits. Some providers asked for help advertising to families and making people aware that child care providers are still open in the state. Providers are asking for help from OEC to navigate these uncertain times as well as have input into policies that affect them.

Theme #6: Personal Protective Equipment and Cleaning Supplies

"Gloves!"

Although 60% of respondents endorsed help with personal protective equipment and cleaning supplies as a needed option in the survey, 17 providers chose to emphasize this issue in the comments as well. Specifically, providers were looking for adult/child masks, sanitizing products, hand sanitizer, thermometers, and gloves. As one provider stated: "We have the finances for cleaning supplies, it is more of a concern that supplies are not always available." The programs commenting on cleaning supplies were equally divided between licensed child care centers and family child care providers.

Program Status - What types of assistance are most needed to open?

A write-in option was included for providers who had other needs. A total of 89 providers wrote in additional answers. These answers were reviewed for common themes and are discussed below.

Theme #1: Child care programs will open as other programs open

The most frequently cited factor in re-opening was guidance from the state or local authorities. Several child care programs are located in schools, gyms, churches, etc. These programs did not anticipate opening until these facilities opened. Other centers were following local guidance to close and would not be re-opening until municipal or local health boards lifted their moratoriums.

Theme #2: Training to Implement Safety Guidelines

"Specific, detailed information on policies and procedures that need to be followed, especially due to the fact that we have not had to put anything in place because we have been closed since the beginning of this. It is like opening a new center in many ways."

Providers again asked for clear guidelines to follow to ensure the safety of their families and their staff (26%). Programs that have been closed will need additional help to catch up to operational programs in terms of practices, policies, and procedures. Several providers wanted pre-service training for their staff. They noted that staff may be reluctant to work in a child care without procedures to keep everyone safe.

Another provider expressed their need this way: "Safety guidelines mandated from the state to follow so there is no miscommunications between parents and staff." Providers want to be able to turn to the state authority to help enforce safety procedures with families.

Theme #3: Managing COVID-19 Health Risks

“We have solid enrollment for fall, but not sure how many families will decide not to attend school due to health concerns. Staff has concerns about our own health safety and that of kids if we return. There just seems to be too many unknowns right now. Preschool children do things all the time that would be considered "unsafe" during COVID - they can't help it - they are just little.”

There is still considerable fear about the risks of spreading COVID-19; especially in a child care environment. As noted above, it is difficult for young children to practice safe hygiene and social distancing. Several providers expressed reluctance to re-open until more is known about the virus or a vaccine is available. Also, programs felt they were facing uncertain demand as parents might not want to enroll their children in child care because of this risk. Other providers were concerned that their staff might not be willing to return to work under these circumstances. Four providers specifically asked for state relief related to legal liability related to the possible spread of COVID-19 at their centers.

Theme #4: Financial Viability

“Funds to support the business when accommodating smaller group sizes & cash/grants for PPE and other health & safety supplies”

Sixteen providers addressed issues related to financial viability in the time of COVID-19. Some providers felt limits of 10 children per class and 30 children total made their businesses not financially feasible. Closed providers were looking for flexibility with these limits in order to restart their programs. Other providers were concerned that they would not be able to enroll families. Another 4 providers reported their families were laid off and could no longer afford family fees or were not in need of child care. Lack of demand for child care remains uncertain given the changing landscape of the broader economy. Finally, providers cited the extra costs associated with COVID-19 safety and security. They raised issues with both affording and finding extra health supplies like thermometer covers.

Government Assistance - Why didn’t providers apply for these government assistance programs?

Many of these write-in responses reiterated themes expressed in the dominant categories. Another 12 providers responded that they did not feel comfortable taking on loans. Seven providers said the process was too complicated for them. An additional two programs admitted that they did not have bank accounts.

The most often repeated reason was that the decision to apply for these programs lay with another level of authority. Corporations, non-profits, and churches made decisions about applications at the board or COO level.

Also, several programs said there was no need. This theme represents a variety of situations. For example, one provider said:

> “Our program is non-profit- takes in tuition, pays teachers and expenses equally. We stopped taking in tuition and we stopped paying teachers. …The teachers agreed to lose two months’ pay. If I could get a grant to pay them I would love it but I cannot afford a loan.”

Another provider said: “I feel there are people that need the assistance more than me.” Fifteen other providers cited continuing state payments from Care4Kids, School Readiness, and other funds that allowed them to continue operating without applying for additional assistance. Another five programs, had other funding sources such as municipal governments or charities.

One program made a point on commenting on the important role their local state representative played in helping them: "State Senator XXX emailed me to file for unemployment, so 10 staff did so." This comment underscores the important role that direct communication appears to have for the child care business sector.