

# VIRGINIA'S CHILD CARE CRISIS

STATE LAWMAKERS MUST PROVIDE FINANCIAL SUPPORT TO KEEP CARE OPEN



## CHILD CARE IS ESSENTIAL TO OUR ECONOMY & WORKING PARENTS

The pandemic has created a crisis for families as hundreds of early childhood education programs remain closed. Multiple factors are creating a perfect storm, threatening both the child care industry and our workforce. Child care is essential to our economy and without additional financial support the industry will suffer.

### Child Care Costs

Child care is expensive for any family. The average cost for full-time care for a 4-year-old is more than \$10,000 per year in Virginia. Many families are experiencing additional financial hardship due to the pandemic, including reduced incomes that prevent being able to afford child care.

### Virtual School Year

Nearly half of the school divisions in Virginia are planning to begin the school year virtually. There is an urgent need for child care to support working parents as the new school year starts. Without financial support, **approximately 450,000 children in Virginia** may not be able to access the child care they need.

## THE CHILD CARE SECTOR IS STRUGGLING TO SURVIVE

- **42% of the regulated child care capacity in Virginia is closed due to COVID-19.**  
Programs have closed their doors related to uncertainties with liability, finances, staffing levels/protections for staff and unknown health risks.  
Source: Virginia Department of Social Services (VDSS) (August 2020)
- **1 in 3 licensed child care facilities in Virginia has not provided VDSS a planned date to reopen**  
Source: Virginia Department of Social Services (VDSS) (August 2020)
- **38% of child care sites surveyed open report they might not be able to stay in business longer than six months.**  
Source: National Association for the Education of Young Children
- **Nationally, only one-quarter of the child care industry were approved for a PPP loan.**  
Source: National Association for the Education of Young Children

# VIRGINIA'S CHILD CARE CRISIS

STATE LAWMAKERS MUST PROVIDE SUPPORT TO KEEP CARE AFFORDABLE



For Virginia's  
Children

## CARES ACT FUNDS CAN STABILIZE THE SECTOR

### Initial Support from Federal CARES Act

Virginia has provided grants to child care programs remaining open from funding for the child care sector. The average grant award has been \$25,000 for a six-month period. These grants are helpful, but inadequate to make up for lost tuition and additional expenses of higher staff ratios and cleaning and safety protocols.

### Solutions are on the Supply-Side

Grants and contracts will be necessary to ensure that child care is available, well-staffed, and safe. Virginia has a balance of **\$1.3 billion of unallocated CARES Act funding** that could be awarded to child care providers.

**Allow \$80 million in federal CARES funds to be used for Care Child Stabilization Grants**

### Award Funds to Target Need & Keep Parent Fees Low

The Virginia Department of Education and Department of Social Services must develop grant criteria to award funds to local communities or regional collaboratives targeted to community needs and building the supply of care.

Grants could be structured to meet the supply demands in the following ways:

- **For center-based child care:** Award grants based on the cost to hire and retain early educators to teach a full classroom of young children.
- **For home-based child care and networks providing micro-schools for low-income children:** Award grants by offsetting tuition costs per child. The average home-based child care charges \$8,000 yearly tuition for 4-year-olds.
- **For new "pop-up" child care programs that will monitor virtual learning and are not intended to be sustained in the long-term:** Scale costs to meet short-term needs and help keep costs for parents affordable. Child care during virtual learning is costing parents an additional \$400 per month.