

# Memo

To: Ellen Wheatley, Acting Director of the Office of Child Care

From: Region 1 CCDF State Administrators & Agency Leaders

Re: Region 1 Child Care Recovery Fund, A Common Framework for Rebuilding NE’s Child Care Industry Utilizing Funding from the Coronavirus Response and Relief Supplemental Appropriations Act

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## Background & Overview:

Since November 2020, Region 1 States (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island & Vermont) have convened regularly to conceptualize a common framework for federal stimulus fund disbursement to child care providers who have experienced financial and operational hardship due to the COVID-19 pandemic. This work also includes collective thinking about leveraging funds in ways that lead to long term early childhood systems improvement across New England.

Implementing a common framework will enable New England to design innovative and data-informed approaches to rebuild the region’s child care infrastructure. This collaboration is aimed at better supporting working families to access quality early learning experiences for their children while simultaneously measuring the efficacy of those investments to inform future spending of federal stimulus dollars.

## Vision:

Each New England state will commit a minimum of sixty-five percent (65%) of their CCDF federal stimulus fund from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) to this common framework and methodology for grant disbursement. This will preserve state autonomy to distribute the remaining thirty-five percent (35%) of their federal allocation to their child care system to meet the unique needs of local communities, while ensuring that there is regional consistency for the child care industry.

The common framework will draw upon a formula developed by a team at Third Sector Capital Partners, issuing stipends based on capacity to child care programs on a state-determined schedule of payment. Providers must be open and serving families in-person. Other variables for grant issuance are listed below, with the flexibility/opportunity for each state to identify a unique metric or value to influence the algorithm for grant award.

Variables for Grant Methodology
Community Need & Equity
Cost of Living
Capacity to Serve
Impact of COVID-19
Quality

The region has also aligned eligible categories of spending for the child care providers who receive CCDF stabilization funds. These would not be required, nor assigned a specific allocation within their budgets, but will serve as reference points as programs conceptualize pathways to recovery.

Categories of Spending
PPE and other mitigation strategies to prevent the spread of COVID-19
Capital Improvement Projects
Occupancy (rent, insurance, mortgage, utilities, etc.)
Materials/Supplies
Replenishment of Lost Revenue and/or Reduced Enrollment
Wages/Spot-Bonuses
Professional Development/Technical Assistance for ECE

While wages will not be a required category of spending, Region 1 states are actively pursuing paths to encourage and ultimately inform the child care industry on the importance of fairly compensating the workforce as an essential component to their business’ recovery and long-term success. The region will create and share innovative approaches to leverage these and future federal funds in a way that ensures the workforce is recognized and appropriately compensated for their expertise. In providing awards to programs, one of the region’s priority is to see the funds utilized to equitably pay the workforce charged with providing direct services to children and families during the pandemic.

A subset of the region may elect to utilize a common fiscal intermediary to ensure application materials, technical assistance and grant requirements are consistent and streamlined for the region, as well as benefit from cost efficiencies of shared services. The fiscal intermediary will also support overall project management of the common framework, as well as leverage key findings from the initial grant disbursement to inform future capacity-building activities and pilots for states.

**Benefits:**

Throughout the global COVID-19 pandemic, states across the nation have identified unique opportunities for collaboration and coordination. This common framework solicits bipartisan support from New England states to establish a regional approach to achieve the stabilization and rehabilitation of the child care system. It will be a unique and groundbreaking effort to align regionally, one that will set the stage for future collaboration and regionalization on an essential industry.

Through shared thinking, New England will identify efficiencies in designing and building new, innovative pilot-based capacity-building activities. It will also ensure federal compliance standards are commonly understood, interpreted and adhered to throughout the stimulus grantmaking process.

As the region prioritizes and values family choice in the design of child care’s recovery, it is critical that multi-state child care operators and families who commute out of state are connected to a shared set of guidelines and criteria for consideration. Findings from this common framework will serve as a blueprint for New England to inform and shape future federal stimulus funds anticipated from Congress in the coming months.

We know that these combined efforts to build high-quality early childhood systems, supports our current workforce, and supports the critical brain development for our workforce of the future. New England’s competitive advantage has long been its workforce.

**Implementation Plan for the Common Framework:**

The implementation of this fund will imbed the following key strategies to ensure grant disbursement is equitable, expedient and responsive to both provider and family need. Outcomes and their associated timelines will be further defined as application materials for grant disbursement are developed and finalized.

<b>Strategy 1: Economic Recovery &amp; Stabilization for the Child Care System</b>
<i>1.1. CCDF federal stimulus dollars will be leveraged to ensure child care providers receive immediate relief to support their programs’ operations and ensure continuity of quality care for children. Funds will be issued equitably, ensuring small business owners receive comparable relief funds needed to maintain operations.</i>
<b>Strategy 2: Family Demand, Utilization &amp; Access</b>
<i>2.1. NE will evaluate and understand families’ evolving needs as a result of the COVID-19 pandemic and leverage this data to inform the region’s efforts to stabilize and ultimately rebuild New England’s child care system.</i>
<b>Strategy 3: Workforce Support &amp; Compensation</b>
<i>3.1. The region will focus on educating and partnering with the child care industry to honor their child care educators and staff as the critical and most important investment to their infrastructure.</i>
<b>Strategy 4: Federal &amp; State Compliance</b>
<i>4.1. All grant making will meet federal and state compliance standards, with focused alignment to ACF federal regulations and guidance.</i>
<b>Strategy 5: Capacity-Building &amp; Piloting New Service-Delivery Models</b>
<i>5.1. States will consider and design new, service-delivery models reflective of family needs since experiencing disruption and hardship from the COVID-19.</i>

**Future Collaboration & Opportunities for Regional Coordination:**

In addition to the development of a common framework, the New England region has worked to strengthen partnerships with non-profit and technical assistance organizations to leverage new opportunities for collaboration and coordination.

A Regional Child Care Demand Analysis with Bipartisan Policy Center, as well as regional technical assistance associated with the design and development of regionally recognized early childhood educator credentials has been prioritized for next steps.

This common framework will continue to leverage shared vision-setting and identify fiscal efficiencies in stimulus spending for the child care infrastructure. Data and reporting will continue to drive the outcomes and associated feedback loops for this initiative.