

Memorandum

To: Mike Smith, AHS Secretary
From: Sean Brown, Commissioner
Date: August 11, 2020
Subject: Remote Learning & School Age Care

Problem Statement:

The Department for Children and Families recognizes that the multiple return to school models being pursued throughout the state creates a significant need for school age child care on remote learning days. As families return to work, they are seeking care for their school age children when they are not attending school in person. An analysis of the Agency of Education's (AOE) enrollment data by county and grade indicates that if 25% of K-6 students require child care during remote learning days the number of slots required by county would be as follows:

<u>County</u>	<u>Slots Required</u>
Addison County	544
Bennington County	518
Caledonia County	463
Chittenden County	2566
Essex County	82
Franklin County	1038
Grand Isle County	112
Lamoille County	457
Orange County	558
Orleans County	472
Rutland County	933
Washington County	992
Windham County	678
Windsor County	896
Total	10,306





This issue poses two significant impacts to the Child Development Division (CDD):

1. Need to expand child care capacity for school age children extremely quickly.
2. Budgetary shortfall in the Child Care Financial Assistance Program (CCFAP).

Capacity Recommendations:

CDD proposes to expand capacity to meet the school age need in three primary ways:

1. Eliminating the restriction on Registered Family Child Care Homes (FCCH) from providing more than four hours of care per day for school-age children except on days when there is a “school closing” (33 VSA §3511 7). A statutory fix would be to add “remote learning” to 7(A) of the statute would allow for FCCH providers to care for 4 school age children full-time on remote learning days thus resulting in an increase in school age full-time capacity statewide. This shift will also fix a current equity issue within the regulations and allow registered FCCHs to provide the same level of care as the other regulated care types, (Licensed Family Child Care Homes, Center Based Child Care and Preschool Programs).

It is estimated that this change in addition to the current and existing system will be able to absorb at least 3000 slots.

2. Supporting the development of regional child care hubs for school age children to receive childcare on remote learning days. These regional sites would allow for flexibility based on the regions model (i.e. all remote; 4/1; etc. to meet individual needs). DCF proposes that these regional sites are set up in workplaces, school buildings, recreational buildings, municipal buildings, and summer camp buildings to leverage existing spaces that historically care for children. DCF proposes that these regional sites operate outside of the normal regulatory framework that exists with CDD’s licensing and operate similarly to summer recreation programs and day camps.¹ To stand up these regional hubs CDD proposes partnering with a community partner to coordinate the stand-up of these hubs and provide startup funding to sites. It is estimated that the following number of sites would need to be created:

The goal of this effort would be to create 7,306 school age slots statewide based on the demand expected through the AOE enrollment data.



¹ It should be noted that by operating these hubs outside of the regulatory framework will run a short-term unregulated system in parallel to the regulatory system. DCF believes it can mitigate this effect through grant agreements.



The following chart indicates the anticipated number of new sites needed by county based on the AOE enrollment data:

<u>County</u>	<u># of Sites</u>
Addison County	4
Bennington County	4
Caledonia County	3
Chittenden County	18
Essex County	1
Franklin County	7
Grand Isle County	1
Lamoille County	3
Orange County	4
Orleans County	3
Rutland County	7
Washington County	7
Windham County	5
Windsor County	6
Total	73

3. Expedited administrative processing and increased administrative flexibility for applicants seeking to become a regulated child care program. This expedited processing and increased administrative flexibility includes granting provisional licensure to programs while they pursue full licensure, granting variances to licensing regulations, and expedited division reviews.

This will bring long term sustainability and capacity to the existing system of care; however, it is not anticipated to make a significant impact in the immediate need.

Fiscal Impact:

There are two primary fiscal impacts associated with the capacity recommendations and problem statement above. The first is the impact to CCFAP associated with school age children moving from part-time certificates (typically for their afterschool programming) to full-time certificates (now to cover remote learning days). This fiscal impact is extremely difficult to calculate given the significant number of unknowns, notably:

- Will all families choose to utilize full-time care if available?
- The individual opening plans of each district (i.e. 2 days vs. 4 days remote etc.)
- Potential increases to families eligible for CCFAP due to economic downturn.
- Limited capacity of the child care system.





Considering the above, it is estimated that the cost of moving part-time certificates to full-time certificates from August 20-December 26 is as follows:

“Normal” Fall Caseload	\$4,807,282
+ 10%	\$5,604,621
+ 25%	\$7,800,629

In addition, it is anticipated that regional sites would require start-up funding to launch the regional child care hubs for school age children. Below identifies a basic budget for the regional hub site programs to operate for a 4-month period:

Budget Line	Estimated Cost	Details
Staffing	\$ 129,920.00	10 Counselors (\$18/hr) // 1 Site Director (\$23/hr)
Staff Sign On Bonus	\$ 5,500.00	\$500 per staff
Supplies	\$ 5,000.00	
Furniture /Fixtures	\$ 7,500.00	
Operating Costs	\$ 40,000.00	Rent, Utilities, Etc.
Insurance	\$ 35,000.00	Liability etc.
Total	\$ 222,920.00	

It will be necessary to offer high wages and a sign-on bonus to entice the workforce to take on a temporary position during the pandemic with the potential for exposure. In consideration to these economic realities it is anticipated that families would pay tuition for these sites, should sites charge \$150/child/week their revenue would equate to:

Anticipated Revenue		
Tuition	\$ 240,000.00	Assumes \$150/week/child

These numbers alone leave a minimal profit margin and significant risk associated with startup, therefore DCF proposes covering all costs associated with startup, resulting in a grant amount of \$95,480 to each site.² For the State’s capacity to grow as rapidly as required to meet this demand it is expected that we will need to show that this is a profitable venture, with mitigated risks, in addition to showing public good.

In addition to the grants to each site, DCF proposes working with a community partner to lead this effort and grant this entity funds to manage and lead this effort. It is expected that this grant would be \$220,000.00. The scope of work be dedicated to the leadership, project management, and operational implementation of the regional hub sites throughout Vermont.



² Costs covered would include one month of staffing, the staff sign on bonus, all supplies, all furniture and fixtures, 25% of operating costs, and 25% of insurance.

Funding Need Summary:

To summarize the total program costs associated with the strategies outlined above include:

<u>CRF Need (through December 2020)</u>	
Description	Amount
CCFAP Caseload Increase	\$ 4,807,282.00
Regional Hub Site Grants	\$ 6,970,040.00
Community Lead Grant	\$ 220,000.00
Total	
	\$ 11,997,322.00

