

Supporting Hawai'i's Child Care Providers During COVID-19



A Statewide Focus Group Report

Compiled by Early Childhood Action Strategy and rev. 6.22.2020

Hawai'i Child Care Focus Group Report

During COVID-19 and through Recovery Phases

Intent and Focus

Child care is a core service necessary for Hawai'i's economic recovery. Based on 2018 data, 63% (approximately 64,172) of keiki under the age of 6 in Hawai'i had all available parents working, benefitting from having access to child care. (U.S Census Bureau, 2018) Reliable and affordable child care allows parents to stay in the workforce, supporting both family economic security and the state's larger economic stability. Before COVID-19, Hawai'i faced a critical shortage of slots needed. According to the University of Hawai'i Center on the Family, across all settings there are 4 children under the age of 6 potentially competing for each regulated slot. (UH Center on the Family, 2017) Due to the COVID-19 pandemic, although some child care providers remained open to provide an essential service to Hawai'i's essential workforce, many had closed down.

Recognizing the importance of supporting providers to re-open as more employees may return to work during the recovery phases, the State Department of Human Services (DHS) in collaboration with the State Department of Health (DOH), created and disseminated child care health and safety guidelines aimed to guide providers planning to open to mitigate the risk of spreading COVID-19. With additional federal funds for CCDBG through the CARES Act, DHS also launched the Emergency Child Care Services Contract, providing financial support to programs across the state. In collaboration with early childhood partners, Early Childhood Action Strategy members conducted focus group sessions with both home-based and center-based providers on all islands across the state to assess:

1. What are their most pressing concerns with meeting the child care guidelines;
2. Whether they'll be applying for the Emergency Child Care Services Contract and what those funds will be utilized for and support; and
3. Whether additional financial (or other) supports are needed to help them sustain over the course of the next 6 months to a year.

The Data Section of this report is separated by Family Child Care and Center-Based responses. Each sub sections include attendee information, qualitative and quantitative data based on attendee responses including direct quotes, and recommendations.

The final section highlights feedback on whether financial support is needed over the course of the next 6 months to 1 year.

Data

Attendee Data

A total of 15 focus groups were conducted across the state. 28 family child care providers were able to provide input, with representation from Kaua'i, Hawai'i Island, Maui and O'ahu. 48 center-based child care providers were able to provide input over the course, with representation from Kaua'i, Maui, Moloka'i, O'ahu and Hawai'i Island. Center-based providers included faith-based, single/smaller centers, multi-site centers, and Head Start providers. 50% of FCC providers indicated being open and 50% indicated being closed but planning to re-open soon. 64% of center-based providers indicated being currently closed, most planning to re-open by July 1st. Of the 36% that indicated being open, about 5% only recently re-opened.

Family Child Care Data

Challenges/Barriers

We asked each provider to share what challenges or barriers they anticipated or were facing with implementation of the guidelines. The most common responses included:

1. **Working longer hours due to sanitation requirements.** Pre-COVID-19, FCC providers reported working an average of 10 hours per day to accommodate working families' schedules. With the changes to cleaning and sanitization, and because FCC providers are often the only employee, they have to add on additional hours to meet the requirements, bringing their work day to an average of 12-14 hours. Many indicated they haven't increased their tuition and as such, are working longer hours for the same amount, or reduced, pay.
 - a. "When I first started implementing the requirements for the guidelines it took me 4 hours to clean everything. I have an outside play area and an inside play area and cleaning both took a lot of time."
 - b. "I start work at 6:30am and end at 6:00pm because that's what my families need in order to return to work. It takes me two hours to clean. I wake up at 6 now instead of earlier to prepare and I'm just so tired. I don't know what else to say except I'm exhausted."
2. **Reduced enrollment.** The reason for reduced enrollment is mixed (i.e. some providers indicated reducing enrollment for fear of spreading COVID-19, some indicated having a household member who is immunocompromised and because their child care business is their home, minimizing the amount of keiki was their only option to keep their 'ohana safe, and some indicated parents could no longer afford care with changes to their employment status or decide to opt out for own fears and concerns). Regardless of the reason for the reduction on enrollment, it's impact is a significant loss on their revenue.
 - a. "I don't have full enrollment but I'm working longer hours and I'm not getting paid for those longer hours since I'm losing revenue with less children."
 - b. "My husband has [health concerns] and loves kids and helped out with our business. Now, he has to stay upstairs and even though my parents need to come back, I'm afraid to accept more children. My business is in my home. It's not as easy to let people in when it's your home."
 - c. "I was worried about having kids return too. I'm still worried. It causes a lot of anxiety. And it's a lot of extra time. But my families need it"

3. **Difficulty finding supplies.** Because of the longer hours working, many providers indicated they cannot shop at times when supplies are re-stocked and therefore, it's difficult to find sanitation and PPE supplies. It's also difficult for them to pay for supplies since many have chosen not to increase tuition or have less keiki enrolled.
 - a. "Because I'm working from 7am to 6pm, I can't get to the stores at all really. And when I do, all the supplies are sold out."
 - b. "We've been using clorox to make bleach spray instead of wipes since wipes are impossible to find. But sometimes clorox has been sold out too."
 - c. "I am not knocking other essential workers, but why didn't we as child care providers get recognized at all? I stayed open, even though I feared for myself and my family, in my own home, so that first responders and essential workers could go to work without worrying about where their children will stay. We got no recognition. I still have to stand in long lines. Still have to struggle to find supplies."
 - d. "The supplies that would help be cut back on time to clean are very expensive. I can't afford some of those. The DHS Emergency Child Care Services contract can help with that. I hope I get it."
4. **Lost revenue and financial hardship.** Family Child Care providers reported struggling to stay afloat financially. They reported not being eligible for many of the loans or assistance programs simply because they operate out of their home or aren't located on commercial property. PUA was the most commonly mentioned assistance program that helped maintain financial stability for providers. However, many believed they were ineligible and therefore did not apply.
 - a. "I tried applying for unemployment at first but wasn't eligible. Then PUA happened and I am now eligible. If it wasn't for that, I don't know what would happen to my family, or to my home."
 - b. "I couldn't pay my mortgage last month. Because my home is also my business, my mortgage should be something I should be eligible to use loans or grants for."
 - c. "My liability insurance rates might go up because of COVID-19. If that happens, that's another increased cost. I need help paying for utilities and my insurance."
 - d. "I'm only caring for a few kids right now. I've lost a lot of income."
 - e. "I'm not eligible for PUA right? I'm still working." [another provider explained that she still might be eligible since her hours have been reduced].
5. **Unclear/Inconsistent information from licensing workers.** Many providers reported licensing workers not being able to answer questions regarding clarification on guidelines. Most also reported inconsistency between workers on interpretations of guidelines, making it more difficult for providers to determine how to implement the guidelines.
6. **Difficulty accessing and filling out applications.** Family Child Care providers are typically the business owner and only employee. They don't have additional supports that center-based providers commonly access (such as boards, lawyers, financial advisors, other directors and networks). Many reported the assistance from PATCH and Learning to Grow on filling out applications was helpful and could benefit from similar support.
 - a. "I don't know what I'm doing. It's difficult to read stuff sometimes. I just give up and don't bother even if it's more money."
 - b. "My husband heard we have to pay some money back and told me not to apply. Other people are telling me no money has to be paid back. No one can tell me who's right or wrong so I just don't apply."
 - c. "The coaching opportunity from Learning to Grow was helpful. I wasn't going to apply but they told me to and explained why so I did."
 - d. "If it wasn't for LTG, I wouldn't have known what to do."
7. **Meeting the social/emotional needs of keiki.** Play, touch, socialization, comforting children in times of distress, are all imperative for supporting the growth and development of young children and avoiding that at best results in immediate needs not being addressed and at worst, can possibly traumatize children. Providers are trying to figure out creative ways they can still meeting the social and emotional needs of keiki while implementing extra safety precautions.
 - a. "Kids need to be held, especially babies and infants. Kids need hugs and comfort. They need to be able to play with each other. Physical distancing is going to make that really difficult and I worry about children's overall wellbeing." health."
 - b. "I thought about getting those face shields. But that's scary for kids."

How Providers Indicated Addressing Barriers

We also asked each provider to share with us how they have addressed or plan to address challenges or barriers they are facing. The most common responses included:

1. **Seeking financial support to pay for own employment.** Many family child care providers reported not originally being eligible to apply for many loans at the onset of COVID-19. About half of providers indicated the PUA program helped some of them receive a steady enough income to be able to sustain their program.
2. **Apply for DHS Emergency Child Care Contracts.** 91% of FCC providers reported applying for the contracts. They indicated planning to use the funds for cleaning and sanitation supplies, for staffing or cleaning contractors.
3. **Shortening hours.** Many providers reported reducing hours to accommodate time spent on cleaning.
4. **Provide distance learning opportunities.** This was not common amongst Family Child Care providers but some indicated providing this service to still support families while generating some income.
5. **Considering increasing tuition.** All family child care providers reported not increasing tuition however, a few (roughly 20%) reported considering it. One provider mentioned thinking of charging \$300 more/month to cover costs.

Recommendations From Family Child Care

We asked providers if they have recommendations to help alleviate some of their concerns or other ideas on financial support. Most common responses included:

1. **Allow flexibility of contract/grant funding.** 100% of providers indicated that being able to use funds for their own pay and supplies would be most helpful and other common ideas included:
 - a. **Helping pay for food:** monthly food expenses can cost around \$1000-\$1200 dollars for a provider serving all meals and snacks at full capacity, and although the USDA Food Program program reimbursements are helpful, the reimbursements don't cover the entire cost. As families may be food insecure, child care may be the only place where keiki receive healthy, nutritious meals.
 - b. **Fixed costs:** since providers operate their business out of their home, including expenses such as rent/mortgage and utilities.
 - c. **Liability Insurance:** Liability insurance rates may increase to cover COVID-19 concerns, making it more expensive for family child care providers.
 - d. **Supplies:** supplies that can help cut back on time spent with disinfecting and cleaning are costly. Some providers also reported wanting to hire a cleaning company or contractor to alleviate the burden for them.
2. **Allow for contract/grant fund opportunities more often.** Majority of providers indicated one-time assistance although helpful, isn't adequate. It was difficult for providers to indicate how long assistance was needed not knowing when the pandemic would end, however, 60% of providers indicated needing more financial support to sustain over the next 6 months to 1 year.
3. **More clarity and quicker response time from DHS workers.**
4. **Assistance with filling out applications.** Continuing to provide coaching opportunities, and expanding it to provide assistance to other financial support programs as well.
5. **Providing more networking and information-sharing opportunities for Family Child Care providers.** Providing virtual or remote opportunities for family child care providers to connect with each other and share how they are implementing guidelines or accessing other support programs.
6. **Creating templates providers can use to communicate changes with families.** Providers suggested a tip sheet or checklist on "information to cover with families" would be helpful.

Center-Based Care Data

Challenges/Barriers

We asked each provider to share what challenges or barriers they anticipated or were facing with implementation of the guidelines. The most common responses were raised across all islands and included:

1. **Ratio sizes.** The ratio sizes were brought up by 100% of center-based child care facilities as one of their biggest barriers. For many programs, their revenue is predominantly tuition-based and the 1:9 ratio sizes forces them to reduce their enrollment and therefore, yields significant revenue losses. (*note ratio sizes have changed effective June 9, 2020 and returned to DHS licensing ratio/group sizes.)
 - a. "If the ratio sizes don't change, I don't think anyone can sustain long-term"
 - b. "The lower ratio sizes have reduced my capacity to half. I'm losing a lot of money. And have to make budget cuts elsewhere and still raise tuition. I'm still not breaking even."
2. **Limiting cross-deployment of staff.** This is a concern for child safety as well as for supporting teachers. Limiting the cross-deployment of staff puts extra constraints, stress, and work on employees and can limit support provided to keiki who need it.
 - a. "This is a big health concern. My teachers need support. Kids need support. If a kid gets hurt, if a teacher needs to go to the bathroom or take a break, we have to figure this out."
 - b. Typically we'd have at least 2 staff assigned to each group of children to ensure transitions are smooth, staff can take breaks or use the bathroom, and assist children who need extra care.
 - c. "I'm having to hire more staff or pay them extra hours which adds more to my expenses that I can't afford with the reduced revenue."
3. **Restricting co-mingling of keiki and teachers.** This prevents child care providers from extending their hours if they are not allowed to mix groups. For example, If there are 3 groups of children and each group has 1 or 2 kids that need extended care, if they can't combine into an "afterschool" group with another teacher, providers will not be able to open longer. This limits child care options for families who are needing the extended hours in order to work.
 - a. "I have families that have turned down my care because I had to reduce my hours in order to meet the restriction of mixing groups. We aren't helping families how they need it. And then I lose them, and I lose more revenue."
 - b. "I can't extend my hours because of this. My families need the extended hours."
4. **Inconsistency from licensing workers.** Many licensing workers have different interpretations on the guidelines and what's acceptable or not, resulting in confusion reported by majority of providers.
5. **Meeting the social/emotional needs of keiki.** Play, touch, socialization, comforting children in times of distress, are all imperative for supporting the growth and development of young children and avoiding that at best results in immediate needs not being addressed and at worst, can possibly traumatize children. Providers are trying to figure out creative ways they can still meeting the social and emotional needs of keiki while implementing extra safety precautions.
 - a. "Kids need touch. They need play. They need hugs. They need each other. This IS early learning. We can't give this up and minimize physical distancing when kids need it."
6. **Figuring out how to adjust current environment to maximize ratio sizes.** Most providers reported having to cut enrollment by nearly half, causing a significant financial burden on their operations. In addition, they've had to pay for additional materials to set up divisions/cabinets/separate spaces to maximize enrollment while maintaining guideline expectations.
 - a. "I'm trying to figure out how I can set up my environment to maximize enrollment because I don't know how long I can last if the ratio sizes don't increase."

How Providers Indicated Addressing Barriers

We also asked each provider to share with us how they have addressed or plan to address challenges or barriers they are facing. Quotes directly from providers are also included for some sections. The most common responses included:

1. **Reducing hours.** In order to cut back on costs to accommodate lost revenue from smaller ratio sizes, programs are reducing hours. Majority of programs also indicated no longer providing before and after school care. Majority of providers however, reported this has been a burden to families, particularly those on the Leeward side of O'ahu who still have long commute times. Not being to stay open long enough for families to work has been counter-productive to supporting their economic security.
 - a. "Families are relying on us to stay open from 6am to 6:30pm and we can't do that so they're looking for other options. But there aren't any for them."
 - b. "We've had families too who keep asking when we anticipate being able to extend our hours again. I can't give them an answer and it's worrying them."
 - c. "We're not even that far west [on O'ahu] and our families still need the extended hours. I'm afraid they're going to leave and like someone else mentioned, there's no where for them to go. I worry about whether they'll be able to keep their jobs"
2. **Increasing tuition.** Majority of providers are increasing tuition. Most reported trying to make small increases of \$25-\$50 per month but some had to make significant increases (up to 50%). For providers who plan to continue before or after school care, they are charging an additional fee that they wouldn't have normally charged. For those who haven't increased tuition, some have made significant financial decisions in other ways, such as forgoing salaries. Commentary is highlighted below:
 - a. "I don't know if I'll even be able to have a separate after school program but if I can add that, I'll have to charge an extra fee on top of the increase for regular tuition. My parents can't afford that"
 - b. "Even though we're only charging an extra \$20 a month, it seems small, but it's a really big deal to our families. They were already struggling with the cost. And the worst part is, that increase doesn't even let me break even yet."
 - c. "We've been lucky that we've only had to charge a 3% increase to tuition. But yes it's hard on families no matter how small it seems."
 - d. "It's especially difficult for families who are currently struggling especially because of COVID-19. It hurts me to know I had to increase tuition AND take away scholarships and financial aide for families. I cry about it."
 - e. "We've been able to not increase tuition during the time we've stayed open [end of March until now]. However, we've completely depleted our reserves in order to stay afloat during this time. I'm considering charging more for tuition to continue being able to sustain."
 - f. "I, as the director of the school, haven't been paying myself for 2 months now to avoid increasing tuition. I'm forgoing my own salary because our families cannot afford it. I cannot do that to our families."
3. **Cutting subsidized/supplemental/enrichment services.** Many providers reported asking families to provide food for keiki to reduce their expenses. This is a concern considering COVID-19 has brought to light how many food insecure families there are across the state. In addition, it's still passing on the cost to families who are also struggling to recover financially.
 - a. "In order to not increase tuition, we've cut our subsidized meal programs. So even though we're not increasing tuition, families still have to incur an additional cost to provide meals for their own children."
 - b. "We too are asking to families bring in their own food to cut back on costs. And the cuts don't really amount to anything so it doesn't help our program financially at all."
 - c. "I won't have to pay for buses anymore since field trips are out. So that's great. But that doesn't help my finances."
4. **Applying for loans.** Most providers who received PPP indicated that's the number 1 reason why they are still able to operate today.

Recommendations from Child Care Centers

We asked providers if they have recommendations to help alleviate some of their concerns or other ideas on financial support. Most common responses included:

1. **Increase ratio sizes.** All center-based providers indicated the only way for them to sustain long-term is by increasing ratio sizes. The loans, grants, and contracts available are only temporary fixes that prolong the inevitable if programs can't increase enrollment. (*Please note ratio sizes have changed effective June 9, 2020 to returned to DHS licensing ratio/group sizes.)
 - a. "If the ratio sizes can increase, I won't worry about sustaining next year. Financial assistance to help us transition in the fall would still help though because we would still need to reduce hours, and therefore I lose families that need the extended care."
 - b. "If I don't have to worry about enrollment, then I can worry less about our budget because we'd finally be breaking even again."
2. **Allow for co-mingling.** The 1:9 ratio size is a safety concern and many programs are trying to figure out how they can support teachers (for breaks, transitions etc.). Even allowing 2 teachers/staff to a group of children would be tremendously helpful. Also allowing the co-mingling of staff and children who need extended hours would allow providers to remain open longer, helping to meet the needs of our working families, particularly those who have long commute times or untraditional hours.
 - a. "Even allowing 2 teachers/staff to a group of children would be tremendously helpful."
 - b. "If we can't co-mingle I can't help families that need that full time care because they are working full time hours. Doesn't that defeat the purpose of an economic recovery?"
 - c. "If we cannot accommodate for extended hours, we lose families, and therefore, we still lose money."
3. **Expand child care subsidies for families.** The temporary waivers implemented have been tremendously helpful for families to cover the cost of care. However, once the waivers expire, more families will struggle. The cost of care was already unaffordable pre-COVID-19, many providers have increased tuition and indicate keeping the increased rate, which adds an additional financial burden to families. Changes to the child care subsidy administrative rules to allow for more families to be eligible and reduce families' co-payment amount would support families long-term.
 - a. "Families are now being notified of receiving POD. However, because of the ratio sizes, we cannot open to full capacity. There's no slots. Extending the timeframe for them to be able to secure care will be helpful."
 - b. "It seems like many of us are increasing tuition. Will Child Care Connections and POD allow us to do what PKS did and honor the increase tuition or include that in the determination to help families?"
 - c. "I'm still not clear on the full extent of help the waivers provide, but parents tell me it's helpful and if that can be extended, that would be great."
 - d. "All my families who have applied for subsidy have been eligible. It's been great. I've printed out packets for all my families and encourage them to apply. Many of them wouldn't have been eligible pre COVID-19 but still would have struggled to pay since they aren't making much more than the cut offs."
4. **Continuing financial support.** Majority of providers indicated needing more staff regardless of more flexibilities in the guidelines. Without additional public financing support, increases to tuition are currently the only way to offset increased expenses.
 - a. "I still need to hire staff to do the cleaning"
 - b. "I'm hiring a contractor to do disinfecting and still need staffing to help out with other pieces, such as checking-in and cleaning throughout the day"

Financial Support Over Next 6 months to 1 year

60% of FCC providers indicated needing more financial support in order to remain open for 6 months to a year. The remaining 40% said it may not be necessary but would be very helpful. Providers commonly reported financial help with the following would be most helpful:

- Rent/mortgage expenses;
- Liability insurance coverage;
- Food expenses;
- Utilities; and
- Supplies—paying for and securing and including funds to hire a contractor to clean

70% of center-based providers across all islands indicated continued financial support would be needed to sustain for 6 months to 1 year. Most programs said they anticipate being able to stay open until December if ratio sizes don't change. When ratio sizes changed, providers indicated these would help but would still need funds for at least a few more months to help offset losses and increased costs through this transitional period.

Specific commentary included:

- "Ratio limitations will allow me to last through the summer but not through the fall"
- "I could last 3 more months when we open in July"
- "I'm opening in August. We would have enough funds to last us only 2 months even with PPP and DHS Emergency Child Care Services Contract"
- "Don't have a clear number but for now we anticipate to be able to stay open through the end of the year through budget cuts but it will be extremely financially difficult after that"

When the DHS guidelines were revised on June 9, 2020 to reinstate the original ratio and group sizes for child care facilities, many providers reported their financial concerns are largely eliminated but still worry about not being able to stay open longer, which could still impact revenue. Some commentary included:

- "Before yesterday, when the revised guidelines were released, there was no way to say how long our school would be able to maintain without full enrollment. But we feel that now that we are able to enroll at our max capacity, we'll be ok. It would still be helpful to receive funds through the end of the year though to help with extra staffing and this transition"
- "I know that it will help us financially by being able to accept more students. It's great that we don't have to follow the 36 square feet per child guideline, too. However, neither change allows us to expand our hours. If we cannot accommodate the families that need early morning and late afternoon care, we will lose them. That means we lose enrollment, which still hinders our ability to hire staff."
- "[The ratio reinstatement] will help our program in the months ahead to receive the rest of our students when the families are ready to return & some new students for the upcoming school year"
- "it's difficult to determine longevity without knowing how many kids we can have. End of the year is our best guess. With ratio size increase, we can maintain longer but would still financial support at least until end of the year"

For providers who indicated increasing tuition rates, we asked if they would consider lowering the increases if guidelines were eased and more financial support was available. Most indicated no and cited that they would still need to increase the rates to offset losses experienced over the last few months, and to cover additional expenses that providers anticipate will be indefinite. For this reason, **we recommend providing more funds and expedite changes to child care subsidies so that more families are eligible and receive more tuition coverage to reduce their co-payment/out-of-pocket expenses:**

- Extend current waivers in place for subsidies until Hawai'i reaches the "New Normal" phase
- Adjust administrative rules for child care subsidies permanently that would increase income eligibility rates, reduce family co-payment amounts, and extend the eligibility re-determination period
- Utilize state funding to increase overall subsidy funds