

# Memo

To: Dr. Ellen Wheatley

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.

February 25, 2020

Dr. Ellen Wheatley, Acting Director  
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**Maine's Planned Use of Child Care and Development Fund (CCDF) Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) Funds Report**

Maine's Department of Health and Human Services (DHHS) Office of Child and Family Services (OCFS) proposes to implement the following strategies with the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) the supplemental funding for the Child Care and Development Fund (CCDF) to prevent, prepare for, and respond to coronavirus by utilizing a three-prong approach to the spending focusing on child, family, and child care provider. We thank our many stakeholders for their valuable feedback and input in our planning as well as the collaborative work with the Region I States for a common framework (\*attached in email).

**Direct Child Care Services (Subsidies)**

Does the lead agency plan to use CRRSA funds to provide direct child care services, including child care subsidy assistance to health care sector employees, emergency responders, sanitation workers, farm and other food service workers, and/or other workers deemed essential or frontline during the response to coronavirus? If yes, describe.

Maine plans to waive the co-payment for families for a 12-month period. In addition, for 6-months Maine plans to pay based on enrollment versus attendance for a 6-month period for the Child Care Subsidy Program (CCSP).

**Implementation of Virus Mitigation Policies and Practices**

Does the lead agency plan to use CRRSA funds to provide resources, supplies, and/or technical assistance to child care providers to support implementation of health and safety practices and policies in line with guidance from State and local health departments and the Centers for Disease Control and Prevention (CDC)? If yes, describe.

Maine intends to utilize a portion of the CCRSA funds to provide resources and technical assistance to child care providers to support implementation of health and safety practices and policies in line with guidance from State and local health departments and the Centers for Disease Control and Prevention (CDC) through our partnership with Maine Roads to Quality Professional Development Network (MRTQ PDN) with their Technical Assistance team of District Coordinators, trainings, and resources.

**Grants or Assistance (Other than Subsidies) to Stabilize Child Care Providers**

Does the lead agency plan to use CRRSA funds to support the stability of the child care sector to help child care providers (program facilities and workforce) pay for increased operating expenses during the COVID-19 public health emergency? If yes, describe.

Maine intends to utilize 75% of the CCRSA funds to provide stabilization grants to all licensed child care programs and CCSP license-exempt nonrelative providers. Grants will be established employing the Region 1 funding formula by payments based on capacity, quality, and CCSP provider. Maine is looking to spread the funding out over the next year with quarterly payments.

**Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic**

As required in CRRSA, how does the lead agency plan to use a portion of funds appropriated in CRRSA to provide assistance to CCDF-eligible child care providers not participating in the subsidy system prior to the COVID-19 public health emergency?

Maine's stabilization grants are open to all licensed programs in the State that apply. The TA, resources, and trainings are provided to all programs types as well. In addition, Maine is dedicating a portion of the funds to update, strengthen, and add TA and trainings for all programs on strengthening business practices and provide no cost trainings for individuals interested in becoming a licensed program.

**Other**

Does the lead agency plan to use a portion of CRRSA child care funds for any other activities or assistance not described above? If yes, describe.

Maine recognizes the impact that the pandemic has had on the social emotional development and mental health of children as well as on programs and their staff. Maine intends to delegate a portion of the CCRSA funds to expand its newly established Early Childhood Consultation Partnership (ECCP) program providing mental health consultation to early care and education programs.

In order to assist families with finding accessible child care, resources, and other consumer information on early care and education, another portion of the funds will go to enhancing the

Child Care Choices (CCC) website to include the CCC Program Portal and to develop a CCC Mobile App.

Sincerely,

/s/

Crystal Arbour  
Child Care Services Program Manager  
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Office of Child and Family Services