



## RESEARCH HIGHLIGHT

# Understanding Child Care and Early Education Program Closures and Enrollment during the First Year of the COVID-19 Pandemic

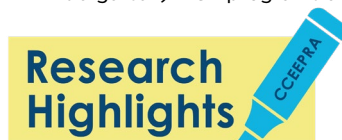
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## Key Highlights

- ▶ Child care and early education (CCEE)<sup>a</sup> programs faced significant challenges during the COVID-19 pandemic, including program closures (both temporary and permanent) and decreased enrollment, that made it difficult for programs to continue operation.
- ▶ Program closures varied by program settings and funding.
  - Program closure rates were higher among centers than family child care (FCC) homes.
  - School-based public pre-K and Head Start programs were also more likely to physically close than community-based CCEE programs.
- ▶ CCEE programs also saw a decline in enrollment that negatively affected programs' revenue. Declines in enrollment tended to be larger among:
  - Centers, relative to FCCs.
  - Preschoolers, relative to infants and toddlers.
  - Preschoolers from low-income families (under \$25,000), relative to preschoolers from higher-income families.
- ▶ Child Care and Development Fund (CCDF) flexibilities provided important support to help CCEE programs continue providing care for children when the pandemic started.



<sup>a</sup> Child care and early education (CCEE) refers to caregiving and educational services for children from birth to age 13. CCEE includes center- and home-based settings for infants, toddlers, preschool- and school-aged children. CCEE refers to services for a larger age group than early care and education (ECE), which consists of services provided only for young children (birth to age 5 who are not yet in kindergarten). ECE programs are included within the definition of CCEE.



# Overview

The COVID-19 pandemic brought unprecedented disruptions to children, families, and child care and early education (CCEE) programs. The effects of the pandemic on CCEE programs were profound, and the COVID-19 crisis exacerbated program differences (e.g., source of revenue and availability of supports) by program setting and funding.<sup>1</sup> Many CCEE programs shut down in the early months of the pandemic (i.e., Spring 2020) due to state or local stay-at-home orders in response to the spread of the virus, and reduced enrollment and staffing. Nationally, 63 percent of child care centers and 27 percent of family child care (FCC) homes were closed in Spring 2020.<sup>2</sup> Yet, some programs remained open to care for children.

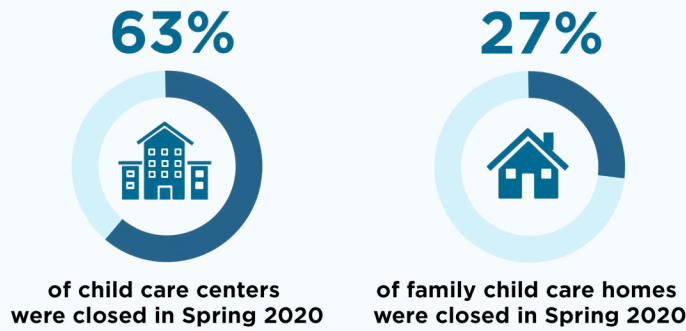
Among programs that were open, enrollment decreased significantly due to public health measures (e.g., reduced capacity for social distancing) or parents' concerns about contracting COVID-19 at CCEE programs.<sup>3</sup> Program closures, coupled with drops in enrollment and attendance, made it difficult for CCEE programs to generate enough revenue to cover their operating expenses, and some providers decided to permanently close their programs. Providers who temporarily closed continued facing challenges to re-open. These program closures may have lasting impacts on CCEE systems. For example, families served by programs that closed need to find alternative arrangements for their children. With fewer programs available, it may be harder for families to find CCEE that meets their needs and preferences.

The purpose of this research highlight is to describe how the first year of the COVID-19 pandemic affected CCEE program closures (both permanent or temporary) and enrollment, and how the impacts differed by program setting, funding, and family characteristics. Understanding how CCEE programs were affected by the pandemic can help guide CCEE leaders in deciding how best to support CCEE programs and address pre-existing inequities that were heightened by the pandemic (e.g., limited access to affordable care for families with low incomes). We also highlight some of the government's relief efforts that supported CCEE programs during the first year of the pandemic.

## Program Closures by CCEE Program Setting and Funding

As of Spring 2020, 63 percent of child care centers and 27 percent of FCCs were closed nationally (Figure 1).<sup>4</sup> In order to slow the spread of COVID-19, 45 states (including DC) issued stay-at-home or shelter-in-place orders. As a result, the majority of states closed almost all school buildings (including school-based pre-K programs), and school districts switched to virtual learning. In some states, public pre-K programs in community-based organizations could remain open.<sup>5</sup> Almost all Head Start centers (99%) also physically closed but continued to provide virtual services.<sup>6</sup> By contrast, most of the community-based CCEE programs were allowed to remain open. Specifically, all states but one allowed CCEE programs receiving CCDF subsidies to remain open to care for all children or children of essential workers.<sup>7</sup>

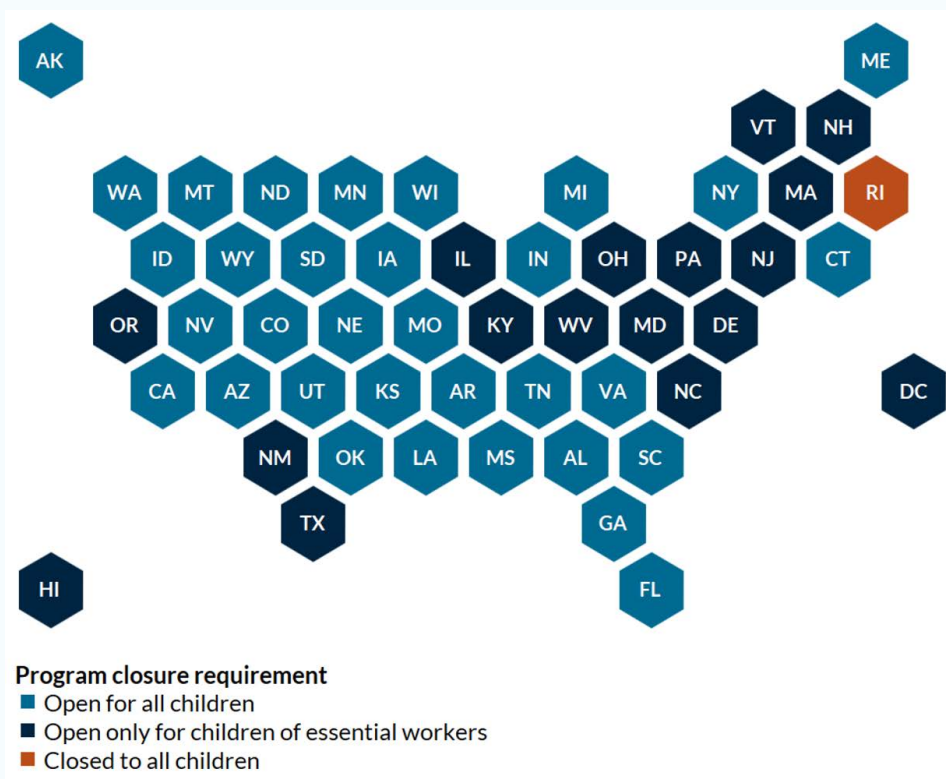
**Figure 1.** Percentages of programs closed in Spring 2020 by program setting



**Source:** Office of Inspector General. (2020). National snapshot of state agency approaches to child care during the COVID-19 pandemic.

Among community-based CCEE programs, including centers and family child care homes, nearly two-thirds of states allowed CCEE programs that served children with a child care subsidy (funded by the CCDF) to remain open (Figure 2).

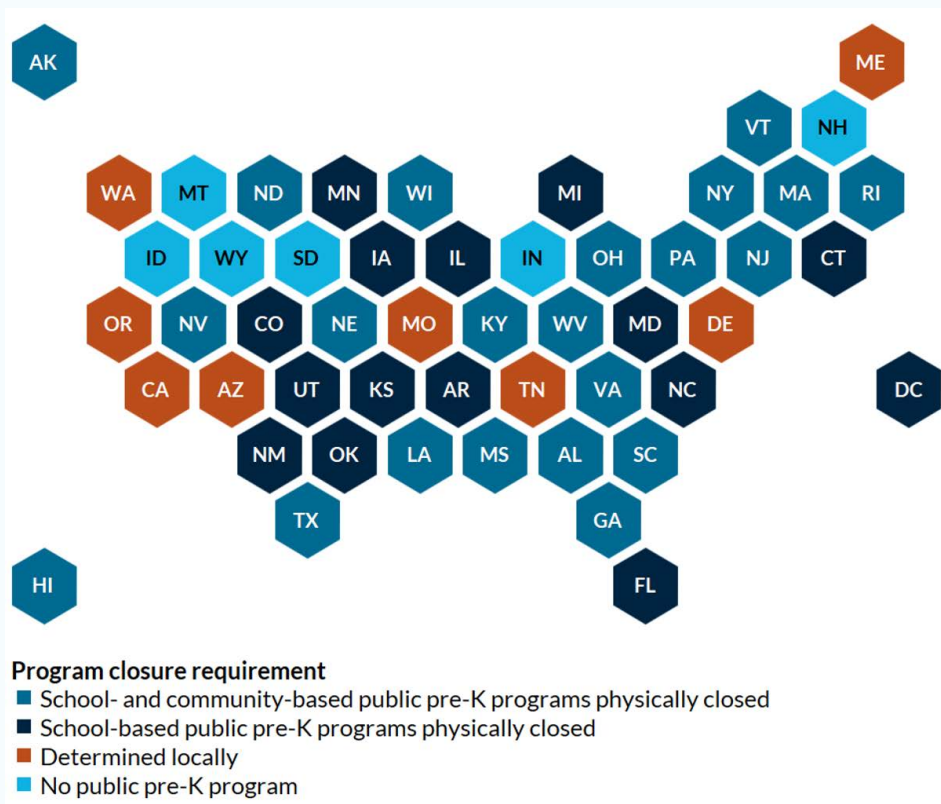
**Figure 2.** States that allowed CCEE programs to remain open in Spring 2020



**Adapted from:** Office of Inspection General. (2020). National snapshot of state agency approaches to child care during the COVID-19 pandemic.

Among public pre-K programs, 22 states required all public pre-K programs to close, 15 states required only programs in public schools to close while programs at community-based organizations could remain open, and eight states allowed local communities to decide about program closure (see Figure 3).

**Figure 3.** States that required public pre-K programs to physically close in Spring 2020



**Adapted from:** Friedman-Krauss et al. (2021). *The state of preschool 2020: State preschool yearbook (Special report: The COVID-19 pandemic's impact on preschool)*. National Institute for Early Education Research

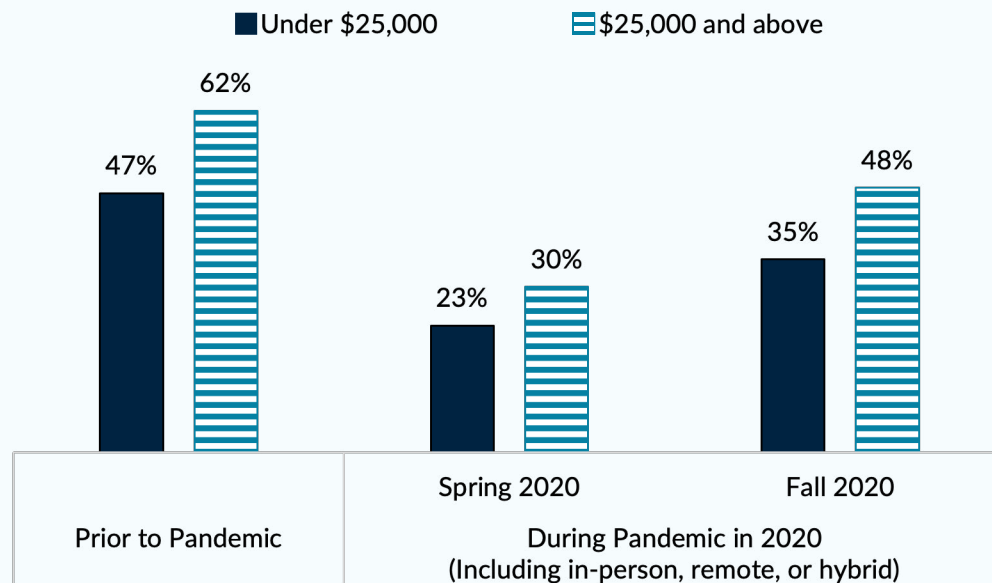
**Note:** CT, MN, and WI have multiple public pre-K programs that had different requirements for physical program closures in spring 2020. Data displayed here reflect the largest program in the state.

In addition, two studies examined community demographic characteristics (e.g., racial composition) and CCEE program closures in 2020. While there are limitations with both studies (i.e., one uses data from only one state and the other one uses cell phone data to estimate closures), both found that program closure rates tended to be greater in communities with a higher proportion of individuals who identify as Hispanic, suggesting that Hispanic families might be more likely to experience program closures than White families.<sup>8,9</sup> While these findings provide some additional insight into program closures, they also suggest the need for more research to better understand differences in program closures across communities.

# Changes in Program Enrollment by Program Settings and Characteristics of Children and Families Served

Because of program closures (including temporary and permanent), other public health measures (e.g., reduced program capacity), and parents' concerns about their children contracting COVID-19 at CCEE programs, many CCEE programs experienced a decline in enrollment that led to programs' loss of revenue.<sup>10</sup> Changes in program enrollment varied by program setting—centers were more likely to experience decreased enrollment than FCCs.<sup>11,12</sup> Changes in program enrollment also differed by ages of children served and family income.<sup>13,14</sup> Declines in enrollment were larger among preschoolers than infants and toddlers. Preschoolers from low-income families (i.e., family income under \$25,000 approximately federal poverty level for a family of four in 2020<sup>b</sup>) were less likely to participate in center-based CCEE programs<sup>c</sup> in Spring 2020 (25%) than their peers from higher-income families (30%), and that gap was larger by Fall 2020 (i.e., 35% vs. 48%; see Figure 4).

**Figure 4.** Preschoolers' participation in center-based CCEE programs by family income before and during the first year of the pandemic



**Adapted from:** Barnett & Jung. (2021). Seven impacts of the pandemic on young children and their parents: Initial findings from NIEER's December 2020 preschool learning activities survey. National Institute for Early Education Research.

**Note:** Information about whether the study conducted significance testing of the differences in center-based program participation is not available in the brief cited here.

<sup>b</sup> The 2020 federal poverty level for a family of four was \$26,200. Office of the Assistant Secretary for Planning and Evaluation. (2020). *2020 Poverty Guidelines*. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references/2020-poverty-guidelines>

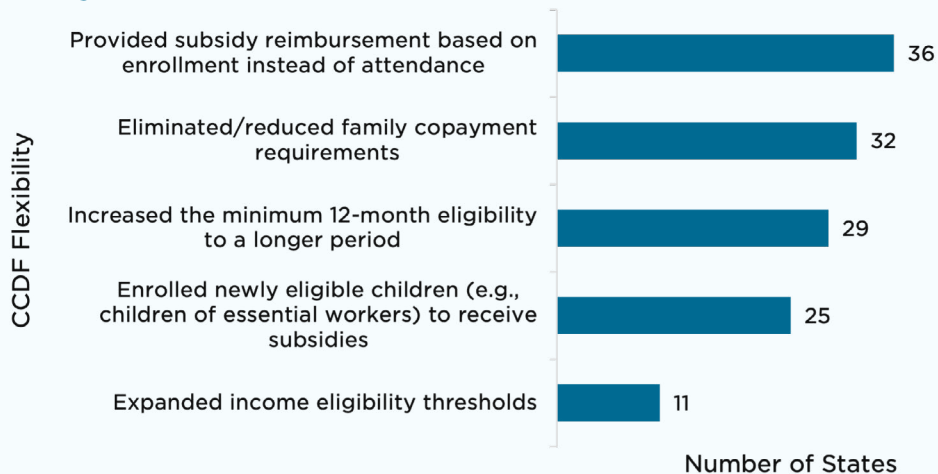
<sup>c</sup> Center-based CCEE programs included child care centers, preschools, public pre-K and Head Start programs.

# Federal and State Relief Efforts to Help CCEE Programs during the COVID-19 Pandemic

Federal and state pandemic relief efforts provided critical supports to CCEE programs. In 2020, these relief efforts included financial support through Paycheck Protection Program (PPP) loans under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.<sup>d</sup> These funding efforts allowed CCEE programs to remain open or reopen during the pandemic. However, access to these financial resources varied across program types. For example, in Maine and Nebraska, about one third of CCEE programs applied for the PPP loans in Spring 2020, but centers (65% in Maine and 78% in Nebraska) were more likely to access these loans than FCCs (15% and 21%, respectively).<sup>15,16</sup>

Another key relief effort included CCDF flexibilities, which were designed to respond to emergencies such as the COVID-19 pandemic in order for CCEE programs to continue providing care for families. Many states used these flexibilities to help CCEE programs stabilize enrollment and funding in the face of closures and low enrollment (see Figure 5). The Office of Head Start also offered administrative flexibilities to grantees. In an August 2020 survey of 859 grantees across the U.S., 61% of grantees reported that they utilized a waiver for the requirement to provide non-federal matching funds.<sup>17</sup>

**Figure 5.** Examples of CCDF flexibilities states used in Spring 2020 to provide relief for programs facing closures and low enrollment



**Note:** Results are based on responses from state CCDF lead agencies in all 50 states and DC (N= 51).

**Source:** Office of Inspector General. (2020). National snapshot of state agency approaches to child care during the COVID-19 COVID-19 pandemic.

<sup>d</sup>Federal and state government continued to provide additional stabilization grants to help CCEE programs beyond 2020, including the American Rescue Plan (ARP) Act that was signed into law in March 2021. As of December 31, 2022, ARP funding has supported more than 220,000 CCEE programs across the countries, and some states and territories continue to distribute these grants. Office of Child Care. (2023). ARP child care stabilization funding state and territory fact sheets. <https://www.acf.hhs.gov/occ/map/arp-act-stabilization-funding-state-fact-sheets>.

# Conclusion

The COVID-19 pandemic had significant negative impacts on CCEE programs and highlighted pre-existing differences and challenges across various types of CCEE programs. Program closures and decreased enrollment, as well as other public health measures, created significant challenges for CCEE programs that also negatively affected the CCEE workforce, children, and families in 2020 when the pandemic started and beyond. Further, these challenges differentially affected programs—program closure rates were higher among centers, school-based public pre-K and Head Start programs. Decreases in enrollment were larger among centers and for preschoolers, especially preschoolers from families with low incomes. Although federal and state relief and stabilization efforts may have provided important supports to CCEE programs facing closures and low enrollment, findings suggest that access to some of these financial resources was uneven across program types. State CCEE leaders may use findings about the early effects of the COVID-19 pandemic on the CCEE system to document improvements in the supply of CCEE over time and to consider long-term supports that might address some of the effects of the pandemic on various types of providers (e.g., centers vs. FCCs, public school vs. community-based) to ensure equitable access to care for all families. State leaders may also find it useful to gather data about CCEE programs that accessed federal and state funds to understand the extent to which these supports helped stabilize the CCEE system.

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<sup>2</sup> Office of Inspection General. (2020). *National snapshot of state agency approaches to child care during the COVID-19 pandemic*. <https://oig.hhs.gov/oas/reports/region7/72006092.pdf>

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<sup>4</sup> Office of Inspection General. (2020). *National snapshot of state agency approaches to child care during the COVID-19 pandemic*. <https://oig.hhs.gov/oas/reports/region7/72006092.pdf>

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<sup>7</sup> Office of Inspection General. (2020). *National snapshot of state agency approaches to child care during the COVID-19 pandemic*. <https://oig.hhs.gov/oas/reports/region7/72006092.pdf>

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<sup>10</sup> Weiland, C. et al. (2021). *Historic crisis, historic opportunity: Using evidence to mitigate the effects of the COVID-19 crisis on young children and early care and education programs*. Education Policy Initiative, University of Michigan and Urban Institute. <https://edpolicy.umich.edu/sites/epi/files/uploads/EPI-UI-Covid%20Synthesis%20Brief%20June%202021.pdf>

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<sup>16</sup> Maine Association for the Education of Young Children (MaineAEYC). (2020). *Maine child care sector operating at a financial loss: Projected to need over \$18 million per month just to survive continued impact of COVID-19 crisis*. Maine Association for the Education of Young Children. <https://static1.squarespace.com/static/5ab256f9fcf7fdd9320fc65c/t/5f0d29d36a8632767c1e6804/1594698195588/Maine+Child+Care+Survey+Results+July+2020.pdf>

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