

MEMORANDUM

TO: Snohomish County Council

FROM: Kara Main-Hester, Chief Recovery & Resilience Officer

DATE: December 14, 2022

RE: 2023 American Rescue Plan Act (ARPA) Proposal for Child Care

Background:

Snohomish County faces a critical lack of child care. Over 80 percent of residents live in an extreme child care desert. There are 62 slots of child care for every 100 infants, toddlers, or preschoolers whose parents work, far below the state average of 79 slots per 100 children. To bring the county to the state average, Snohomish County would need to add 3,500 slots of child care. An estimated 13,000 slots would need to come online to have licensed care for every child.

The shortage of slots means that child care is unaffordable for many. The average monthly price for full-time child care is \$1,251 per child, well above the state average of \$1,044 per month. Nearly one in five (18.3%) Washington parents surveyed turned down a job offer or promotion due to child care issues, a problem cited more often among Black and Native American parents.¹ Nearly half (47%) of unemployed parents found child care issues a barrier to seeking employment.² Increasing child care availability will support more parents to enter the workforce and will ensure more children get high-quality early learning experiences.

Existing ARPA Programming

The following child care initiatives were funded in the 2022 budget

School-Age Care and Behavioral Health Supports - \$2,900,000

This program provides tuition subsidies for families at or below 60 percent of the Area Median Income (AMI) as well as social-emotional development and mental health services for children and families. These services help youth and families manage stress, increase coping skills, and reduce behavioral challenges.

Funding for this program will move to the \$8 million “Youth” bucket as the initiative focuses more on social-emotional supports for older children, as opposed to increasing child care access.

¹ Washington State Department of Commerce. Washington State Child Care Industry Assessment. July, 2020. Link [here](#).

² *Ibid*

Early Childhood Education and Assistance Program (ECEAP) Stabilization - \$2,350,000

The County is issuing stabilization grants to all 16 Snohomish County ECEAP providers across 26 locations. ECEAP providers are using these grants to sustain and expand services without disruption. ECEAP serves some of the County’s most vulnerable children and families, and the cost of providing ECEAP services has significantly increased due to the pandemic, all while social-emotional developmental needs among children have also increased.

Funding for this program will be continued into 2023 and 2024.

Child Care for Job Seekers - \$2,500,000

Snohomish County is investing \$2.5 million in child care affordability vouchers primarily for job-seeking families. The goal is to fill a significant gap in the system by targeting families who are not eligible for the State’s Working Connections Child Care program. In addition to vouchers, families will receive help navigating the child care funding system and locating a provider that meets their needs. They will also receive connections to other public benefits and community resources they’re eligible for, including food, housing, employment, health, and other basic needs supports.

This program is currently fully funded through the end of 2023. Additional funds may be needed depending on program uptake and evolving employment conditions. At this time, no additional funding is recommended due to the current contract length, though underutilized funds in other areas could be reallocated if necessary.

Proposed ARPA Programming

In the 2023 adopted budget, \$12 million in ARPA funding was appropriated to expand access to child care. Based on conversations with providers and families, ORR recommends focusing this funding in two key priority areas: Increasing available slots through capital projects and stabilizing and expanding the child care workforce.

Below is a recommendation for appropriating the remaining \$12 million, and implementation details are currently being co-designed with community members, providers, subject matter experts, and County departments.

Child Care Start-up and Expansion Grants - \$5,000,000

ORR recommends investing \$5 million in child care facilities through two components:

1. The recently-released [Notice of Funding Availability](#) (NOFA) for child care facilities supports the creation of new child care slots by building or expanding child care facilities. These capital grants will range between \$500,000 and up to \$2,000,000 and are available for for-profit, nonprofit, and governmental entities.
2. A second funding opportunity will focus on smaller licensed child care providers, including Family Home Centers. The goal of this funding is to ensure smaller providers can access capital funding to create new slots and ensuring business stability. Any application processes will be designed with greater simplicity and coupled with technical assistance to ensure access and ease for smaller providers. Similar to the first NOFA, this effort will focus on capital funding to increase child care slots but will also include technical assistance, coaching for long-term

business planning, and connections to workforce development programs to help ensure providers have a sustainable business plan and can meet staffing needs.

Child Care Workforce Development and Retention - \$3,800,000

ORR recommends investing \$3.8 million to support individuals in obtaining the necessary certificates and training to enter the child care workforce.

This intervention would include partnerships with certifying organizations across the county, paid work experience in early learning, and supports to help individuals complete their certificate program, such as child care for their own children, transportation, and translation as well as outreach and advertisements to alert the public to the need for child care workers. Participants would complete the required 30 hours of Washington State Training and Registry System (STARS) training, receive the Early Childhood Education Initial Certificate and be matched to a child care organization, if desired.

Community-Led Recruitment and Mentorship - \$200,000

ORR's initial outreach with highly impacted populations makes clear that significant barriers exist to connect potential providers with the child care workforce system. Therefore, we recommend investing \$200,000 in community-led provider recruitment and mentorship. This program would partner with a community-based organization(s) to reach potential providers who face systemic barriers to access, including language and transportation barriers. Community-centric recruitment pathways are crucial to ensuring the success of workforce initiatives, particularly as employers are currently finding little success through traditional recruitment and hiring methods.

ECEAP Stabilization - \$3,000,000

ORR recommends investing an additional \$3 million in ECEAP stabilization efforts, as costs related to providing ECEAP services remain high and it's crucial to ensure these child care slots remain available to some of the most vulnerable families in the county.

ECEAP is a State-funded program, and funding is currently insufficient. The State's Fair Start for Kids Act expanded ECEAP but was funded through the capital gains tax which is currently being contested in the courts. Should the courts strike down that tax or reimbursement rates not be adequately adjusted for rising costs, County ECEAP sites would face a funding cliff.

Timeline

Given the urgency of need in the community and ARPA's compressed timeline, ORR's intention is to have the vast majority funding from the remaining \$12 million available via competitive processes or contracting within the first six months of 2023. Some funding opportunities – like the Child Care Facilities NOFA – are already available.

Expenditures and outcomes associated with all investments will be available through quarterly U.S. Treasury reporting and a public transparency dashboard ORR is currently developing in partnership with County departments.