EDUCATION AND ECONOMIC RECOVERY: CHILDCARE IN THE CAPITAL REGION

MAY 28, 2020 | BRAC.ORG
The Baton Rouge Area Chamber surveyed 325 early childcare providers in the nine-parish area it serves. Surveys were emailed out between May 15 and 20 using contact information provided by the Louisiana Department of Education. Of those, 86 responses were collected in that timeframe for a rate of 26.5%.

PARISHES SURVEYED

CENTERS OPEN DURING PANDEMIC

The centers that remained open primarily served children of essential workers. There were no centers that reported not having served essential workers’ children, showing that the centers that remained open did so to provide care for front line and essential workers during the height of the pandemic.

CHILDCARE FOR ESSENTIAL WORKERS

All but one of the 34 centers (60%) that closed during the pandemic plan to reopen, though they are unsure when.

STAFFING

Nearly 75% of centers report that they will need to hire, on average, four new or additional staff to address the ratio requirements and to replace staff that did not or could not return to work. According to research conducted by the Louisiana Policy Institute for Children, centers employ an average of 14 people.
BARRIERS

BRAC asked respondents to choose the most pressing obstacle preventing them from reopening or returning to pre-pandemic capacity.

PRIMARY BARRIERS TO REOPENING

- Employees declined work offer while receiving unemployment benefits 6
- Employees hesitant to return due to risk of exposure 7
- Access to sufficient personal protective equipment (PPE) or other supplies 8
- Families unable to pay tuition 9
- Operating costs too high 11
- Lack of sufficient space/facilities to keep children and staff distanced 12
- Low demand from parents/guardians 12
- Other 21

ACCESS TO FINANCIAL RESOURCES

BRAC asked childcare providers whether they had applied or received any funding from three major small business loan programs: the Paycheck Protection Program, the Economic Injury Disaster Loan and Advance, and the Louisiana Loan Portfolio Guaranty program.

<table>
<thead>
<tr>
<th>LOAN PROGRAM</th>
<th>HAVE APPLIED</th>
<th>HAVE RECEIVED</th>
<th>AVG AMT APPLIED FOR</th>
<th>TOTAL FUNDING APPLIED FOR</th>
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</thead>
<tbody>
<tr>
<td>PPP Funding</td>
<td>54</td>
<td>39</td>
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<td>$3,036,735.00</td>
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<tr>
<td>EIDL</td>
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<td>13</td>
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<tr>
<td>LLPG</td>
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<td>2</td>
<td>$13,063.00</td>
<td>$26,125.00</td>
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<tr>
<td>Total</td>
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<td>54</td>
<td>$122,821.00</td>
<td>$3,570,960.00</td>
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</tbody>
</table>

CAPACITY

On average, centers opening in Phase One have had to reduce their capacity by 40% from the maximum number legally allowed (license capacity) to provide higher student teacher ratios and maintain social distancing. Capacity dropped from a total of 6,950 children to 3,281 children in Phase One, a 52% decrease overall that potentially leaves 3,669 children without care.

ANSWERS TO OTHERS INCLUDED:
- All are concerns including food shortages.
- All of the above.
- Parents are nervous we will have to close schools again.
- Type I and Type II centers receive no financial assistance from the state.

LOAN PROGRAMS

Across the three loan programs, centers submitted 86 applications. As of May 20, 37% of applications were unfunded. Notably, less than half of EIDL loans were received which is to be anticipated as this SBA-led program can take 6-8 weeks to process applications, longer than most childcare providers can wait. PPP and LLPG loans are granted through private banks and have more funding available.