



April 29, 2020

Early Care and Education

COVID-19 Update
and Childcare Industry Information
for House Members

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Georgia declared a state of emergency on March 16, 2020 in response to COVID-19. Since, childcare providers responded with increased cleaning and sanitization and made operational changes limiting visitors, but many facilities have made the difficult decision to close.

1,436 Childcare Centers Still Open

As of April 24, 2020, 2,102 licensed childcare providers have closed and 1,436 remain open. Open providers have the discretion whether or not to charge families tuition.

GA Pre-K Becomes Home-based

On March 26, 2020 Gov. Kemp issued an executive order closing public and secondary schools for in-person instruction. This included all 3,858 public and private Pre-K classrooms.

360 Emergency Nutrition Sites

There are 35 sponsors in 44 counties throughout Georgia. The sites are open to all Georgia children and reported serving over 300,000 meals during the last two weeks of March.

\$144.5 Million in CARES ACT Funding

On April 13, 2020, Georgia was awarded \$144.5 million through the Childcare and Development Block Grant (CCDBG), a grant to which DECAL is the state fiscal agent. The grant is required to supplement not supplant state funds and urges funds be allocated as soon as possible to stabilize the childcare industry. The funding period is March 27, 2020 to September 30, 2023. DECAL has determined most of the funding will go to childcare providers to recover lost revenues in at least two

phases. In the first phase, to stabilize the market, \$50 million will be sent to all childcare providers based on February enrollment data. The application period will be May 1 through May 15 and payments will go to providers by June 30. The second phase will include the Carl Vinson Institute of Government conducting a survey of childcare providers to collect information on how phase one funds were spent and to determine the additional needs of providers to create targeted payments. Beyond stabilizing the market, the funding is also to be used for cleaning and sanitizing to maintain or resume operations and provide child care assistance to essential workers.



Resources

Daily Childcare Provider Closures and other COVID-19 Resources
<http://dec.al.ga.gov/BFTS/Covid19.aspx>

List of Emergency Food Sites
http://dec.al.ga.gov/documents/attachments/MealSites_32020.pdf

Industry Study
<https://dec.al.ga.gov/BftS/ResearchEconomicImpact.aspx>

The childcare industry has a \$4.7 billion annual economic impact in Georgia...

and generates \$161 million in state and local tax revenue.

Childcare Industry Study

In 2016, the Department of Early Care and Learning released a study on the economic impact of the childcare industry in Georgia. The study was conducted by the University of Georgia's Carl Vinson Institute of Government and Georgia State University's Andrew Young School of Policy Studies based on data from 2013 and 2014. The study found that the childcare industry in Georgia generated \$4.7 billion dollars of economic activity, comparable to pharmaceutical preparation manufacturing, printing, and personal care stores industries. According to that same study, the early care and education workforce consists of 65,507 direct jobs and 17,454 in other market segments and provides care for 337,024 children every year. Conservatively, the childcare industry in Georgia supports \$24 billion of parental annual earnings and generates \$374 million in federal tax revenue and \$161.7 million in state and

local tax revenue. There is also a long-term economic impact of the childcare industry that the study did not specifically evaluate, but highlighted other studies that show access to childcare increases short-term and long-term worker productivity and reduces social services spending.

The study also focused on the impact of the Great Recession and could potentially provide insight to our current climate. During the Great Recession, Georgia had a 10 percent unemployment rate, and a decline in childcare enrollment was the greatest impact on the industry. During the recession, childcare providers managed by postponing business improvements, lowering fees or extending services. However, even four years after the Great Recession began many childcare providers had not returned to pre-recession enrollment levels.