



## **Item 43**

12/15/2020

Vice Mayor Sophie Hahn  
Berkeley City Council, District 5

### **SUPPLEMENTAL AGENDA MATERIAL**

#### **for Supplemental Packet 2**

**Meeting Date:** December 15, 2020

**Item Number:** 43

**Item Description:** Proposed Lifeline for Child Care Providers  
**Amendment: FY 2021 Annual Appropriations Ordinance**

**Submitted by:** Vice Mayor Sophie Hahn

Amendment would provide critical financial support to Berkeley child care providers impacted by the COVID-19 emergency.



**SOPHIE HAHN**

Berkeley City Council, District 5  
2180 Milvia Street, 5th Floor  
Berkeley, CA 94704  
(510) 981-7150  
shahn@cityofberkeley.info

December 15, 2020  
Proposed Amendments to Item 43

To: Honorable Members of the City Council  
From: Vice Mayor Sophie Hahn (Author)  
Subject: Lifeline for Child Care Providers

RECOMMENDATION

Modify the Amendment to the FY 2021 Annual Appropriations Ordinance to include \$58,000 to help struggling child care providers survive the economic downturn and safely manage the provision of child care services during COVID-19.

Funds to be used to purchase and distribute sanitary supplies including, but not limited to, adult and child masks, hand sanitizer, disinfectant cleaner, disinfectant wipes, all purpose cleaner, personal disinfectant, non-latex gloves, air purifiers, diapers, and baby wipes.

BACKGROUND

Child care is critical to Berkeley's recovery from the COVID-19 health crisis and to our children's long-term development and success. However, the pandemic has placed severe strain on the child care system.

The situation child care providers are facing is dire. Without immediate relief, it is likely that many programs will be forced to close in the coming months, leaving children without access to high-quality care, and limiting the ability of low-income and frontline-worker parents to work.

To make ends meet, many childcare providers have been charging supplies to their personal credit cards, struggling to hang on through the pandemic. Most childcare providers are women, and often women of color, who under normal circumstances receive very low wages and are themselves eligible for public benefits. *Small amounts of support at this critical juncture could mean the difference between hanging on through the final months of shelter-in-place, or shutting down for good.*

As of June 2020, there were 130 child care programs in Berkeley: 61 child care centers, 33 large Family Child Care providers (FCCs), and 36 small FCCs. However, across

Alameda County, it is estimated that only 57% of child care centers and 72% of FCCs are currently open due to the pandemic.

FCCs are increasingly the care of choice for families during the viral pandemic as they typically offer a more intimate setting of care. They also tend to be more affordable than center-based child care, offer more flexible hours of care, and provide a range of culturally competent child care settings that meet the needs of individual families.

Due to the COVID-19 health crisis, many providers have had to close temporarily or permanently due to increased costs, stress, and health concerns. Ongoing challenges include:

- 77% of California providers have experienced income loss.
- 80% of California providers have had higher costs due to cleaning, sanitation, and PPE supply needs.
- 49% of California FCCs have been unable to pay themselves at some point, 34% have taken on credit card debt, and 22% have missed a rent or mortgage payment.
- 25% of Berkeley providers had to reduce the number of children served, resulting in reduced revenue.
- 23% of Berkeley providers had to rely on a government grant to stay afloat.

Research estimates that 51% of child care in California is at risk of being lost in the current crisis. *Since the Shelter in Place order was implemented in Alameda County, about half of FCCs have closed.*

FCCs in the Bay Area operated on extremely narrow margins before the COVID-19 crisis, facing increasing economic pressures due to cost of housing, workforce turnover, and the regional high cost of living. State and federal financial support and reimbursement rates for FCCs falls significantly below rates provided by center-based care. These pressures and inequities have been exacerbated during the pandemic.

Research from the National Association for the Education of Young Children suggests that FCCs face particularly challenging barriers to accessing capital. It has been reported that FCCs are being denied for traditional and COVID-19 related loans and grants at a disproportionately higher rate.

**Needs of Berkeley Childcare Providers:**

UC Berkeley's Center for the Study of Childcare Employment, working with the City's Economic Development Department, did a survey of childcare providers in Berkeley. When asked what it would take to reopen or maintain current services safely and sustainably throughout the duration of the pandemic, Berkeley providers consistently request help accessing and paying for supplies, including PPE, cleaning products, and

air purifiers.<sup>1</sup> In addition, providers requested operational funds to cover expenses such as payroll for existing staff, additional staffing needs, rent, utilities, long-term support beyond one-time grants or loans, and expedited testing for staff and students.

### **Procure & Fund Supplies**

With a relatively modest investment, the City can make a real difference in providing a lifeline to child care providers in Berkeley. Providers struggle to cover the increased cost of essential supplies such as PPE and cleaning products, as well as procuring products which are often out of stock or only available in small quantities.

This item recommends that the City Manager partner with a community-based distributor such as Supply Bank (which recently partnered with Alameda County in directing CARES Act funding for child care and community supply needs), or otherwise organize to procure and distribute supplies including, but not limited to:

- Diapers
- Baby wipes
- Adult 3 Ply and/or Cloth masks
- Child 3 Ply and/or cloth masks
- Hand sanitizer (8 oz. or gallon)
- Disinfectant cleaner (16 oz. or 32 oz.)
- Disinfectant wipes
- All purpose cleaner (16 oz. or 32 oz.)
- Personal disinfectant (3 oz. spray)
- Vinyl or nitrile hand gloves (non-latex gloves).<sup>2</sup>

The estimated cost per program per month, based on Alameda County calculations of provider need, would be \$150.00, for a total cost of \$8,850 per month.<sup>3</sup> To fund three months of supplies would cost approximately \$28,000.

### **Procure & Distribute Air Purifiers**

Air purifiers have the dual impact of addressing poor air quality and reducing spread of COVID-19. While Alameda County's Resource and Referral (R&R) agencies have been able to distribute some purifiers, including with funding from the County, there is still an unmet need. Providers with multiple rooms need multiple purifiers and all programs will need replacement filters.

This item recommends that the City Manager consider contracting with a supplier such as Blaisdell's (which has already worked with the R&R agencies and supplies the City of

<sup>1</sup> Honora Montano & Rachel Durney, "Child Care Safe Reopening: Concerns + Strategies"

<sup>2</sup> Supply list reflects provider needs on a monthly basis, and should be reconfirmed before purchasing.

<sup>3</sup> Calculated for open programs only (65% of all programs)

Berkeley as well), or otherwise organize to procure and distribute air purifiers to Berkeley child care centers and FCCs still in need.

Purifier cost per unit would be \$160 for FCCs (non-industrial) and \$750 for child care centers (industrial-level).<sup>4</sup>

Costs to provide 1 purifier to all open sites in need (45% of all sites) would be:

- 24 large FCCs: \$3,840
- 35 childcare centers: \$26,250

For a total of \$30,090 to serve 59 providers.

The total cost to the City of Berkeley to help these critical service providers survive is approximately \$1000.00 per provider. With the extremely low incomes childcare providers receive, and the enormous positive impact childcare has on both children and family wellbeing, these small investments will yield significant returns, and demonstrate our City's commitment to the survival of childcare providers as they struggle to hang on through what is hoped will be the final months of shelter-in-place.

#### FISCAL IMPACTS

\$58,000

#### CONTACT INFORMATION

Vice Mayor Sophie Hahn, Council District 5, 510-682-5905 (cell)

#### ATTACHMENT

1. Alameda County Early Care and Education Planning Council, City of Berkeley Child Care Needs During & After COVID-19

<sup>4</sup> Needs assume that all open providers have already received 1 purifier and only large FCCs and centers require a 2nd device.