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Study of the Child Care Counts Stabilization Payment Program Final Report

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An extensive body of research suggests that high quality child care and early education experiences can make a difference in children's developmental trajectories (Center on the Developing Child at Harvard University, 2007), and access to high-quality, affordable care is a crucial service needed for the success of working caregivers and state employers. Even before the COVID-19 pandemic, however, many Wisconsin families did not have access to or could not afford such services, and low wages and slim profit margins made it difficult for providers to thrive. The pandemic exacerbated existing challenges for many families and put tremendous strain on an already fragile child care sector (National Association for the Education of Young Children, 2021). In response to these tremendous challenges, the State of Wisconsin developed the Child Care Counts (CCC) Program—approved by the Joint Committee on Finance and implemented by the Wisconsin Department of Children & Families (DCF)—to allocate federal COVID relief funding to child care providers. The program, which began in March 2020, and is approved to run in various versions through 2023, distributes funding to child care providers to help them stay open, retain and recruit staff, and provide high quality care to children. Round 1 of the most recent version, the Child Care Counts Stabilization Payment Program (CCC Stabilization), funded via the American Rescue Plan Act of 2021 (ARP Act) (Pub. Law 117-2), which ran from November 2021, through July 2022, distributed $181,302,865 to 3,964 eligible Wisconsin child care providers via two programs (WI Department of Children & Families, n.d.-c). Program A focused on "increasing access to high quality care," and Program B focused on "funding workforce recruitment and retention" (WI Department of Children & Families, n.d.-d).

The Child Care Counts Stabilization Study

Despite the size and the scope of the Child Care Stabilization grants investment, little research exists regarding how providers specifically used the funding or the impacts of the program on various outcomes. The following report, resulting from a research partnership between DCF and the Institute for Research on Poverty (IRP), leverages a questionnaire included in the first month's application process for the second round of CCC Stabilization funding in August 2022, and provides an analysis of how child care providers reported spending Round 1 funding, as well as their comments regarding impacts of CCC Stabilization on their child care programs, constraints of the program, and suggestions for improving it.

The study analyzes responses from 3,092 providers who both received Round 1 funding and applied for Round 2 in August 2022. Statistical testing suggests that although there are some differences in characteristics between the Round 2 questionnaire sample and the full population of providers who received Round 1 funding, the study provides results from a diverse and representative sample of providers who received funding in Round 1. The study may not, however, provide thorough information about smaller group providers that applied for Round 2 funding after the first month of the application period (or did not apply at all).

How did providers report spending funding from Program A?

At least some providers reported spending Program A funding on each of the eligible spending categories. The most commonly reported uses of Program A funding, in terms of the percentage of providers who spent at least some CCC Stabilization money on these categories, were for physical operating expenses (e.g., rent, utilities, etc.; 84%); materials and supplies for enhancing program environment and curriculum (76%); covering payroll and benefits (70%); and reducing COVID-19 risk, such as providing PPE or cleaning supplies (66%). The least commonly reported uses of Program A funding were for credit-based training for professional development and continued education (35%), providing social and emotional development supports or mental health services for children (23%), and providing social and emotional development supports or mental health services for staff (22%). In terms of amount of funding, providers reported spending the largest amount of Program A funding by far on covering current payroll and benefits (total spending = $36,985,837) and physical operating expenses (total spending = $34,360,699). Of note is that although providers reported spending the most dollars on payroll and benefits, the category with the highest average percent of total spending was physical operating expenses (40%). This is likely explained by differential spending patterns between licensed group and licensed family providers.

Indeed, tests of statistical significance suggest that there were some differences in reported spending between licensed family and group providers. For example, licensed group providers reported spending the most funding on covering payroll and benefits, while licensed family providers reported spending the most funding on physical operating expenses. This difference between reported spending on operating expenses and payroll was common in some other comparisons of provider characteristics. Certified providers spent funds similarly to family providers, with an average of 47% spent on operating expenses. Public school programs reported spending more on average covering payroll and purchasing supplies than other provider types (51% and 22%, respectively). There were also significant differences in reported spending by YoungStar level; 2-Star providers reported spending more on operating expenses while 3-, 4-, and 5-Star providers reported spending more on payroll. Additionally, providers enrolling greater than 75% WI Shares recipients reported spending more on operating expenses than payroll. Fewer differences were found for categories with less spending.

How did providers report spending funding from Program B?

Again, at least some providers reported spending Program B funding on each of the eligible spending categories. The most commonly reported uses of Program B funding, in terms of the percentage of providers who spent at least some CCC Stabilization money on these categories, were for bonuses or stipends for current staff (84%) and increased hourly wages or annual salaries (60%). The least commonly reported use of Program B funding was to provide new or increased benefits, such as health or dental insurance or retirement (17%). In terms of amount of funding, providers reported spending the largest amount of Program B funding by far on bonuses or stipends for current staff (total spending = $32,948,131). On average, for providers who spent money in this category, this accounted for 59.5% of their total Program B spending.

Lower dollar amounts were reported for increased hourly wages or annual salaries (total spending = $13,679,970).

The authors also conducted tests of statistical significance to explore differences in reported Program B spending patterns by some provider characteristics. Providing bonuses and stipends for current staff was consistently the top category for average percentage of spending, regardless of provider type or other characteristic such as Star level, age of children served, and WI Shares participation. But much like with Program A, there appeared to be some differences in reported spending between licensed family and licensed group providers. For example, family providers were more likely than group providers to report spending on new benefits, paid time off, and professional development (credit- and non-credit based). Public schools spent the highest proportion of their funding on bonuses; nearly 75% on average. Head Start providers were the next highest, with 67% of their funding going toward bonuses. Two-Star providers spent more on providing paid time off versus 3-, 4-, and 5-Star providers. Providers that had enrollments of greater than 75% WI Shares recipients spent less on bonuses and more on paid time off or credit- and non-credit-based training than providers serving lower percentages of WI Shares recipients.

Did program outcomes change between the beginning of Round 1 and Round 2?

Using paired t-tests, the authors found statistically significant, although substantively small, increases in average YoungStar level, average child enrollment, average capacity, and average staff size between program entry into Round 1 and August 2022. Although it is encouraging that all changes were in a positive direction during this time period, it is important to note that these changes are descriptive in nature and cannot be causally attributed to CCC Stabilization funding. Changes could also have been the result of improvements in COVID-19 rates as vaccines became readily available, changes to the labor market, or other unmeasured factors.

What reported impacts did CCC Stabilization have on programs?

In response to the first open-ended question, 2,565 providers mentioned positive impacts of the CCC Stabilization program. Providers credited the program with helping them stay open, being able to weather fluctuating enrollment and attendance, and allowing them to increase capacity. In addition, providers described ways in which the funding allowed them to improve child safety and well-being; for example, by upgrading or repairing facilities, improving cleaning processes, providing COVID-prevention and testing materials, improving food options, and providing mental and emotional health and well-being supports. Providers also shared ways in which they used funds to improve the quality of their programming or make their programs more engaging, developmentally appropriate, and inclusive for children. They described opportunities to enhance curriculum, supplies, and learning environments; add or renew outdoor spaces; and add new activities such as field trips. Many providers also used funding to provide family assistance; for example, to refund, discount, credit, waive, or offset lost tuition when children were out sick with COVID or when there were COVID-related closures. Providers also discussed extensively how the funds were used to improve staff quality and quantity. They reported using CCC Stabilization dollars to retain staff, hire new staff, train staff, improve morale, and be more competitive in what they described as a challenging labor market. As reflected in the quantitative data analysis, many providers struggled to utilize the funds for longer-term wage raises or new benefits, for fear of being able to sustain such changes when CCC funding ends. As one provider shared:

> *"Child Care Counts Stabilization Payment Program allowed me to do just that, stabilize my program. As a family child care provider, with limited enrollment and at some points it was difficult to enroll children, I was having trouble covering my costs. I provide high quality care. I am licensed and accredited. I provide a high-quality program for families, and I was worried that I wasn't going to be able to continue that level of care during the pandemic. Costs of everything went up, cleaning supplies were hard to find, food costs went up, and I was shopping via Instacart, and the extra fees to buy and have the food delivered were higher, but I was worried about getting COVID shopping in person. These funds haven't been a lot, but they have definitely been helpful and allowed me to stay afloat. We need more funding put into child care! Permanently. The true cost of care is high. Providing a high-quality program has costs. It is hard for parents to pay more, and I was using my savings to get by; that got depleted and these funds helped. I hope Congress realizes we truly are providing a critical and skilled service to families and children. We need more money!"*

What program needs could not be addressed because of constraints on how the funding from the CCC Stabilization Payment Program could be used?

Providers reported several ways that the constraints of the CCC Stabilization program prevented them from meeting their needs. This included the amount of funding, the duration of the funding, the time limits to spend funds, restrictions about what funds could be spent on, and some confusion about what kind of spending was allowed. In particular, several providers lamented not being able to use funds to sustainably raise wages and benefits, or save funds for emergencies, staffing shortages, sudden un-enrollments, or shutdowns. Providers also explained how not being able to save up the funds meant it would feel like "hitting a wall" when CCC Stabilization ended. Some providers explained that although the program design was not restrictive, contextual situations made it hard to utilize some funding. For example, they were not able to find staff to hire, or access affordable insurance options or high-quality professional development.

What program improvement recommendations were offered?

Providers were also asked, "If you could wave a magic wand, what changes would you recommend to the Child Care Counts Stabilization Payment Program?" Many providers seemed satisfied with the program, as well as the associated customer support. For those who gave recommendations, one key suggested improvement was for CCC Stabilization to continue or be made permanent. Many providers argued this would allow them to better address their staffing issues by being able to provide health insurance or retirement benefits and sustainable wage increases. They also argued that increasing the duration of the CCC Stabilization funding would help keep tuition rates affordable for families. For example, one provider shared:

> *"My magic wand would provide for some kind of funding long term. I don't expect the child care situation to improve much. It is an industry fraught with challenges that only worsened after 2020. Without some kind of support, I fear losing staff to other higher-paying jobs and having to raise rates too high for parents. We are one of the lowest-priced centers in our area and still maintain 5-Star quality with wonderful, educated staff, but this will be hard to maintain after 2023. The whole industry is struggling, and I don't see it changing dramatically by 2024."*

Other providers recommended increasing funding or changing how funding was calculated and distributed. Providers had many and sometimes conflicting suggestions about such changes, which had much to do with their own characteristics and how these might play into their allocation. For example, providers suggested changes regarding number, characteristics, and age of children enrolled or attending; YoungStar rating; type, size, and location of a provider; and other factors. Another recommendation was to make CCC Stabilization funding tax-free or to allow providers to save more of the funds to pay their taxes. Several providers explained that when they received more funding from CCC, their taxes increased, which hit self-employed providers especially hard. Other providers suggested ways to reduce the administrative burden associated with applying for and maintaining funding or reiterated suggestions for how to address program constraints regarding spending.

What are the implications of these findings for policy and future research?

In sum, the CCC Stabilization program appears to have provided much-needed monetary relief to child care programs across the state during the time of the COVID-19 pandemic. At least some providers reported spending in each of the allowable categories across Programs A and B; however, they indicated clear preferences. For Program A, focused on "increasing access to high quality care," providers overwhelmingly reported using funds for covering current payroll and benefits (especially group providers) and physical operating expenses (especially family providers). For Program B, focused on "funding workforce recruitment and retention," providers heavily prioritized using funding to give bonuses or stipends to current staff in contrast to wage increases or improved benefits. In both programs, providers showed a preference for using funds to support non-credit versus credit-based training. These choices reflect consistent concerns about long-term sustainability of funding as well as gaps in financial support of the "true cost" of providing high quality child care. Future quantitative research could provide additional insight into associations between types of spending and program outcomes, both short- and long-term. Qualitative research could help contextualize findings (for example, provide insight into how providers made spending decisions or explain how other public programs interacted with CCC Stabilization) and investigate why some providers chose not to participate in the program. All findings could help policymakers consider the most effective way to support what continues to be the fragile yet crucial child care and early education industry in Wisconsin.

Introduction: The Child Care Counts Stabilization Program

An extensive body of research suggests that high quality child care and early education experiences can make a difference in children's developmental trajectories (Center on the Developing Child at Harvard University, 2007), and access to high quality, affordable care is a crucial service needed for the success of working caregivers and state employers. Even before the COVID-19 pandemic, however, many Wisconsin families did not have access to or could not afford such services, and low wages and slim profit margins made it difficult for providers to thrive. The pandemic exacerbated existing challenges for many families and put tremendous strain on an already fragile child care sector (National Association for the Education of Young Children, 2021). For example, according to the Wisconsin Department of Children & Families (DCF) (n.d.-d), approximately 40% of child care providers in Wisconsin temporarily closed, but continued to face operating expenses (e.g., rent, unemployment insurance, etc.). Providers also faced the challenges of retaining and recruiting staff, decreased enrollment, inflation, and added costs for fighting the pandemic (e.g., COVID testing, personal protective equipment [PPE], cleaning supplies and routines).

In response to these tremendous challenges, the State of Wisconsin developed the Child Care Counts (CCC) Program, approved by the Joint Committee on Finance and implemented by DCF, to allocate federal COVID relief funding to child care providers. The program, which began in March 2020 and is approved to run in various versions through 2023, distributes funding to child care providers to help them stay open, retain and recruit staff, and provide high quality care to children.

The most recent version, the Child Care Counts Stabilization Payment Program (CCC Stabilization), is funded via the American Rescue Plan Act of 2021 (ARP Act) (Pub. Law 117-2), which included $23.97 billion in funding for states, territories, and Tribes to help stabilize and provide financial relief to child care providers during the pandemic (US Department of Health and Human Services, n.d.). In Wisconsin, Round 1 of CCC Stabilization, which ran from November 2021 through July 2022, distributed $181,302,865 to 3,964 eligible child care providers via two programs (WI Department of Children & Families, n.d.-c). Program A focused on "increasing access to high quality care," and Program B focused on "funding workforce recruitment and retention" (WI Department of Children & Families, n.d.-d). All regulated child care providers were eligible to receive Program A and/or Program B funding. Each provider was required to submit an initial application for each program detailing the number of staff and children in attendance for the week prior to application, known as the "Count Week," and were then required to update these applications each month to reflect changes to staff or attendance. Using the application data, DCF determined funding amounts based on staff and child counts. Program A funding was calculated on a per-child basis, with funding amounts decreasing as children's ages increased, and higher amounts for children enrolled in full-time care. Funding also included an add-on amount if the child participated in the WI Shares Program, which also scaled with age and full-time or part-time enrollment. Program B was calculated on a per-staff basis, with providers receiving a base amount of $75 for part-time staff and $150 for full-time. YoungStar participants could receive a quality add-on that increased according to the provider's YoungStar rating. Once providers received the funds, they had 120 days to spend it on at least one of the approved categories for each program. Program A funding had a broad range of allowable expenses, while Program B had more restrictions (e.g., the base amount received for each employee was required to increase the compensation of that specific staff member). The quality incentive in Program B could be spent on compensation increases but could also be used for training or continuing education for staff (WI Department of Children and Families, n.d.-b).

Despite the size and the scope of the child care stabilization grants investment, little research exists regarding how providers specifically used the funding or the impacts of the program on various outcomes. The following report, resulting from a research partnership DCF and the Institute for Research on Poverty (IRP), leverages a questionnaire included in the first month's application process for the second round of CCC Stabilization funding in August 2022, and provides an analysis of how child care providers reported spending Round 1 funding, as well as their comments regarding impacts of CCC Stabilization on their child care programs, limiting constraints of the program, and suggestions for improving it. The study provides insights not only into what happened during this time, but also about the ongoing struggles within the child care sector and how programs and funding like CCC Stabilization might best support positive outcomes for providers, children, and their caregivers in the future.

Literature Review: What do we know about Child Care Stabilization programs nationally?

The State of Wisconsin's investigation of its CCC Stabilization program is one of the first of its kind, with a more representative sample and more specific information about program spending compared to previous evaluation efforts in other states. It is also important to acknowledge that different states had different eligibility requirements, funding distribution formulas, etc.

In October 2022, Minnesota's Department of Human Services (MDHS) released a preliminary evaluation of their child care stabilization grants. The administration of their program differed from Child Care Counts, but with similar underlying goals. MDHS administered grants with the explicit purpose of improving workforce development, with 70% of the grant amount required to be spent on increased wages for staff. Thus, grant amounts were calculated by the number of full-time equivalent staff. A survey was sent to child care providers in June 2022, receiving 3,100 responses, or a response rate of about 39%. Providers in Minnesota were much more likely to spend funds on bonuses or increased wages, while spending less on new benefits or paid time off. Providers also indicated that the grants helped them remain open and retain staff. Of providers that did not apply, many indicated that they considered applying but had not yet done so. Others decided not to apply because of the tax implications or that they simply did not need the funding (MDHS, 2022).

Similar evaluations were conducted by child care advocacy groups in North Carolina and New York state. North Carolina's program allowed providers to opt into a workforce development grant in addition to the stabilization grants. Opting in required providers to either increase wages/benefits or provide bonuses, with 79% of providers choosing to increase wages and benefits. Case studies in the evaluation demonstrated that the grants allowed providers to complete renovations, provide higher wages and wage scales, and help families with costs. Providers also listed downsides like staffing shortages and fears of being able to sustain improvements once stabilization funding ends (Child Care Services Association, 2022). The New York evaluation used publicly available data on child care grants to assess spending patterns. The organization that conducted the analysis found that operating costs, like rent and utilities, and payroll were the two largest spending categories, regardless of provider type (Raising New York, 2022).

Work by the WI Legislative Audit Bureau (LAB) and Milwaukee Succeeds provides some insight into spending in early rounds of CCC Stabilization program in Wisconsin. The LAB conducted an audit of 80 child care providers and how they spent pandemic relief grants from March to May 2020. Providers reported spending 40% of funds on covering payroll, 23% on incentive pay to retain employees, and 14% on mortgage or rent, with other small categories making up the remainder of spending (WI Legislative Audit Bureau, 2021). The Milwaukee Succeeds-backed Early Childhood Education Coalition conducted a survey of 507 child care providers in Milwaukee. The survey sample represented 44% of providers in the City of Milwaukee; of these, 87% received funding from CCC. Providers who reported not receiving funding offered the following reasons: they had just opened their program and had yet to apply (N=16); they did not have children enrolled during the specified Count Week (N=9); or they did not understand the process (N=8). The survey did not ask providers to discern which CCC funding cycle or set of funding constraints that they were reporting on; it only asked how CCC funds were generally used. The most common uses of funding reported included cleaning supplies (83%), classroom supplies (80%), utilities (75%), mortgage or rent (70%), and personal protective equipment (66%). Approximately 6 out of 10 providers reported using CCC funding to reduce fees for parents, and less than 50% of providers reported using CCC funding to increase staff wages or for curriculum, staff bonuses, reducing parent fees, or providing transportation for students or staff. Noting that some CCC funding streams were designated specifically for staffing needs (e.g., recruitment, retention, professional development), survey respondents who reported spending in this category most commonly used funding for one-time stipends or bonuses (53%), professional development or training (45%), and pay raises (42%). Many fewer providers reported using such funding for covering the cost of existing benefits (23%), adding new benefits (8%), or providing uniforms (8%). Almost 100 providers reported that CCC funding enabled them to stay open. Other program impacts reported by providers included the ability to show staff appreciation, improving program quality, and lessening stress and boosting morale of providers and their families (Milwaukee Succeeds, 2022; n.d.). While providers indicated that CCC was helpful during the pandemic, they also shared outstanding needs. For example, providers suggested that CCC funding was not enough to provide ongoing increases to staff compensation or benefits, and lamented that funding could not be used for major renovations. Respondents also noted concerns regarding sustainability of funding and the rising cost of goods due to inflation.

Although these studies provide some insight into child care providers' experiences with the Child Care Stabilization grant funding during the pandemic, much remains to be investigated. With the goal of learning more about the use and impacts of the funding in Wisconsin, DCF enlisted IRP to help conduct a systemic, statewide study of the CCC Stabilization program.

Research Questions: What can we learn about the CCC Stabilization program in Wisconsin?

Initially, DCF expressed interest in a quantitative impact evaluation of the CCC Stabilization program; however, because funding was available to all eligible providers, it was impossible to construct a comparison group of providers who were eligible but did not receive funding in order to establish a causal relationship between the program and subsequent outcomes. Also, because participation was voluntary, simply comparing outcomes for providers who participated to outcomes of providers who did not participate introduces the problem of selection bias; i.e., qualities of providers that impact both the choice to participate and outcomes (e.g., motivation, quality, initial resources, etc.) may be the real driver of results versus the program itself. Another potential strategy—comparing outcomes prior to CCC Stabilization versus after the program—was rendered impossible given the unique confounding context of the COVID-19 pandemic. Although we cannot employ such preferred experimental or quasi-experimental evaluation methods, much can be learned descriptively about how providers used funding during the pandemic, their perceptions and feedback about the program, as well as associations between outcomes and various qualities of providers and ways in which they used the funding. Thus, a full analysis of the CCC Stabilization program will explore the following research questions:

1. Who applied for and received CCC Stabilization funding? What kind and how much?
    - Are there any patterns of note or concern re: who did *not* apply for or receive funding?
2. How did providers and staff use CCC Stabilization funding?
    - Is funding utilization tied to the need to address COVID-specific issues?
    - What evidence-based investments were made?
    - What "new" expenditures did funding afford providers and staff?
3. What other funding sources and interventions were providers and staff accessing in conjunction with CCC Stabilization?
    - What was the unique "value add" of the CCC Stabilization funding (i.e., how did providers and staff strategically use CCC Stabilization funding for expenditures not covered by other funding streams)?

4. Did workforce outcomes (recruitment, retention, wages, access to benefits) change during CCC Stabilization funding periods?

DCF conducted initial analyses of internal administrative data to answer research questions #1 and #4, which may be connected later with findings from the current study. This final report focuses on findings for research question #2, based on responses to a questionnaire embedded in the application for Round 2 of the CCC Stabilization program in August 2022. Thus, the information presented here is limited to a descriptive yet informative portrait of providers' experiences with the CCC Stabilization program, including how they reportedly spent funding, the perceived impacts of the program on their businesses, as well as suggestions for how the program could be improved. The report also provides policy implications of these findings and suggests additional analyses and research questions (including ways to approach research question #3) that could be explored in the future.

Methods

Questionnaire Development

The desire to learn more about the CCC Stabilization program was balanced carefully with concerns from both DCF and IRP about imposing more burden on child care providers during a time of already intense demands and evidence of "survey fatigue" in the social science research field. Thus, in order to maximize response rate but minimize the burden of data collection on providers, we decided to leverage the application period for the second round of CCC Stabilization funding (August 2022), embedding a brief questionnaire asking about spending in the previous round (November 2021 through July 2022), plus a few open-ended questions allowing providers to give feedback about their experiences with the CCC Stabilization program. IRP researchers worked with DCF staff to identify key study constructs of interest and minimize the number of questions, and to also beta-test questions with a number of child care providers identified by DCF. IRP then worked with the University of Wisconsin Survey Center (UWSC) to word questions in ways that would prompt the most accurate recall and highest quality data collection.

The DCF IT team individualized each set of questions based on information from DCF about how much CCC Stabilization funding was given to each child care provider in Round 1 (rounded for simplicity).[1] Questions asking whether *any* funding was used for each potential expenditure category were required; questions asking providers to attach estimated dollar amounts to each spending category and open-ended questions were voluntary. (See Appendix A: Child Care Counts Questionnaire, August 2022 for an example of the full set of questions asked of each applying provider.) All results are subject to limitations associated with surveys that utilize self-

[1] Spending amounts were rounded to the nearest $1,000. If a provider received less than $1,000, they were rounded to the nearest $100.

report recall measures (Dex, 1995), and although the response rates were high for voluntary questions,[2] these results are further limited due to issues of non-response bias (Okafor, 2010).

Providers were informed about the impending questionnaire and given an opportunity to ask questions during the July 19, 2022, "Tuesday Talks" webinar. During the discussion, DCF staff and IRP researchers verified that providers would be asked to provide their best estimates of spending but would not be required to provide documentation. Providers were also assured that quantitative findings would be reported in aggregate and that responses would remain anonymous. In addition, providers were assured that information from the questionnaire would not be used in any way related to the ongoing CCC Stabilization audit process.[3] Thus, it is important to note that results represent self-reported spending by providers versus actual spending corroborated by administrative data or other documentation.

Data Analysis

IRP merged all Round 1 application data with DCF CCC dashboard data to construct a Round 1 population dataset that includes the amount of funding received and demographic data about providers. The questionnaire data was merged with the Round 1 application data, Round 2 August 2022 application data, and DCF CCC dashboard data. DCF provided guidance on the quality and reliability of various data sources and variables, and potential ways to group providers for analyses (see Appendix B: Data Sources, Constructs, and Measures for more detail). IRP researchers used R to clean the DCF data and merge the questionnaire sample with the application files to add provider information to each response, and used R and Excel to conduct descriptive quantitative analyses. The authors used Excel to create all descriptive statistics, tables, and figures in this report, and statistical testing was done mainly in R, using its "t.test" command to compare the means of certain characteristics and spending patterns between two groups of providers. To test differences between the proportions of provider characteristics, researchers employed t-tests of pooled proportions in Excel, and to measure changes in characteristics between providers' entry into the Round 1 CCC Stabilization program and the Round 2 August 2022 application period, the authors utilized the paired t-test command in Excel, which tied the two observations to a specific provider.

For the open-ended questions, IRP applied deductive and inductive approaches to identify both anticipated and unanticipated themes in responses. Areas of interest and key themes were identified *a priori* based on the allowed expenditures and the stated goals of the CCC

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[2]Responses from 50 providers were removed because they did not actually receive Round 1 funding. Responses from 120 providers were removed from the Program A sample and responses from 298 providers were removed from the Program B sample because the provider indicated spending $0 for all categories in that program.

[3]DCF implements a separate audit process that randomly samples 3% of applicants. This process includes an audit of application details, uploaded documentation included with the application, and request for documentation to show how the funds were spent. The audit process is used to confirm that providers were awarded accurate funding and to verify that the funds were used as outlined by the Terms and Conditions. The discovery of misapplied funds, inaccurate reporting, or failure to submit documents may result in an overpayment. It was mutually determined by DCF and IRP that the audit data was not usable for research given that the small sample was not representative of providers statewide, and that documentation format and quality varied tremendously.

Stabilization program. Then, during an initial reading of all comments, researchers identified additional key ideas and patterns. The authors created a codebook by combining the themes identified prior to and during the initial reading. Most of the codes were developed inductively, which is in line with methodological recommendations given that this study and the open-ended questions in particular were exploratory in nature (Mihas, 2019). Responses to the impacts question were then coded systematically to analyze comments and better understand the salience of particular impacts and the mechanisms behind them. For the questions about spending constraints and recommendations for program improvements, the authors analyzed and organized responses more informally in order to present a more comprehensive representation of providers' ideas.

Who received CCC Stabilization funding in Round 1 and how does the study sample compare?

In April 2022, DCF conducted a formative analysis of Round 1 application data, which found that about 75% of all active child care providers in the state applied for CCC Stabilization funding, with the exception of schools, which had about a 50% application rate (WI Department of Children & Families, 2022). More providers applied for Program A than Program B, and 85% of providers applied in the first month funding was available. While DCF continues to consider questions regarding application (and non-application) patterns, of immediate interest in this study is how comparable the sample of providers who answered the Round 2 questionnaire in August 2022[4] is to the full population of providers who received funding in Round 1. Below, Table 1 provides descriptive information about differences in overall participation and funding levels between the Round 1 population (all providers applied at any point during Round 1 and who received Round 1 funding); the sample of providers who received funding in Round 1, applied for Round 2 funding in August 2022, and answered the questionnaire; and the population of providers that is "missing" from the Round 2 questionnaire sample.

[4] It is important to note that the questionnaire was only offered in the first month of the Round 2 CCC Stabilization funding (August 2022); thus, these data do not capture reported spending or impacts for providers who received Round 1 funding and applied for Round 2 funding in September 2022 (N=519) or later. Application data for October 2022 or later were not available to researchers at the time of this report.

Table 1: Round 1 CCC Stabilization Funding

Category	Round 1 Population	Round 2 Questionnaire Sample	Missing from Round 2 Questionnaire Sample
Total N	3,964	3,092	872
Total N - Program A	3,928	2,963	833
Total N - Program B	3,711	2,635	771
Total Funding Received [5]	$181,302,865	$155,368,744	$ 19,882,135
Total Program A Funding	$116,864,190	$100,812,235	$12,780,335
Total Program B Funding	$64,438,675	$54,556,509	$7,101,800
Average Program A Funding	$29,759	$34,024	$15,343
Average Program B Funding	$17,369	$20,705	$9,211
Median Program A Funding	$12,215	$12,000	$9,660
Median Program B Funding	$4,500	$4,000	$3,500

Overall, the study sample is missing 872 providers (22%) from the original Round 1 population, and the sample does not account for approximately $26 million (14%) of the Round 1 CCC funding. As noted previously, some of the missing providers were excluded because of survey non-response. Other providers may have chosen not to apply for Round 2 in the first month of the program or not at all, and some providers who received funding in Round 1 may have closed.

Tables 2 highlights provider characteristics of the Round 1 population measured at time of application[6] compared to the Round 2 questionnaire sample and providers missing from the Round 2 questionnaire sample. The "difference" columns indicate whether any differences between the Round 1 population and either the Round 2 questionnaire sample or group of providers missing from the Round 2 questionnaire sample are statistically significant.

[5]The total dollar amounts for the missing providers does not represent the full difference between the Round 1 population and the Round 2 Questionnaire Sample. This discrepancy is caused by misreported data from providers in the questionnaire and rounding done by DCF when administering the questionnaire to simplify reporting for providers.

[6]Although most providers entered Round 1 in the month first offered (November, 2021, N=2623, 85%), some providers entered at a later date (N=469, 15%), on the first of a subsequent month (December 2021 through July 2022). Thus, characteristics are measured using data from the Round 1 application as reported upon entry to the program.

Table 2: Provider Characteristics

Provider Characteristic	Round 1 Population	Round 2 Questionnaire Sample	Difference	Missing From Round 2 Questionnaire Sample	Difference
Avg. Star Level	2.41	2.41	0.0008	2.41	0.0029
Avg. Enrollment	32.18	33.48	1.30	27.57	4.61***
Avg. Full Time Enrollment	19.31	22.07	2.76***	9.74	9.56***
Avg. Part Time Enrollment	12.86	11.44	1.42***	17.90	5.04***
Avg. Staff Size	6.29	6.88	0.59***	4.18	2.11***
Avg. % Shares Recipients	34.61%	36.69%	2.08%**	27.15%	7.46%***
Provider Type					
Licensed Family	33.35%	37.42%	4.07%***	18.92%	14.43%***
Licensed Group	52.75%	49.71%	3.04%**	63.53%	10.78%***
Public School	3.30%	2.20%	1.11%***	7.22%	3.92%***
Certified	10.60%	10.67%	0.08%	10.32%	0.27%***
Region					
Northeastern	15.84%	15.56%	0.29%	16.86%	1.02%
Northern	7.21%	7.37%	0.16%	6.77%	0.45%
Southeastern	43.72%	43.08%	0.64%	45.99%	2.27%
Southern	20.26%	20.08%	0.17%	20.76%	0.50%
Western	12.97%	13.91%	0.94%	9.63%	3.33%***
YoungStar Level					
Not Participating	10.47%	9.86%	0.61%	12.61%	2.15%*
0/1	16.22%	16.79%	0.56%	14.22%	2.00%
2	32.04%	29.62%	2.41%**	40.60%	8.56%***
3	24.97%	27.68%	2.71%**	15.37%	9.61%***
4	4.84%	5.50%	0.65%	2.52%	2.32%***
5	11.45%	10.54%	0.91%	14.68%	3.23%***
Shares Percentage					
Greater than 75%	26.06%	27.43%	1.37%	21.22%	4.84%***
Less than 75%	73.94%	72.57%	1.37%	78.78%	4.84%***
Staff Size					
1-2	50.91%	50.52%	0.39%	52.29%	1.39%
3-5	14.76%	11.32%	3.44%***	26.95%	12.19%***
6-10	13.87%	14.29%	0.42%	12.39%	1.49%
11-25	16.73%	19.73%	3.00%***	6.08%	10.65%***
26-50	3.38%	3.72%	0.34%	2.18%	1.20%*
51+	0.35%	0.42%	0.07%	0.11%	0.24%
Enrollment					
1-5	16.73%	16.66%	0.07%	16.97%	0.25%
6-10	23.94%	26.42%	2.48%**	15.14%	8.80%***
11-25	17.56%	15.20%	2.36%***	25.92%	8.36%***
26-50	19.48%	17.21%	2.27%**	27.52%	8.05%***
51-100	16.57%	17.85%	1.28%	12.04%	4.53%***
101+	5.73%	6.66%	0.94%	2.41%	3.32%***
Capacity					
Under 50	65.44%	64.33%	1.11%	76.72%	11.28%***
50-100	23.23%	23.19%	0.05%	15.94%	7.29%***
101+	11.33%	12.48%	1.16%	7.34%	3.99%***

*** p < 0.1, ** p < 0.05, *** p < 0.01**

Statistical testing regarding differences in various provider characteristics indicates that the Round 2 questionnaire sample is quite similar to the Round 1 population. For example, there are no statistical differences in provider region, capacity, or average enrollment. The Round 2 questionnaire sample does appear to include providers with slightly larger staff sizes, a larger percentage of WI Shares recipients, and includes a higher proportion of family providers; however, these statistically significant differences are substantively quite small. Providers missing from the questionnaire sample have more and larger differences from the Round 1 population, including a much higher proportion of licensed group and 2-Star providers. Additionally, the staff size and average enrollment are smaller than the Round 1 population. Overall, this suggests that although there are some differences in characteristics, the study provides results from a diverse and representative sample of providers who received funding in Round 1. The study may not, however, provide information that is as thorough about smaller group providers that applied for Round 2 funding after the first month of the application period (or did not apply at all).[7]

How did providers report spending funding from Program A?

Program A focused on "increasing access to high quality care" and could be used for expenditures including:

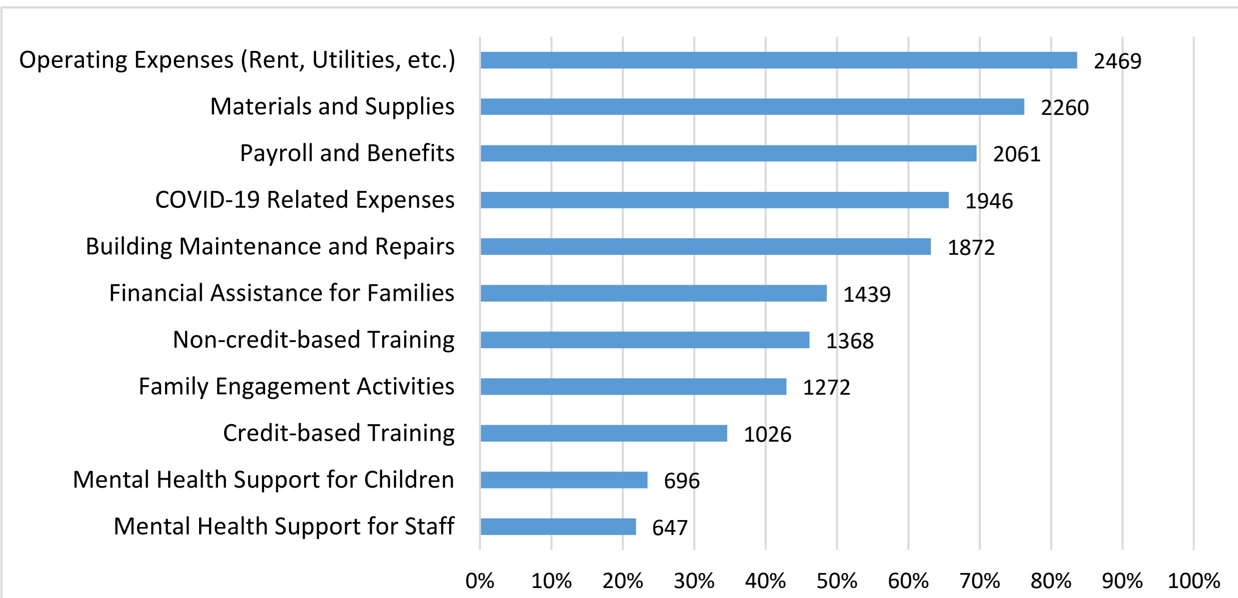
1. Physical operating expenses such as mortgage, rent, or utilities
2. Building maintenance or upgrades
3. Covering payroll and benefits
4. Reducing COVID-19 risk, such as providing PPE or cleaning supplies
5. Providing materials or supplies for enhancing program environment and curriculum
6. Providing social and emotional development supports or mental health services for staff
7. Providing social and emotional development supports or mental health services for children
8. Providing credit-based training for professional development and continuing education

[7] In an attempt to predict what non-respondents may have indicated as their expenditures, the authors used multiple imputation with chained equations (MICE), a statistical approach to filling in missing data by leveraging patterns in data available for both respondents and non-respondents. In this case, we have information about all providers' type, size, number of staff and children, rate of full-time attendance, rate of WI Shares participants, and other similar attributes. The MICE models combined the commonly held data and partial response data to predict what values non-respondents would have assigned to various spending categories. MICE is a probabilistic, iterative process, and the authors repeated the MICE models 50 times. These imputed data sets showed average responses similar to the non-imputed data sets. While the computational MICE models converged successfully, we remain concerned about the validity of the results. A foundational assumption of MICE is that there are no systematic differences between respondents and non-respondents; however, we found that non-responses were much more likely to come from small, group-center providers, which suggests that the MICE data may reflect a systematic bias in subsequent estimates. As a result, the authors do not share the MICE results in this memo.

9. Providing other non-credit-based professional development training or education
10. Providing family engagement activities
11. Providing financial assistance for families

As depicted in Figure 1 below, at least some providers reported spending Program A funding on each of the eligible spending categories. The most commonly reported uses of Program A funding, in terms of the percentage of providers who spent at least some CCC money on these categories, were for physical operating expenses (e.g., rent, utilities, etc.; 84%); materials and supplies for enhancing program environment and curriculum (76%); covering payroll and benefits (70%); and reducing COVID-19 risk, such as providing PPE or cleaning supplies (66%). The least commonly reported uses of Program A funding were for credit-based training for professional development and continued education (35%), providing social and emotional development supports or mental health services for children (23%), and providing social and emotional development supports or mental health services for staff (22%).

Figure 1: Percentage and Number of Providers That Reported Spending Any Program A Funding by Spending Category (N=2,963)[8]



Providers were most likely to report spending in 5 or 6 categories for program A, but many others reported spending in between 1 or all 11 categories, as shown in Figure 2 below. When a provider reported spending in only one or two categories, it was most likely in payroll or operating expenses. Similarly, providers that reported spending in 10 or 11 categories still spent most in payroll and operating expenses on average.

[8]This N is less than the full sample of 3,092 because it only includes providers that reported any Program A spending.

Figure 2: Number of Categories in which Providers Reported Spending for Program A

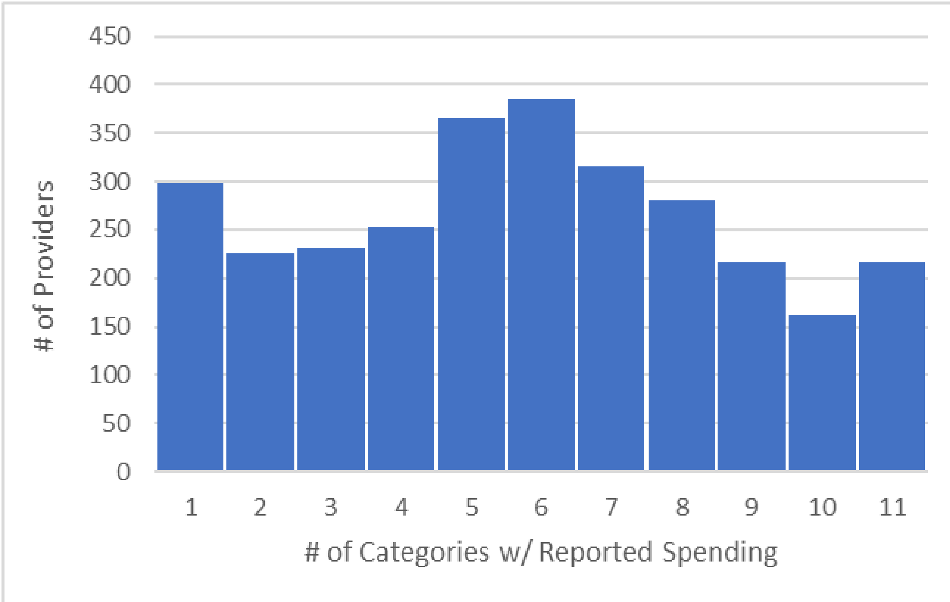


Table 3 provides results from questions that asked providers to estimate the amount of Program A funding spent on each eligible funding category, sorted by highest dollar amount to lowest dollar amount. In terms of amount of funding, providers reported spending the largest amount of Program A funding by far on covering current payroll and benefits and physical operating expenses. According to provider responses, much lower dollar amounts were spent on building maintenance, materials and supplies, and COVID-19 related expenses. The majority of providers did not report spending any Program A funding on financial assistance for families, professional development, family engagement activities, or mental health supports for children or staff. Of note is that although providers reported spending the most dollars on payroll and benefits, the category with the highest average percent of total spending was physical operating expenses (40.07%). This is likely explained by differential spending patterns between licensed group and licensed family providers, further discussed later in this section.

Table 3: Reported Spending Patterns for Program A by Spending Category (Including All Providers)

Program A Spending Category	Total $ Spent	Mean $ Spent	Median $ Spent	Max $ Spent	Rank[9]	Avg % of Total Spending[10]
Payroll and benefits	$36,985,837	$12,483	$2,000	$315,000	3.01	25.92%
Physical operating expenses	$34,360,699	$11,597	$4,500	$233,000	1.92	40.07%
Building maintenance or upgrades	$8,681,513	$2,930	$500	$100,000	3.51	10.11%
Materials or supplies	$7,784,409	$2,627	$500	$152,000	3.41	8.76%
Financial assistance for families	$5,549,207	$1,873	$0	$100,000	4.44	5.79%
COVID-19 related expenses	$2,904,337	$980	$200	$70,000	4.40	3.48%
Non-credit-based training	$1,186,374	$400	$0	$20,000	5.46	1.27%
Credit-based training	$1,131,709	$382	$0	$20,000	5.49	1.33%
Family engagement activities	$1,064,919	$359	$0	$20,000	5.23	1.76%
Mental health services for staff	$607,799	$205	$0	$12,800	5.86	0.74%
Mental health services for children	$555,432	$187	$0	$15,000	5.88	0.78%

Another way to consider these data is to look at variation of reported spending within categories. Table 4 is sorted by the number of providers reporting at least some spending within a particular category. Consistent with Figure 1, providers indicated that the most common use of funding was for physical operating expenses, which accounted for almost half (47.89%) of their spending overall. Although a large number of providers reported spending on materials and supplies, the average dollar amount ($3,444) and percentage of total spending (11.48%) were much lower. Providers also reported spending a high average amount ($17,946) and total percentage of spending (37.27%) on payroll and benefits. More providers reported spending on non-credit-based versus credit-based training and professional development (N=1,386 versus N=1,026); however average spending ($1,103 versus $867) and percentage of total spending (3.84% versus 2.74%) were higher for credit-based training.

[9]Rank was calculated using the "rank" function in Excel, comparing the amount of spending in one category to the amount of spending in all other categories, by cell; i.e., the cell with the highest amount of spending receives a ranking of 1, and so forth.

[10]Average percentage of total spending was calculated by dividing a provider's spending in each category by their total spending, then taking the average of this percentage across all providers.

Table 4: Reported Spending Patterns for Program A by Providers That Reported Any Spending in a Category

Program A Spending Category	N	Mean $ Spent	Median $ Spent	Min $ Spent	Max $ Spent	Avg. % of Total Spending
Physical operating expenses	2,479	$13,861	$5,900	$2	$233,000	47.89%
Materials or supplies	2,260	$3,444	$1,000	$5	$152,000	11.48%
Payroll and benefits	2,061	$17,946	$6,000	$25	$315,000	37.27%
COVID-19 related expenses	1,946	$1,492	$500	$10	$70,000	5.30%
Building maintenance or upgrades	1,872	$4,638	$1,700	$10	$100,000	16.00%
Financial assistance for families	1,439	$3,856	$1,000	$10	$100,000	11.92%
Non-credit-based training	1,368	$867	$400	$10	$20,000	2.74%
Family engagement activities	1,272	$837	$500	$10	$20,000	4.10%
Credit-based training	1,026	$1,103	$500	$10	$20,000	3.84%
Mental health services for children	696	$798	$300	$15	$15,000	3.31%
Mental health services for staff	647	$939	$500	$15	$12,800	3.39%

The authors also conducted tests of statistical significance to explore differences in reported Program A spending patterns by some provider characteristics. For example, there appear to be some differences in reported spending between licensed family and group providers. The largest difference was between payroll and operating expenses. Licensed group providers reported spending the most funding on covering payroll and benefits, while licensed family providers reported spending the most funding on physical operating expenses. There was also a small difference in building and maintenance expenses, with licensed family providers spending more on average. Beyond the three top spending categories, there were much smaller differences, as demonstrated in Table 5 below.

Table 5: Average Reported Percentage Spent in Each Program A Category for Licensed Group and Licensed Family Providers

Category - Program A	Group	Family	Difference
Payroll and benefits	37.60%	14.29%	23.32%***
Operating expenses (rent, utilities, etc.)	32.92%	48.98%	16.05%***
Building maintenance and repairs	8.47%	12.60%	4.13%***
Materials and supplies	8.04%	8.63%	0.59%
Financial assistance for families	5.54%	5.59%	0.06%
COVID-19 related expenses	2.56%	4.04%	1.48%***
Credit-based training	1.32%	1.20%	0.11%
Non-credit-based training	1.25%	1.16%	0.10%
Family engagement activities	1.08%	2.08%	1.00%***
Mental health support for staff	0.65%	0.73%	0.08%
Mental health support for children	0.56%	0.71%	0.14%**

N = 1,458 for Group, N = 1,116 for Family; * p < 0.1, ** p < 0.05, *** p < 0.01

This difference between reported spending on operating expenses versus payroll was common in some other comparisons by provider characteristics. Certified providers spent funds similarly to family providers, with an average of 47% spent on operating expenses. Public school programs reported spending more on average covering payroll and purchasing supplies than other provider types (51% and 22%, respectively). There were also significant differences in reported spending by YoungStar level; 2-Star providers reported spending more on operating expenses while 3-, 4-, and 5-Star providers reported spending more on payroll. Additionally, providers whose enrollment had greater than 75% WI Shares recipients reported spending more on operating expenses than payroll. Fewer or smaller differences were found for categories with less spending. (See Appendix C: Statistical Testing Results Regarding Differences in Program A Spending Patterns by Various Program Characteristics for full results.)

How did providers report spending funding from Program B?

Program B focused on “funding workforce recruitment and retention” and could be used for staff-focused expenditures including:

1. Efforts to recruit new staff, such as sign-on bonuses
2. Bonuses or stipends for current staff
3. Increased hourly wages or annual salary
4. New or increased paid time off, such as sick leave or vacation
5. New or increased benefits such as health or dental insurance or retirement
6. Providing credit-based training for professional development and continuing education
7. Providing other non-credit-based professional development training or education

As depicted in Figure 2 below, at least some providers reported spending Program B funding on each of the eligible spending categories. The most commonly reported uses of Program B funding, in terms of the percentage of providers who spent at least some CCC money on these categories, were for bonuses or stipends for current staff (84%) and increased hourly wages or annual salaries (60%). The least commonly reported use of Program B funding was to provide new or increased benefits, such as health or dental insurance or retirement (17%).

Figure 3: Percentage and Number of Providers That Reported Spending Any Program B Funding by Spending Category (N=2,635[11])

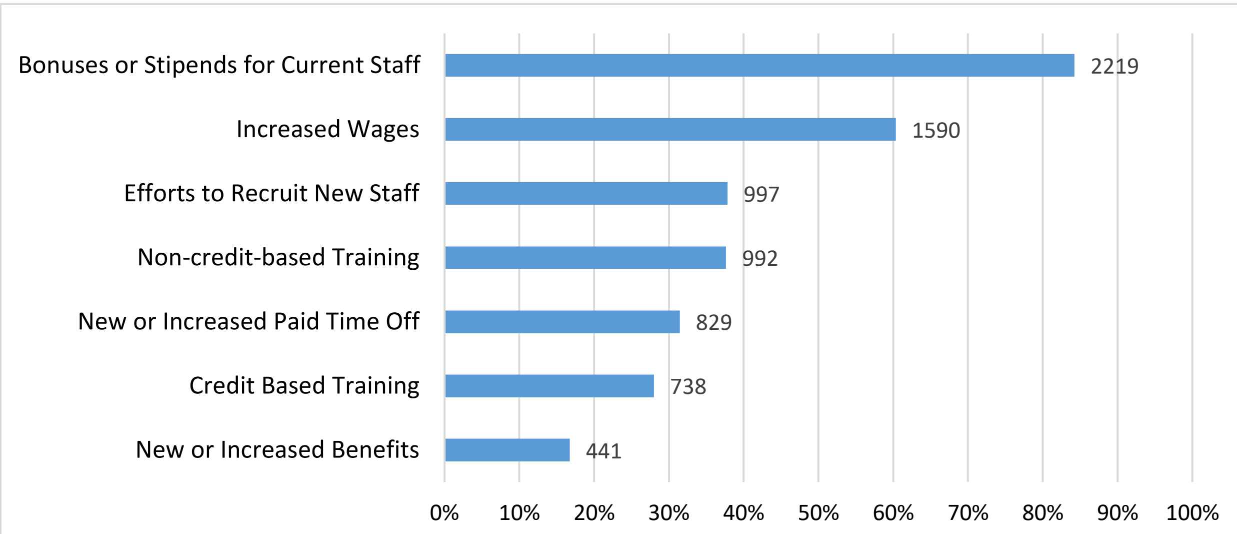


Figure 4 shows the number of providers that reported spending in a specific number of categories, indicating a much stronger preference for one or two categories compared to Program A. Of the 650 providers that reported spending in only a single category for Program B, 488 spent in the bonuses and stipends category. Those 488 providers spent an average of $21,382 on bonuses—well above the average bonus spending for all providers, as demonstrated in Tables 6 and 7. Providing bonuses or stipends to current staff remained the top reported category regardless of the number of categories in which a provider reported spending.

[11]Program B sample of 2,635 differs from the total sample of 3,092 because not all providers received Program B funding or reported any Program B spending.

Figure 4: Number of Categories in which Providers Reported Spending for Program B

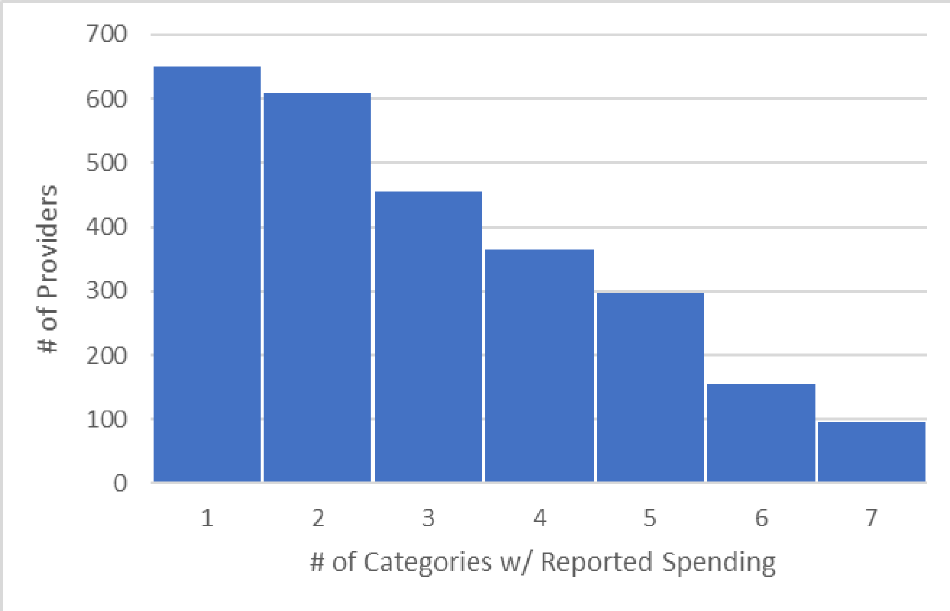


Table 6 provides results from questions that asked providers to estimate the amount of Program B funding spent on each eligible funding category. In terms of amount of funding, providers reported spending the largest amount of Program B funding by far on bonuses or stipends for current staff. On average, this accounted for just over 50% of total Program B spending. Lower dollar amounts were reported for increased hourly wages or annual salaries. The majority of providers did not report spending any Program B funding on efforts to recruit new staff, such as sign-on bonuses; new or increased paid time off, such as sick-leave or vacation; new or increased benefits, such as health or dental insurance or retirement; or professional development (either credit- or non-credit based).

Table 6: Reported Spending Patterns for Program B by Spending Category (Including All Providers)

Program B Spending Category	Total $ Spent	Mean $ Spent	Median $ Spent	Max $ Spent	Rank[12]	Avg % of Total Spending[13]
Bonuses or stipends for current staff	$32,948,131	$12,504	$2,000	$300,000	1.66	50.07%
Increased wages	$13,679,970	$5,192	$500	$129,000	2.14	24.39%
Efforts to recruit new staff	$3,052,244	$1,158	$0	$152,000	2.94	7.02%
New or increased paid time off	$1,666,719	$633	$0	$67,000	3.03	7.05%
New or increased benefits	$1,273,269	$483	$0	$74,000	3.45	4.14%
Non-credit-based training	$1,069,126	$406	$0	$45,000	3.22	3.69%
Credit-based training	$867,050	$329	$0	$36,000	3.27	3.65%

Table 7 illustrates variation of spending within each category sorted by the number of providers who reported any spending in that category. Providers who reported using money to provide bonuses or stipends for current staff reported both large average amounts ($14,848) and proportions (59.46%) on this category, with increased wages a distant second in both measures ($8,604 and 40.41%, respectively). Although providing new or increased benefits was uncommon, providers who did reported spending a relatively high proportion of their Program B funds in this category.

Table 7: Reported Spending Patterns for Program B by Providers that Reported Any Spending in a Category

Program B Spending Category	N	Mean $ Spent	Median $ Spent	Min $ Spent	Max $ Spent	Avg. % of Total Spending
Bonuses or stipends for current staff	2,219	$14,848	$4,000	$25	$300,000	59.46%
Increased wages	1,590	$8,604	$2,000	$2	$129,000	40.41%
Efforts to recruit new staff	997	$3,061	$1,000	$30	$152,000	18.54%
Non-credit-based training	992	$1,078	$500	$10	$45,000	9.80%
New or increased paid time off	829	$2,011	$960	$25	$67,000	22.40%
Credit-based training	738	$1,175	$500	$15	$36,000	13.03%
New or increased benefits	441	$2,887	$1,000	$40	$74,000	24.75%

[12]Rank was calculated using the "rank" function in Excel, comparing the amount of spending in one category to the amount of spending in all other categories, by cell; i.e., the cell with the highest amount of spending receives a ranking of 1, and so forth.

[13]Average percentage of total spending was calculated by dividing a provider's spending in each category by their total spending, then taking the average of this percentage across all providers

The authors also conducted tests of statistical significance to explore differences in reported Program B spending patterns by some provider characteristics. Providing bonuses and stipends for current staff was consistently the top category for average percentage of spending, regardless of provider type or other characteristic such as YoungStar level, age of children served, and WI Shares participation. But much like with Program A, there appears to be some differences in reported spending between licensed family and licensed group providers. Family providers were more likely than group providers to report spending in new benefits, paid time off, and professional development (credit- and non-credit based). Table 8 below illustrates these differences:

Table 8: Average Reported Percentage Spent in Each Program B Category for Licensed Group and Licensed Family Providers

Category - Program B	Group	Family	Difference
Bonuses or stipends for current staff	57.15%	42.44%	14.71%***
Increased wages	25.69%	23.64%	2.06%*
Efforts to recruit new staff	7.10%	6.23%	0.87%
New or increased paid time off	3.51%	11.09%	7.58%***
Non-credit-based training	2.52%	4.78%	2.26%***
Credit-based training	2.10%	4.86%	2.76%***
New or increased benefits	1.93%	6.97%	5.03%***

N = 1,391 for Group, N = 964 for Family; * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

There were some additional differences in reported average spending based on other provider characteristics. Public schools spent the highest proportion of their funding on bonuses; nearly 75% on average. Head Start providers were the next highest, with 67% of their funding going toward bonuses. 2-Star providers spent more on providing paid time off versus 3-, 4-, and 5-Star providers. Providers who had enrollments of greater than 75% WI Shares recipients spent less on bonuses and more on paid time off or credit- and non-credit-based training than providers serving lower percentages of WI Shares recipients. (See Appendix D: Statistical Testing Results Regarding Differences in Program B Spending Patterns by Various Program Characteristics for full results and Appendix E: Spending Tables for descriptive details about overall spending by various program characteristics.)

Did providers report spending on anything else?

Providers were also asked if they spent any dollar amounts on “something else” besides the designated categories for both Program A and Program B. Providers gave 298 open-ended responses for Program A and 204 open-ended responses for Program B. This category was not subsequently presented for consideration in the dollar spent questions, so this does introduce some potential measurement error into spending estimates. Providers may have underreported spending amounts for a category if they didn’t think certain expenses fit within that category. For example, some providers discussed maintaining tuition rates in response to the Program A “something else” question but answered “no” when asked if they had spent any funds on the tuition assistance spending category, while other providers appeared to categorize tuition freezes in the tuition assistance spending category. Providers may also have over-reported in certain categories; a few providers mentioned their spending reports showed higher amounts than what they were allowed to put in the survey. Other providers mentioned it was difficult to track which monies went toward which expenses, as the CCC funding “freed up” money that could go toward other costs. Generally, in answering these “something else” questions, providers seemed to either be giving more detail and examples about expenditures within a previously reported spending category or were unsure of how to categorize a specific expense. It was often difficult to discern between these two types of responses, however.

While the majority of “something else” responses across both programs seemed to indicate expenditures that could fit into the pre-existing spending categories (i.e., their responses indicating additional details or mis-categorizations), there were some responses that appeared more difficult to categorize. For example, some providers reported helping struggling families by giving food, school supplies, and infant supplies to parents for use at home or for school-preparedness (i.e., not during program operating hours). Other providers mentioned more vague spending items such as giving back to the community, consulting fees, field trips, transportation, recovering lost income from non-payments, and helping parents with personal needs. For Program B, some providers reported spending that seemed to fit better into Program A categories, and some single-employee providers noted confusion about how to report increases in their own pay, bonuses, or benefits. Other items mentioned as difficult to categorize included background checks on new staff, finger printing renewals, TB tests, staff appreciation and team building events, uniforms, employee meal programs, and supplies for teachers (e.g., computers to help with continuing education).

Responses to the other open-ended questions corroborate the idea that providers were sometimes confused about what CCC Stabilization funds could be used for and how to categorize certain expenses. We discuss this further in the Constraints and Recommendations sections, including examples of what some providers suggested were unmet needs because of possible misunderstandings of program spending guidelines, as well as recommendations to clarify program terms and conditions.

Did program outcomes change between the beginning of Round 1 and the beginning of Round 2?

To test whether there were differences in outcomes between when providers applied for in Round 1 and the first month of application in Round 2, each provider’s initial Round 1 application and their Round 2 application were merged with their survey response. This created two points in time to assess changes in a provider’s characteristics, from CCC Stabilization Round 1 application to August 2022. Table 9 below compares the average values of a few key characteristics for all providers and how they changed during this time period. Using paired t-tests, the authors found statistically significant, although substantively small, increases in average YoungStar level, average child enrollment, average capacity, and average staff size.

Although it is encouraging that all changes were in a positive direction during this time period, it is important to note that these changes are descriptive in nature and cannot be causally attributed to CCC Stabilization funding. Changes could also have been the result of improvements in COVID-19 rates as vaccines became readily available, changes to the labor market, or other unmeasured factors.

Table 9: Differences in Provider Characteristics from Round 1 Program Entry to August 2022

Category	Round 1 Program Entry	August 2022	Difference
Avg. Star Level	2.17	2.44	0.27***
Avg. Enrollment	33.48	36.29	2.81***
Avg. Capacity	43.36	43.62	0.26***
Avg. Staff Size	6.88	7.50	0.62***

***** $p < 0.01$**

What can we learn about the CCC Stabilization program from answers to the open-ended questions?

Many providers took the opportunity to answer the optional open-ended questions posed in the Round 2 CCC Stabilization program questionnaire. The questions did not ask providers to distinguish between payment programs A and B, but instead gave providers a chance to discuss overall impressions of and experiences with the program. These questions were:

1. What impacts did the CCC Stabilization Payment Program funding have on your program?
2. Did you have any program needs you could not address with the funding from the CCC Stabilization Payment Program because of constraints on how the funding could be used?
    a. If Yes, please tell us about the program needs you could not address because of constraints on how the funding from the CCC Stabilization Payment Program could be used.
3. If you could wave a magic wand, what changes would you recommend to the CCC Stabilization Payment Program?

Approximately 87% of respondents (2,626 providers) provided answers to the question about impacts of CCC Stabilization. Only 280 providers responded “Yes” to the second question, saying they had unmet needs because of constraints of the program; however, more providers (N=431) took the opportunity to respond to the associated open-ended question regarding this issue. Many providers (N=2,103) also took the opportunity to recommend potential changes to the program. We acknowledge that we cannot derive generalizations about CCC Stabilization from these responses, but we can look to them to provide context for quantitative results, as well as helpful examples of providers' experiences with the program. Quotes have been lightly edited for clarity, brevity, or to ensure anonymity.

What reported impacts did CCC Stabilization have on programs?

In response to the first open-ended question, 2,565 providers mentioned positive impacts of the CCC Stabilization Program. Providers took this opportunity to discuss some of the challenges they faced during and before the Round 1 CCC Stabilization Program period. These ranged from individual circumstances, such as family members losing jobs or having significant health issues, to broader challenges faced in the child care industry. Respondents felt pressures from the global COVID-19 pandemic such as decreased demand for child care, children and staff getting sick, COVID anxiety, and the increased need for cleaning and prevention measures. Several providers also reported having to shut down periodically, either because of COVID-19 cases or in keeping with State public health guidelines. Providers also discussed other global challenges that came with the COVID-19 pandemic, such as high inflation rates, staffing shortages given the tight labor market, and supply chain issues. These time-sensitive challenges occurred on top of what several providers described as an already underfunded and undervalued industry, in which there are not enough child care workers and wages continue to be too low. In context of these challenges, we describe several positive outcomes that providers attributed to their participation in CCC Stabilization.

Ability to Stay Open

When asked about program impacts, 660 providers explicitly mentioned being able to stay open or continue to operate. Many providers described taking a huge financial hit as a result of the COVID-19 pandemic and the challenges it brought, but they were able to stay open by using the funding to cover operating costs such as rent, mortgage, utilities, groceries, taxes, transportation costs, payroll, maintenance, and supplies. For example:

> *"It has allowed us to stay open and available to care for children. We would not be open without this program. It has helped us pay rent when times have always been rough. It has helped us retain staff and give them a living wage. It has helped us buy weekly groceries during inflation. It has helped us purchase cleaning supplies needed to comply with COVID guidelines. When we needed to close due to COVID, we were able to pay staff."*

> *"Stabilization is the right word to describe how this program has impacted our organization. During a period of uncertainty, increased costs, and a competitive job market, these funds allowed us to continue to operate, to retain the staff we have, and to be competitive when recruiting new staff. I don't know what we would have done without this support."*

> *"The Child Care Counts Stabilization Payment Program has helped to keep our center in business and full operation as we were able to retain staff with*

bonuses and wage increases as well as lure new staff members with sign-on bonuses. With fluctuating enrollment and deposits due to COVID, we were able to still purchase those things needed for the center so we could provide a safe and educational environment for all enrolled."

"A huge impact; I would possibly [be] closed if I were not receiving the funding. My center has not recovered since COVID hit. I try my hardest to keep going and provide a safe, loving, stable, and secure environment for my staff and families, and it is very difficult to do."

Such relief was needed as providers reported a widening gap between the increased costs of running a child care facility versus the decreased or fluctuating income they received during the pandemic. Providers discussed increased costs resulting from global inflation, higher staffing costs as they tried to compete for staff amidst a global labor shortage, and the increased need to clean more frequently. For example:

"[CCC] has had a tremendous positive impact on our program. Without the stabilization payments we would have had to close our center. We slowly had most of our families return, but with the rising cost for food, wages, rent, and utilities, we would not have been able to reopen successfully."

"It has been an amazing blessing to our center. We would not have survived this pandemic without it! We went from 125 children down to 13 when everything shut down and we were struggling to keep our doors open. Without the funding, we would not have been able to keep staff, we wouldn't have been able to remain in compliance in some areas, we would not have been able to do stay in business."

"If it wasn't for this funding, my program definitely would not have been able to stay open. With rising costs and skyrocketing wages being offered, I required this money in order to at least try to stay competitive with my wages. Enrollment still has not bounced back to anywhere near pre-COVID, so this funding is necessary to keep the doors open for the families in [my] county."

Providers also reported decreased income from the lower demand for child care during the pandemic, lost income from children who were out sick, or parents who were unable to pay for child care. For example:

"I was on the verge of having to close my doors because I could not keep paying for the food, bills, and upkeep. When parents were working from home, many kept their children home with them and parents took turns watching them. I had very little income and at one point I was closed for several weeks. Even now my food amounts have almost doubled, and I am making very little profit. Without the CCC funding I would need to close."

> *"It provided us with the title word–stabilization. A security; knowing that if a family dis-enrolled, something broke down, we could still fund our payroll and bills. We could give families some space when needed to stay on top of tuition, without added pressure."*

> *"I was able to keep my doors open because of receiving this additional monthly income from the stabilization payment program […] Families did not pay when their children were sick or when they took vacation. I was able to reimburse myself for the lost income using funds from this program."*

Many providers emphasized that the CCC Stabilization funding decreased their stress about their program budget and staying open by providing a sort of safety net or cushion in the budget. For example:

> *"[CCC] has allowed me and continues to allow me to keep my doors open. Without it, we would have to close, and more than likely permanently. It gives me peace of mind that my rent will be covered each month so I can provide the care that these children need. Childcare is a revolving door; one week your weekly income is great, and the next week three families could lose their job and you are struggling to pay all the bills and keep your doors open. We thank you from the bottom of our hearts for this grant money; we are a small center, so without it we would not be here."*

> *"As each of our families and staff are feeling the effects of COVID with closures and job reductions, then inflation and now supply chain issues to add to all of the other daily pressures, it has been extremely helpful to be able to pay our bills without questions."*

> *"This money helped more than you know. I'm a family home daycare and my furnace went down in March, so we had to get a new one. With the costs going up on everything I was seriously thinking about substitute teaching. With food, utilities, and supplies skyrocketing, there just wasn't any money left. I was actually able to take a few much-needed vacation days this year. Otherwise, I very seldom take off because I don't get paid for them. I was able to buy more educational toys and some new ones for outside. The mental side of it was the most needed; I didn't have to worry if all my kids were out with COVID and how I would pay my mortgage and utilities, which I had a couple weeks of that. Thank you so much!!"*

Providers also described how the CCC Stabilization funding mitigated the challenges of increased costs and insufficient revenue, which allowed them to "stay open" and "stay afloat" without charging parents more. For example:

> *"Child Care Counts Stabilization Payment Program allowed me to do just that, stabilize my program. As a family child care provider, with limited enrollment*

and at some points it was difficult to enroll children, I was having trouble covering my costs. I provide high-quality care. I am licensed and accredited. I provide a high-quality program for families, and I was worried that I wasn't going to be able to continue that level of care during the pandemic. Costs of everything went up, cleaning supplies were hard to find, food costs went up, and I was shopping via Instacart and the extra fees to buy and have the food delivered were higher, but I was worried about getting COVID shopping in person. These funds haven't been a lot, but they have definitely been helpful and allowed me to stay afloat. We need more funding put into child care! Permanently. The true cost of care is high. Providing a high-quality program has costs. It is hard for parents to pay more, and I was using my savings to get by; that got depleted and these funds helped. I hope Congress realizes we truly are providing a critical and skilled service to families and children. We need more money!"

"I will tell you in no uncertain terms that without this program I would have left the child care business and retired. With the high cost of utilities, gas, and food, I would not be able to stay in business without raising rates for already stressed families."

"I charge the average rate for my county. I find it is not enough to cover the costs of food, fuel, and utilities, as all of them have gone up. I see most of my families struggling financially and living from paycheck to paycheck. This CCC funding has allowed me to keep my rates at a reasonable price and the funding from CCC helps me balance out the rising costs of running an in-home daycare."

"I am a family child care provider; I am the sole operator. These funds gave me the increase in income that was needed for the rising costs of materials and supplies needed to continue to operate my quality program along with helping with mortgage and utilities. I have not had a fee increase since 2019, before COVID hit. The funding allowed me to not have to increase fees for my families who are also experiencing the higher prices within their homes."

Several providers did report having to close temporarily but discussed being able reopen by using the CCC Stabilization Program funds to pay for operating and payroll costs while they did not have income. For example:

"When I fell ill myself and wasn't able to work for two months, I was able to use funding to continue to pay my bills and prepare my program to reopen with little to no problems. I've been able to keep gas in the daycare vehicle despite the rise in gas prices."

"My child care was shut down I think three times total due to COVID, so it helped with expenses during that time."

"The impacts included providing financial support to our program after taking a financial hit closing during the height of COVID. Even after reopening after COVID, our numbers were lower, and we are now reaching numbers to help our program thrive again."

Several providers also discussed the impact of the funding on their bottom line. Some providers mentioned still struggling to pay their operating costs, and said the funding barely covered those. Of the providers who were operating at a loss before the funding, some of them were able to make a net profit or break even, whereas others were still operating at a loss, but less of a loss. For example:

"It kept our program open. The program has not recovered fully from the pandemic and before grants, has a negative monthly income. It serves families who need part-time care, offers infant and toddler spaces as well as preschool, and fills a community need, but it would have closed without the grants. The grants were needed not only because of negative income, but also because we couldn't find enough staff without offering significant bonuses and raises. We are hoping to achieve balanced cash flow by the end of the next round of grants, but for now, the grants are keeping the program open."

"[CCC] allowed the program to continue operating, but even with the CCC payment the center is still showing a monthly deficit. This is due to shortage of staff and not being able to enroll children on the waitlist."

A few new providers were grateful for the funding as it helped with startup costs. For example:

"When these payments started last summer, I had just started my own center; these funds helped me build my supplies and budget much quicker than I was expected. I was able to provide a variety of materials and help cover my building rent throughout my first year, without stressing on how I was going to make it through when my starting profit wasn't going to build immediately."

"As a new center with more initial startup expenses, this program provided much-needed relief to cover costs during our ramp-up period as enrollments increased. In a short amount of time, we have become one of the best child care options for working families in [our area] and I believe this program played a huge role in that. Without this program, it would have taken much longer."

"The Child Care Counts Stabilization Payment Program has helped my child care tremendously this year. I only started a couple of months ago and did not know of all the road bumps that were ahead of me at the time. I was able to use the funding for groceries, play materials, and provide necessities for my families."

Children Served

Over 240 providers discussed enrollment levels when answering the first open-ended question about the impacts of CCC Stabilization. Many of these providers reported decreased or fluctuating enrollment and the challenges those brought. Some also discussed the impact of the program funds in offsetting the decreased or fluctuating revenue that resulted from the changes in enrollment. Similarly, 99 providers discussed child attendance levels throughout the pandemic, primarily how attendance decreased or fluctuated and the impact this had on their revenue.

Some providers attributed changes to enrollments to the pandemic, citing changes in demand for child care, as parents worked from home, lost jobs or income, or had anxieties about COVID exposure as potential factors. For example:

> *"Prior to the pandemic the program was operating at full capacity. Once the pandemic hit the program lost its entire second shift and the majority of the parents on first shift were faced with adversities that affected their positions, hours, and income tremendously."*

> *"It helped my daycare tremendously during COVID when families were not attending due to COVID, or working from home for a while, or just left as they lost their jobs due to COVID. I was able to continue to be able to pay my building rent and utilities and was not forced to close."*

As also discussed later in the well-being section, a few providers reported that CCC Stabilization allowed them to deliberately decrease enrollments to reduce COVID-19 exposure, keeping themselves and their families safe.

> *"[The CCCC Stabilization Program] enabled me to stay open during this difficult and unprecedented time. I was able to keep my enrollment to a minimum in order to keep my family safe from sickness without adding more stress in knowing my mortgage and utilities were being paid from these funds. THANK YOU."*

> *"The Child Care Counts Stabilization Payment Program allowed me to stay open with fewer children in my care than before the COVID-19 pandemic. I was able to keep my group size smaller and safer and weather the constant absences and closures due to symptoms that looked like COVID or that were not."*

Many providers also reported not being able to enroll kids because they were understaffed and struggled to retain and hire staff due to the widespread labor shortage. Several also had to reduce their operating hours because they were understaffed. For example:

> *"I was able to stay open, pay my bills and provide care to families in my area. After losing my employee during COVID, it has been very difficult running my*

center and providing full-time care. I had to reduce my hours and cut back on how many families I could take on. These payments helped me pay the bills, pay myself, and cover the cost of needed materials, especially cleaning supplies!"

"The CCC payments have made the ultimate difference through these hard times. Bonuses and recruiting costs were covered during 'the great resignation.' We were forced to close half of our classrooms due to staff attrition, but we were able to fund the remaining operations with CCC funds."

"This money has allowed our religious nonprofit to stay open and continue to serve the children and families in [our area]. We are a smaller center and like many, we are low staffed which in turn makes enrollment low. We are currently running at half capacity and trying to stay afloat."

A few providers reported using the CCC Stabilization funds to pay staff overtime. This helped them mitigate some of the effects of the staffing crisis by having current staff work longer hours. For example:

"With the shortage of teachers, we were able to recruit one new staff member. The staff shortage still necessitated paying current staff members overtime to cover staff-to-child ratios. Also, because we weren't able to hire more staff, we needed to limit enrollment, which cut down on our revenue. This payment program was a true blessing."

"It's helped to keep our doors open. With the shortage of staff, we are unable to provide care for more families, hence less income. It creates longer hours for our current staff, so providing bonuses, overtime, and a substantial wage increase helps to keep current staff in place. We have also credited families for COVID-related illnesses."

Less commonly, a few providers hired temporary staff to prevent closures from staffing shortages. As one provider said, "We were able to increase pay for temporary staff and substitute staff to accommodate staff shortages due to COVID. We were able to hire more staff to avoid staff shortage shutdowns."

Several providers used CCC Stabilization funds to try to address the staffing issues in order to increase or maintain enrollment. Of those providers, some were operating under capacity during the pandemic and were working to return to pre-pandemic enrollment levels. Others were able to operate at capacity, and were trying to remain at capacity, or were trying to increase capacity and enrollments. Providers mostly tried to hire staff through increased compensation or benefits. A few examples of providers attempting to address enrollment issues through staffing are provided below; also see the staff quantity and quality section for more information about how providers reported addressing staffing issues.

> *"It helped us hire new staff and keep our current staff since we were able to give our bonuses and use the money towards payroll. As is every other child care, we are in need of staff. We are running into the problem of not running at full capacity because we don't have the staff to help keep our classrooms in ratio. We've had a couple current staff members looking at quitting [or leaving for] other jobs because of their salary but with the bonuses, it has helped them stay."*

> *"With lack of staffing, I cannot fill my classrooms back up to full capacity. The staff I have now I believe stay because of funding and raises we were able to give even though we are not at full capacity. The last two employees I hired I was able to offer good pay."*

> *"Our centers have long waitlists and one of the main issues of this is not having teachers to be able to start up new child care groups to accommodate new enrollments. Being able to give staff bonuses and increase compensation has allowed us to be more competitive in attracting staff, especially since child care is such a low paying industry."*

With fluctuating enrollment rates, it was crucial for many providers to try to retain staff, even though this meant they were overstaffed during periods of low enrollment. Providers wanted to be prepared for numbers to bounce back.

> *"It has made the worry of staying open through the ups and downs of the pandemic a lot less stressful. Our center has seen it from both ends. We have been fully staffed and ready for all the children, but the children didn't come. I was able to pay the staff their wages even when we were overstaffed. We have also seen it where we have been understaffed and had to turn children away."*

Some providers reported they were able to help maintain enrollment by providing assistance for families who were struggling to pay for child care. This included holding a child's spot or providing discounts if the child couldn't attend for COVID-related reasons. We provide some examples here; also see the Family Assistance section for additional related quotations.

> *"The stabilization payments helped to help our families cover tuition when they got behind due to not working or kids being sick with COVID. If there hadn't been that extra help to give them, I feel we could have lost some of our families due to not being able to afford daycare at that time."*

> *"I was able to help a mom who lost her job keep her slot in my center open until she could find another job."*

Providers also reported various strategies to try and attract new families to increase enrollment. For a few providers, this included reducing fees or other financial assistance. As one provider said, the CCC Stabilization Program "*helped me recruit new children because I kept my tuition fees lower,*" and another said, "*I was able to incorporate sign-up bonuses for families.*" Providers also reported using funds for facility maintenance, to purchase higher quality and quantity of supplies, and just generally improve their program to make it more attractive to prospective families. A few providers also mentioned using funds to create business cards and advertise to attract new families. For example:

> *"The Child Care Counts Stabilization Payment Program impacted my program considerably. I was able to make improvements to my daycare, get my children involved in more outdoor activities than I could before due to lack of supplies. I improved the look of my outdoor area to help with enrollment. It helped me to be able to afford things that I couldn't afford due to the rise in costs of so many things. I am so thankful for this program and everything it has done and continues to do for my program."*

> *"This grant has helped my program purchase new classroom supplies and furniture. This has helped me attract new families, and I'm beyond grateful!"*

> *"There were times when enrollment was down, I needed [the CCC] stabilization program to help keep the center running so that I could do advertising to help with enrollment."*

Some providers reported being able to increase capacity, either directly or indirectly, using the CCC Stabilization Program funds. These providers did so by expanding or reorganizing their physical space; moving into a larger facility; opening an additional facility; or increasing furniture, supplies, and other equipment to accommodate more students. A few providers mentioned adding classrooms, increasing classroom space, or transitioning to become a group provider. For example:

> *"The rest [of funding] has allowed us to purchase more materials to provide more quality programming for children. The biggest thing is that it has allowed us to increase our classroom space from two classrooms to four classrooms, which has allowed us to offer more child care. We have gone from offering child care to 55 children to 75 children this fall."*

> *"I was barely getting by [with] limited enrollments due to COVID and parents not working as much, but when I began to get new equipment and repairs/upgrades, things started looking up. Parents began to work more, enrollments were filling up fast, and thanks to this program I was able to accommodate the demand of more new equipment needed for all the new enrollments."*

> *"The impact helped me a lot, I was able to move into a house and provide bigger space for my daycare kids and family."*

> *"It provided us with stable income so that we could expand into a larger facility at our [new] location. We went from having capacity for 10 kids to having space for over 30 kids at our new facility that will be opening soon."*

> *"The stabilization program has allowed me to work toward my goal of creating a separate space for my daycare program from my home."*

> *"I was also able to upgrade somethings around the center that needed to be replaced. I also expanded my yard so that I would be able to have the capacity of eight children per shift (prior to [this] I was only licensed for six per shift)."*

> *"The Payment Programs have allowed us to add in some temporary summer staff, add new construction/classrooms and much-needed office space."*

A few providers were able to increase the number of kids they could serve by increasing their operating hours. For example:

> *"I was able to use funding to update classroom materials and furniture, create a new classroom, [and] I expanded from part day, part year to full day, full year."*

> *"It allowed me to hire qualified staff to work the hours that I am unable to work. I am open 24/7, so she works 12 hours and I work 12 hours."*

A few providers reported demand for child care beyond their capacity and were unable to enroll more children even with the CCC Stabilization funding. As one provider said, *"Demand for child care is among the highest I have seen in nearly 23 years of providing care. My program is at capacity, and I receive multiple calls or inquires for care on a weekly basis."* Another provider discussed wanting to increase capacity but without the continuation of the grants, was unable to consider it at this time: "*With this program continuing, we would consider expansion as we have 50–60 children on a waiting list. We are currently unwilling to expand due to the unknown funding going forward.*"

Providers also reported decreased or fluctuating child attendance across centers because of exposure to COVID. This provided another financial challenge to providers as they either did not charge families when children did not attend or provided refunds or discounts. As a result, many providers discussed the role of the CCC Stabilization Program funding in being able to either offset the lost revenue or use the money directly to provide the refunds or discounts. For example:

> *"Fue de gran ayuda ya que por el covid ninos se van, estan enfermos no asisten, y terminan finalizando la inscripcion, y el pagoo de estabilidad que nos estan haciendo me ha ayudado a cubrir mis meses de renta." English Translation: "It was a great help. Because of COVID, children would leave and*

[would] not attend and they end[ed] the enrollment, and the payment allows us to stabilize and cover my months of rent."

"Because of this program I was also able to offer discounts for when children needed to stay home for being sick or when I needed to close due to testing positive for COVID. This helped families out by not having to pay as much while I was still able to make ends meet."

Child Safety and Well-Being

Providers also discussed the impact of the CCC Stabilization Program on children's well-being, keeping them safe and healthy. Funds were spent on improving the physical environment, COVID-19 prevention efforts, and mental health supports for children. A few providers were also able to improve the accessibility and inclusivity of their child care facilities.

A common way providers worked to keep children safe was by using the funding to do "much-needed repairs to keep everyone safe" or purchasing "more equipment for a safe environment." For example, two providers mentioned were able to upgrade or "put in an additional fire alarm system that was needed," and two providers discussed radon testing, fixing, and mitigation. One provider was "able to upgrade equipment and purchase cameras to enhance the safety of the daycare."

Several providers mentioned being able to install, repair, or upgrade fencing around their outdoor play areas. As one provider said, "The program helped me be able to put up a new fence around my outdoor play area, something I would not have been able to do without this money." Another provider was able to upgrade from a snow fence to a chain link fence. Other providers reported changing the surfacing under their playground to make it safer. For example, one provider added sand and wood chips, two others switched to rubber chips, and another surrounded their new play structure with sand. A few providers also discussed improving safety by adding or replacing their deck, fixing sidewalks, tree removal, updating bathrooms, and replacing broken toys.

Providers also discussed updating their facilities and equipment to comply with state regulations, including supplies, training, and professional development related to health and safety practices or taking CPR classes.

A few providers reported getting supplies, making repairs, or making other changes to their physical environment to increase accessibility and safety for children with disabilities. For example, one provider said they used funds "to help my special needs kids; I have several of them, and [I got] safe equipment for them to play with." Another provider "put in a handicap ramp attached to the new deck." As discussed in the Program Quality section, some providers also improved staffing to provide better care for children with high individual needs.

Many providers mentioned they either wouldn't have been able to afford these facility upgrades without the funding, or that it would have taken years or significant fundraising efforts to buy them. Some providers also emphasized that they were able to buy higher-quality items than they might otherwise have been able to afford, which also saved them money in the long run. The funds also helped cover the increased costs from inflation.

To maintain or improve the health of the children in their care, providers discussed using funds for cleaning to help prevent COVID-19 infections and other illnesses. For example, to keep their child care as "clean and germ-free" as possible, many providers used CCC funds to purchase cleaning supplies and stay stocked up on those supplies. For example, one provider said the funding *"…allowed us to have on hand at all times PPE and cleaning/disinfecting items, instead of waiting to see whether we were going to be able to get these from County Public Health or other resources."* Several providers discussed how needing to clean more frequently and thoroughly increased their operating costs, especially with inflation increasing the cost of cleaning supplies. Providers reported that CCC Stabilization helped with *"unforeseen budgetary expenses"* resulting from *"the increasing cost[s] of cleaning and sanitizing our classrooms daily."*

A few providers discussed hiring more staff or increasing compensation for current staff to help meet the increased need for cleaning. A few providers reported hiring professional cleaning services, either routinely or only after COVID-19 outbreaks. For example:

> *"We have been able to hire a professional cleaner nightly to clean classrooms and reduce risks of COVID transmission. We were able to hire additional staff in temporary positions to limit exposure to staff and children."*
>
> *"The Child Care Counts Stabilization Payment Program allowed the center to bring in professional cleaners as a follow up to a minor COVID outbreak at the center in addition to allowing us to replace all of the old worn flooring throughout the center. These are things that needed to be done but would have been a challenge to budget for."*
>
> *"It also allowed the center to hire a person to just sanitize toys daily."*
>
> *"It has enabled us to reward staff for putting in extra hours for cleaning and sanitizing above normal."*

Another way providers reported trying to keep children safe from COVID was by purchasing COVID tests and PPE supplies, including masks, gloves, disinfectants, hand sanitizer, hand soap, cleaning supplies, paper towels, tissue, air filters or purifiers, anti-bacterial flooring, and "cleaning wands." Other providers noted the opportunity to purchase more classroom supplies; for example, art supplies or paper cups, paper plates, and plastic spoons/forks so children would not have to share or re-use items, thus, decreasing the risk of transmission. Again, these supplies may have reduced staff workload or represented an additional expense that providers may not have been prepared to purchase. For example:

> *"It also enabled us to purchase bulk PPE supplies that we hadn't previously budgeted for."*

A few providers discussed being able to provide families with PPE supplies such as masks or take-home COVID tests, and being able to educate children, parents and/or staff on how to use PPE and best practices for preventing COVID.

> *"[I] was able [...] to ease the children's minds about the things that are going on in the world around them. For instance, […] helping them understand why we have to wear masks, or why we have to wash our hands more, or we can't play with this toy or that toy after another child because it needs to be cleaned."*

> *"It help[ed] me to be able to educate my staff and parents on the COVID-19 with reading material and pamphlets."*

Another way providers worked to minimize COVID cases was by having children or staff who had COVID or were exposed to COVID stay home. Again, some providers discussed the importance of discounting, refunding or not charging families when children had to stay home sick as a way to increase compliance and reduce exposure. We offer a few quotations below and discuss this issue further in the Family Assistance section.

> *"It was a lot easier to ask current families to quarantine after being exposed to COVID as the funding enabled us to waive their tuition during the time they were in quarantine."*

> *"[The funding] allowed me to provide financial support to families to properly quarantine after close contact or someone in the family being COVID symptomatic...keeping our learning environment mostly COVID-free."*

Some providers reported success in implementing COVID prevention measures; for example, one provider shared, *"We were able to implement safe COVID practices and saw a decrease in cases."* Another reported, *"It has allowed us to maintain our COVID cleaning and mitigation strategies and purchasing of PPE, which has kept cases to a minimum. We only closed one time thus far."*

Providers also discussed using CCC Stabilization funding to provide nutritional, high-quality food. Many of these providers reported the useful mitigation of increased grocery prices due to inflation (a 15% increase, according to one provider), while others discussed being able to cover costs leftover by insufficient food program funding. A few providers mentioned expanding their food and nutrition program or starting a garden, both as a learning activity for the children and as a source of healthy food as prices increased.

> *"Without it, I would not have been able to keep up with the ever-increasing expenses and inflation. Grocery expenses are very high, and the [Child and Adult Care] Food Program reimbursement rates don't cover expenses 100%."*

> *"I started a garden with the children and built a chicken coop that will provide long-term food that at times was hard to find in large quantities. These two outdoor projects provided outdoor activities, therapy, and learning for the children."*

Several providers also mentioned how they used funding to support children's mental and emotional health and well-being. Most providers did not go into much detail, but some discussed being able to bring in counselors or mental health professionals for children and staff. For example, one provider said, "The program made it possible for me to have a therapist visit my daycare once a month to speak with children about their feelings and mental state." Other providers reported they were able to provide some mental health care services "free of charge" as well as some telehealth support.

A few providers discussed the importance of staff quality and training in supporting children's mental health. As one provider said: *"We have been able to support training and staff development so that we can meet the mental health needs of enrolled kids."* Another provider said, "*We were able to provide high-quality professional development education for staff focusing on social/emotional development and trauma-informed care.*" See the Staff Quantity and Quality section for more information about the use of funds for staff professional development.

Some providers also mentioned adding toys, educational materials, or a new curriculum targeted toward improving children's social and emotional well-being. For example:

> *"I was able to [get] various supplies to have children participate in activities to support their social/emotional well-being and give them more support than ever before."*

> *"It has allowed us to increase equipment and higher-thinking materials within the center, as well as help build social and emotional connections with the children and their families."*

> *"The Child Care Counts Stabilization Payment Program funding helped our program by allowing us to provide new materials for the children, teachers, and classrooms. These new materials were used to focus on the social/emotional aspect of early childhood."*

Providers explained how maintaining the health and safety of children also improved the learning environment overall. For example:

> *"With me being a first-time family child care provider, it helped me purchase materials to become an excellent provider, gain knowledge of the importance of keeping the children safe and healthy by keeping up with maintenance, safety devices, and providing healthy meals and snacks."*

"It allowed me to give the children a healthier and safer environment to learn and explore in."

Program Quality

Providers discussed using the CCC Stabilization funds to make their programs more engaging, developmentally appropriate, and inclusive for children. Providers did this by upgrading their learning spaces and supplies, adding new activities, and improving staff quality. Some providers discussed trying to meet the unique needs of the children they served. This included care for infants, school-aged children, older children, children with behavioral problems, children with disabilities and special needs, and children of families with lower incomes.

Many providers discussed the effect that upgrading the facilities, equipment, and supplies had on the overall look and feel of their learning environment. A few providers discussed creating new spaces for learning or sensory areas.

"It allowed us to do much-needed upgrades to rugs, classroom and playground equipment, appliances, toys, add in new learning centers, and build up some of our areas of child development learning that was lacking. We used funds to add iPads to each classroom and used funds to build on extra child bathrooms."

"The stabilization payments were very helpful for extra supplies and learning tools for the kids. This gave me the opportunity to invest more in having the right learning setting I needed for my age group."

"Our organization used funding to repair and maintain our facilities, improve the quality of the environment, and create wonderful spaces for children to learn daily."

A few providers discussed improving inclusivity and representation for children from diverse backgrounds. One provider "added culturally-inclusive photos to our center." Another provider "purchase[d] materials for the center on diversity." One provider explained how the funding improved equity by allowing "the children, especially with limited funding in the inner-city population, to have more access to funds and fun."

Providers discussed improving the quality of play and learning activities for children. One way they did this was by replacing toys and supplies. Some of these toys and supplies were simply old and worn-out and replacing them was long overdue. Some were broken or lost by children. Providers also mentioned a side effect of the increased cleaning to prevent COVID was that toys and supplies wore out more easily. For example:

"Our toys and materials were sanitized 5x more daily causing them to break and have to be replaced. Without funding, our center would not be able to provide quality materials to children without raising tuition to cover the difference."

> *"We have been able to replace most toys and learning equipment in our child care classrooms to give them a more appealing feel, as well as increasing the quality of learning and care for our children."*

New purchases provided children with more choices and improved the quality of children's play. Several providers specifically mentioned purchasing supplies to better stimulate or motivate children, to encourage more creativity, sensory toys, supplies for dramatic play, or toys that helped develop fine and large motor skills. For example, providers purchased craft and art supplies, such as paper, crayons, markers, construction paper, coloring books, pencils, kitchen play sets, and books. There was also an emphasis on supplies that were developmentally appropriate. For example:

> *"The impacts of the Child Care Counts Stabilization Program truly impacted us in such a positive way. Our toys and learning materials were quite used and some were even falling apart; this program provided us with the funding to provide new and updated learning materials, sensory fulfilling toys, and spaces for the children to use them in quiet locations."*

> *"We were able to add more inclusive items to the classrooms and outside for large motor and social skills."*

> *"This program helped me to get new toys and outdoor equipment I was in desperate need for that I just simply could not afford on my own with regular tuition payments from parents."*

Purchasing new supplies and classroom materials allowed some providers to add new lessons or activities, reprioritize, or improve the quality of current lessons or activities. Some providers emphasized incorporating more activities that supported various learning styles and engaging children more, while others emphasized physical activity, creativity, or upgrading their technology by purchasing tablets or computers to support learning. For example:

> *"It was fantastic! It allowed us to do so many more things. It covered extra expenses. It made things less stressful for me, making the daycare more fun for the children. So many more experiences like a garden, flower bed, better preschool program, more interesting food."*

> *"The Payment Program also allowed us to provide additional resources for our students that include more physical activity and musical creativity, thus incorporating more representation for multiple learning styles."*

> *"It had a very positive impact on our program. It allowed us to purchase new toys and equipment that help promote social/emotional, physical, and cognitive learning. It has allowed us to provide a high-quality program for our children and families."*

"It also allowed us to provide more programming for our students such as social and developmental programs like a sports camp and tutoring."

Some providers focused more on improving academic subjects, such as science, reading, or math, including providing teachers with teaching aids and lesson materials. For example:

"We were able to better our child care by purchasing an array of books. By adding these books, we were also able to establish prioritizing reading in our schedule on a daily basis. We also spent the money on things like card making sets, raised beds for growing organic vegetables, and investing in storage areas for our toys."

"It help[ed] with purchasing additional class supplies, laptops, additional online reading, writing, math, and social studies courses."

"[We were able to] make larger crafts such as paintings, practice more mathematics, and practice sign language for the children."

"This was our very first year of operation as a child care, […] the payments have been very helpful as we navigate necessary tools to provide a highly interactive and supportive child care to optimize learning and exploring."

A few providers also talked about being able to help better prepare children for school as a result of the improvements to the learning materials and curriculums. As one provider said, "*It gave me the opportunity to purchase more advanced supplies for children to help them get ready for school, and I was able to take more field trips and more family activities."*

Providers also discussed purchasing supplies to provide engaging activities for the specific age groups they served. For example:

"It also allowed us to get new age-appropriate materials and outdoor learning stations for our toddlers and replace things in the classrooms that we could only afford to repair in house. It also allowed us to get materials and create clubs and better programming for our older students. Once the students are ages 10–12, it's harder to get materials and games that keep their attention. We were able to get Cricut's and the older students are now learning to design and create their own shirts, mugs, banners, and things of that nature and they're not so easily bored. This grant was absolutely amazing for our program."

"Since we are able to use funding for rent and payroll, we are able to use those cost savings to purchase new and updated kid-friendly and developmentally-appropriate materials."

"This is a school-age program and before this stabilization payment program, there was never enough in the budget to get these kiddos new equipment and supplies."

"We were able to get items for our new infant and toddler room that we would not have been able to do without the program, as well as a new playground."

Some providers explained how the funds allowed them to purchase new or upgrade curriculum or increase staff planning time. For example:

"We will be updating our curriculum; this has a big price tag and would have not been able to do so without these grants."

"It also allowed us to replace a lot of older Montessori works and curriculum and furniture with new materials."

"It helped me so much to be able to afford my monthly mortgage costs and bills so I could invest more of my money towards the curriculum to teach the children! I am so grateful for this help!!!"

"I'm self-employed and could take some time off to regroup and plan a better curriculum for the children without worrying about income."

Another way providers improved children's learning was by using funding to upgrade outdoor areas. For example:

"I have been doing daycare for 25 years {not all years Licensed} and Oh my goodness what a big impact on my daycare!!!! Thank you from the bottom of my heart!!! I had a rundown swing set along with a snow fence used as a fence. All were upgraded to a newer modern swing set, and I also got a new chain link fence (not very expensive compared to others, but it's good)."

"We are finally able to replace our old playground equipment after trying to fundraise for years."

"Helped give our outdoor space a face lift with large climbers, new surfaces, equipment, teacher-directed activities, a garden that children planted, harvested, and ate as an extra snack."

"This has significantly improved the quality of care I am able to provide and allowed for […] upgrades to the outdoor environment and improvements that allowed for most of our days to be spent outdoors."

"I was able to upgrade a play area so that children can ride bikes and play on a concrete area. I was able to get a play yard for the children to play on."

As with the indoor learning spaces, several of these providers discussed making outdoor areas more age appropriate by creating separate spaces for different age groups or adding developmentally appropriate supplies. For example:

> *"We were able to add a separate playground area for the infant and toddlers with fencing, sunshade, and new equipment."*

> *"We were able to improve our playground so that our children could use outside learning all year round. Along with being able to add a playground for our under two-year-olds to be able to enjoy the outdoors during the day."*

> *"[We were able to provide] equipment for a new school-age program."*

Several providers emphasized adding nature-based outdoor activities, most commonly gardening with children. Some did this at their own child care, whereas others used community plots. Another provider added a rain garden, and another plans to add a nature-based playground.

Providers also reported using funding to support programming (e.g., swimming classes) and field trips outside of their facilities. Some noted that these were novel experiences for children whose families could not provide the same opportunities. For example:

> *"Grant funding also allowed us to provide an array of educational field trips for our children who may not otherwise have these opportunities."*

> *"I took the kids to various city events for social experiences that they had not experienced."*

> *"Provide programs for participants in martial arts, Scouts, Schlitz Audubon, Playworks. Also, add activities such as: [going to the] park, water day, arts integration, and science."*

For one provider, transportation maintenance was key to being able to continue to provide field trips and excursions: "Our camp program operates entirely outdoors, and our bus provides campers with transportation to new and fun outdoor parks and places. This year our bus had some maintenance issues, and the funding money was used to fix it so we could continue to do fun trips!"

Some providers were able to offer new services and programs for children to make their child care more engaging or to better meet the needs of families during the pandemic. For example:

> *"We began to prioritize meeting with the children one day every few months over the weekend. During this time, we schedule activities like yoga, card making, bowling, and clay work."*

"[We were able to] provide in child care home schooling while schools were closed due to COVID, which allowed both parents to return to work. It has continued to help offset cost of inflation and allowed me to continue to provide quality meals and provide curriculum and environment improvements."

"We have been able to […] add a Summer Learning Program to our summer session."

Some providers also discussed being able to celebrate special events, as one provider said, "It also helped with covering the cost of things needed to celebrate each child's birthday and Christmas."

Several providers discussed how the funding enabled them to meet YoungStar standards or raise their Star level as a result of changes to their programming. For example:

"The Child Care Counts Stabilization Payment Program has allowed us to retain our current staff and elevate our education of our staff to maintain or increase our YoungStar rating, which has helped us provide more quality child care. It has also allowed us to increase our staff pay based on the education classes that staff is taking. The rest has allowed us to purchase more materials to provide more quality programming for children."

"I have been able to purchase high-quality materials and update classrooms that help me achieve the five Stars in the YoungStar."

"We are also able to maintain our 5-Star rating by keeping our center clean and adding in an air purifier to keep our students and families healthy. We are also able to maintain quality supplies as well as a nutritional food plan and not have to sacrifice any part of our program."

"This grant allowed our staff to enroll in continuing education programs at local technical colleges to meet the state requirements of YoungStar certifications."

Although explored as a separate theme below, many providers noted the role of funding in being able to hire and retain high quality staff or additional staff in order to deliver high quality programming. As one provider said, *"Quality care for young children is dependent upon properly-trained and consistent staff."* Another shared:

"Yes, it allowed us to maintain the same quality of child care while we did not have enough children. We were able to hire experienced teachers, raise salaries, give bonuses to teachers, conduct teacher training, improve our facilities, and help parents who couldn't pay…In general, we managed to make the teachers feel valued and appreciated with a good salary, bonuses

and benefits, and we maintained the quality of our care, making improvements in the center and helping parents who did not have the capacity to pay the full monthly fee."

Additionally, several providers linked funding with the ability to better serve students with special needs. For example:

"We have completely seen a difference in the level of care and staff stress level by lowering our numbers and/or increasing staffing to care for children. We have had a steady increase of children attending who require one-on-one care. This level of need has increased the difficulty of caring for children while meeting a budget. These funds allow us to follow best practices, which we know our students need and deserve."

"We were also able to add extra staffing to support children with special needs/behaviors who would not have been successful in our child care program otherwise due to their high individual needs."

Staff Quantity and Quality

Over 900 providers mentioned the number of staff they had in response to the first open-ended question about the impacts of the funding. Providers used funds to try to retain current staff or hire new staff during what they often described as a labor shortage on top of child care being an already undervalued and underpaid field. Over 1,200 providers mentioned staff compensation and 147 mentioned benefits or paid time off in their comments. Providers reported both increasing compensation and benefits in an attempt to keep current staff and attract new staff, as well as using funds just to cover current payroll and benefits as many struggled with low revenue. Some discussed how increasing compensation and benefits improved staff well-being, which in turn helped retention. In addition, hiring new staff also decreased burnout. Some providers also discussed how each of these contributed to staff quality and the quality of care provided as they were able to retain qualified staff and keep staff consistent for the children. Providers reported using funding to hire well-qualified staff, and how decreased stress allowed staff to better focus on children. Professional development also improved staff quality and expertise, for both current and new employees. In particular, providers noted the importance of funding to provide training when they were not able to hire as experienced or qualified staff because of the competitive labor market. Some providers also emphasized how being able to provide professional development opportunities improved staff members' commitment to the program and the child care industry. As one provider shared:

"The Child Care Counts Stabilization Payment Program funding provided the funds to keep our high-quality center open. We provided excellent care for early-childhood children by putting the funds towards excellent, vital teachers and staff. Getting closer to showing them their true worth has been a great accomplishment. We spent a lot of the funds on our team and their education as well. We would not be able to retain the educational quality of teachers we

have now without this funding. If we didn't have the teachers, we wouldn't be able to provide care for so many children in our community that need care."

Many providers reported using CCC Stabilization Program funds to try to retain staff by increasing compensation, increasing benefits, or providing a better working environment. For example, some providers offered new retirement plans (e.g., a simple IRA plan), or increased the employer-match for current plans. Others were able to provide some health care benefits, health savings accounts, or increased paid time off. Providers reported that increased incentives helped keep many staff in the child care field that otherwise would have left.

"It helped greatly with staffing. At first, we put it into bonuses, but staff preferred raises, so we have increased pay by $3 per hour overall and give $100 per week attendance bonuses as earned. The increased pay has increased morale and well-being among our staff and has also made it possible to recruit and retain new staff. The program has mostly recovered from the pandemic, but with the grant funds, we were able to offer those raises without fear of going out of business."

"Our staffing was able to be stable, which was huge. We didn't have to do any cuts, in fact we implemented pay increases with our new fiscal year, along with adding health savings account contributions. Staffing is such a huge problem in our industry that we are blessed to have this extra money to work with."

"It has greatly helped to provide the compensation needed to retain my degreed teachers during a time of incredible challenge and stress."

"We were able to increase wages, offer staff full health & dental benefits, and give them monthly bonuses. This has helped tremendously with retention of staff."

"We are now offering a higher base rate for all new employees. We are also able to provide more significant annual increases which, while falling short of the inflation rate, helps to retain the workforce we currently have. We also were able to offer college scholarships to our students that worked for us over their summer break."

"It has enabled us to increase our hourly wages $2.00 per hour in the last six months, offer monthly bonuses, and raise our employer contribution for the 401K by 2%. I am so happy to be able to offer more to our staff so that we can retain them and attract new employees."

"The CCC monies helped us to retain our staff as no one chose to be laid off... they could have collected unemployment compensations (with an additional $300.00/week). We have given large bonuses to full-time and part-time staff."

"The funds helped us to retain experienced and well-educated staff to reduce further turnover during very challenging times. Wages have become very competitive, and this allowed us to be more competitive at a very critical time. These funds also assisted in attracting applicants to fill open positions."

"The program payments allowed us to invest in staff training and retention with the salary increase and bonuses. During the course of this time, we were able to retain all of our existing staff. Staff expressed appreciation for these incentives."

"The stabilization grant is the reason we are still open. There is no way we would have been able to weather this storm, it's been hard to maintain quality staff, so the stabilization grant has made it possible for me to give the teachers a raise to keep them and to hire other teachers at a higher rate."

"We were able to increase the staff wages and offer a simple IRA plan. This has increased overall morale, staff retention, and recruitment has seen improvement."

"It increased pay for our student employee staff whose pay was already out of market range and also allowed us to give out retention bonuses to our teaching staff. This also allowed us to increase our professional development and trainings for all staff members."

"This payment program has allowed me to, most importantly, increase the pay of my teachers. The teachers I employ are hard-working, well-educated, amazing teachers who deserve to be paid well for their work. I am planning on increasing their pay again in the near future."

A few providers talked about using bonuses and wages to try to get seasonal staff to return the following season.

"We also used it for our summer help for this program to give them a little bonus at the end of the summer to hopefully encourage them to come back next summer!"

"By giving our staff stipends in addition to their wages and fringe benefits, it definitely helped to retain the excellent staff members that we have on our team. During the summer months when our teaching support staff are laid off, knowing that they would continue to receive the stipend upon return to the program in the fall, I fully believe these funds also helped us retain the staff through the summer months, and most staff returned from layoff status."

With the competitive labor market, several providers reported having to compete with the increased wages and benefits offered by other industries, or even other child care providers, in order to retain their staff. Providers specifically described having to compete with the school district, gas stations, Walmart, Target, and factories. For example:

> *"The Stabilization Program has been vitally important in our child care program's ability to retain qualified staffing. The labor market in our geographical area is extremely tight...where qualified candidates are commanding wages approximately 40% to 50% higher than the wages paid in 2019. Without this program supplementing teacher wages, I can definitely say that most child care facilities would be left with the choice of reducing access to child care or raising child care tuition rates significantly."*

> *"Child Care Counts helps us remain open and allowed us to give staff a 30% raise for their continued work and dedication to the program. Staff also receive incentive pay each paycheck in the amount of $300/month for full-time employees. This has helped boost staff morale and hang onto staff when other companies are offering huge increases in hourly wage."*

> *"The bonuses to staff have been life changing for [staff] really allowing them to stay at our center instead of going to work at Target for $16 starting pay."*

> *"It's helping a lot with the increase in wages, especially in factories or big corporations, being established in [our county]; this has helped us maintain some our staff. Although, the $17–$21 per hour wages are giving us competition, we are able to maintain staff who are not just into money and more into loving taking care of children."*

> *"Our program has struggled with maintaining staff or recruiting/training new staff. This is our greatest financial struggle since opening and with other professions paying extremely high, we are struggling even WITH funding to keep staff. Our doors would quite literally close without this continued funding."*

Other providers reported having to use the increased incentives and benefits to convince staff to continue working during the pandemic despite increased stress and anxiety about COVID. For example:

> *"Having extra financial support had help[ed] me in many ways for example been able to keep staff even if they were scared to work under the circumstances of COVID-19. That extra help and support to maintain a safe and clean environment for children and families."*

> *"Our early childhood center was able to stay open during COVID with the exception of a few classroom closings. We felt it extremely important to share the money we were awarded with our staff as bonuses for them coming into*

work regularly and allowing us to stay open during the crazy times of the pandemic."

A few providers also discussed how even before the pandemic, employees in the child care industry struggled with low wages and high turnover rates as child care is an undervalued and underfunded field. According to providers, the CCC Stabilization Program temporarily helped mitigate this problem and keep staff in the industry.

> *"The Child Care Counts Stabilization Payment program allowed staff to be compensated with a bonus every month. This helps because the child care industry isn't valued and child care professionals aren't considered educators on the same level as public school teachers, even though they do as much work, or more. Staff members need benefit packages as well as pay increases moving forward, but providers aren't able to pay those professionals because we aren't compensated enough."*

> *"It was very much needed with the cost-of-living expenses going up and being underpaid in child care. The help with the rent, payroll, and providing bonuses really had a major impact on our daily lives both mentally and physically. It took [away] staff stress of daily life and made the work environment so positive and I knew my staff was happy working at my center and would remain committed to our program, families, and children."*

> *"It has been made a big impact on the wages for staff and being able to increase them. With the staff shortages at a crisis level, we need to continue to keep the wages where they should be working as an early-childhood professional. The Payment Program has made that happen."*

> *"Teachers are now able to have a more livable wage; we felt it was most important to give staff the increases and bonuses as the current wages at that time were so low. We hope to continue to give better wages with the continuation of these grants. Teachers are appreciating the increases and possibly able to stay on with us, which provides more consistency within the classrooms and stable environment overall for children. (Wages are still ridiculously low and it continues to be a struggle to hire and keep new staff.)"*

> *"Program B funds have made a monumental impact on recruiting and retaining staff! Being church affiliated, our teachers have always been toward the bottom of the wage scale."*

> *"It helped me a lot. I'm literally working for $5–6 dollars an hour! AND IT'S NOT GUARANTEED INCOME!! Childcare is a serious issue. Parents CANNOT AFFORD IT! And this is the HARDEST JOB ANYONE CAN DO! Raising OTHER PEOPLE'S KIDS IS TOUGH!"*

"It has weakened the financial strain on a broken system that needs financial help from a government source and/or other source beyond parents alone. With the extra money, I have been able to raise staff salaries across the board $1.50–$2.50/hour along with giving monthly/bi-monthly bonuses."

Many providers discussed using the CCC Stabilization Payments to cover current payroll and benefits, which was one of their biggest expenses. For several providers, maintaining wages and benefits was enough of a challenge even without decreased revenue during the pandemic resulting from decreased enrollment and COVID closures. For example:

"Staff received monthly stipend bonuses to help retain the staff we have as well as help recruit new staff. Our budget was in the red due to COVID closures. Child Care Counts has helped cover some of the back expenses for employee benefits to get back to a positive balance. Moving forward, we are planning to increase hourly wages for all staff to continue with the amount or more that is being covered by Child Care Counts."

"We run a deficit every year and even with the Stabilization Payment Program we still run a deficit. We are a school-run child care center, so our full-time employees receive the same benefits as the rest of our school staff. Paying benefits in a child care setting is extremely difficult because of cost. The extra payments allow us to lessen the burden on the families and our school."

"It had a huge positive impact! The employees really appreciated the bonuses and the incentives that we were able to offer them. Also, the funding allowed us to pay some missed wages to employees who had to quarantine when their room had to close due to COVID."

"The Child Care Counts Stabilization Payment Program allowed us to maintain quality care during the ongoing pandemic. Because of this program, all staff were able to be paid during temporary COVID-19 closures. We have not had any COVID-19-related layoffs. We were also able to maintain a lower cost to parents while increasing staff pay."

Similarly, some providers reported that the CCC Stabilization funds meant that they could afford to keep staff on full time instead of having to let staff go or reduce their hours. Several of these providers described being overstaffed, as they decided to keep staff above what was needed or warranted for the dropping enrollment levels or decreased operating hours.

"Child Care Counts Stabilization Payment Program funding allowed my child care program to continue to operate with a full staff. As my child care ratio fluctuates and/or providers are ill, I can afford to pay salaries [and] sick time."

"It allowed for me to pay staff full time every though I did not have enough children at times to keep all my staff and continue to pay them full time."

“It helped tremendously keeping all my staff employed—even when children were out sick, we had enough to keep them working full time. I was able to hire new people and give them paid vacation right away. I was able to give staff appreciation for long hours with bonuses and lunch and other small gifts. We were able to make payroll when we were low on income from parents who left or had sick kiddos. Thank you for this grant.”

“This program allowed [us] to raise salaries and offer bonus payments, making it feasible to retain great employees and recruit new employees. While the recruitment has been more difficult, the turnover rate remained lower than national averages for our program.”

Providers emphasized the challenges of hiring staff in the competitive job market with labor shortages across industries, especially as other entry-level jobs started providing higher salaries and more benefits. Many providers reported using the CCC Stabilization funds (or the resulting freed-up money) to attempt to attract staff by offering higher starting pay and more competitive benefits. For example:

“We were able to put extra funds in our teachers’ pockets immediately while we work to ease wages up long term. Getting staff is a huge challenge right now as we compete against non-child care businesses for employees and getting this funding has helped us keep our excellent staff happy and rewarded.”

“CCC funding made it possible to keep and hire on new staff at the hourly rate and benefits they are looking for. Hiring is the biggest issue we have. Finding qualified staff and keeping staff working in child care have been such a challenge since the pandemic started. Without funding we would not have the staff to help as many families as we have.”

“The Child Care Counts Program has stabilized our program by being able to give bonuses initially, and now we have transitioned to increased wages, which has helped recruit and retain employees. Without this program going forward, there is a very high possibility we would have to shut down or increased parent costs to an unfeasible amount.”

“We were able to recruit some staff, maintain our current staff, and provide raises and bonuses for the first time it nearly 10 years. We would not have been able to stay completely open and maintain our professionals without this assistance.”

“Grants have had a HUGE impact on our program especially for our Staff. 100% of Program B funds have gone directly to current staff. We market to new employees that they will receive incentive pay from day one when they work at our program.”

"This program helped us to keep our existing staff and recruit new staff. It helped us to increase pay and provide bonuses and extra benefits like PTO and retirement to keep and recruit new staff."

"Amazing! We have been able to issue bonuses to all of our staff, offer hiring bonuses to new starts, and recently made the difficult (and risky) decision to increase everyone's hourly rate. This funding has been exceptionally helpful as we cannot compete with other jobs offering $15–$17 per hour for entry level positions."

Providers also tried to hire new staff by investing in recruitment efforts such as posting on job boards, hosting recruitment events, hiring professional recruiters, offering sign-on bonuses, offering referral bonuses, and training for new employees, including Registry training. Several providers discussed the high costs of recruitment. For example:

"The funding allowed us to hire a recruitment consultant who was able to help us find three qualified staff for our program. She was also able to help us with our postings and social media presence to enhance recruitment efforts."

"Having that extra money allowed us some wiggle room during low enrollments time and allowed us to spend a lot more money in our advertising to hire new teachers... because we had the money to pay our rent...it helped cover our $3,500 Facebook and Indeed payments!"

"I was able to pay for training to hire new staff. Training material, gift cards, and I was also able to host events to promote hiring and enrollment."

Some providers reported being able to hire more qualified and experienced staff. For example:

"This program allowed me to hire more qualified and quality staff. Hiring people during the pandemic was a nightmare because no one was applying to our positions. Luckily, we were able to raise our starting wage and cater to a higher educated population of people. And because of this, our quality of care increased significantly."

"It has allowed us to increase wages and retain high quality staff. Raising wages and increasing PTO has also helped us attract more qualified applicants. It also allowed us to provide more in-depth training for staff members."

"Oh my goodness, this has been an incredible gift. It does get too confusing to increase a wage and have the additional funds count towards a raise, so we just do bonuses instead. These funds have been able to allow us to continue to provide excellent care and not just hire bodies as teachers. And I was able to retain teachers we wanted to retain. Our teachers truly care and want to

make a difference. I'd love so much for these funds to continue beyond next summer, but also for there to be a push in the community to see the value of ECE as well as know this is a profession."

Even with the CCC Stabilization Program, many providers were not able to attract and hire any staff because of the shortage of staffing in the industry. Others reported hiring staff that were not as qualified or as experienced as they would have wanted. With the help of the CCC Stabilization Program, though, some mentioned being able to provide training or further education to meet certification and YoungStar requirements and bring new people into the child care field. Several voiced continuing concern about what they would do when CCC Stabilization funding ended. For example:

> *"The Child Care Counts Stabilization Payment Program allowed me to provide my teachers a living wage, and it allowed me to support them in their training. I was able to hire applicants who have never worked in child care and pay for the basic training required by the WI DCF. I am concerned about the subsidy ending and how I will be able to continue to support my teachers."*

> *"Funds will be used as sign-on bonuses if I can find quality staff to apply and actually show up for an interview; the hiring process has been a disaster these last 6+ months."*

> *"The extra funds did help with the expenses; it's just not enough alone. The recruitment efforts to keep children and staff to be able to stay open is the key. If we would like quality staff, we would need to pay out more funds, and also be able to maintain that moving forward."*

Some providers also reported an increase in staff emotional well-being, morale, and motivation, noting the funding contributed to decreased burnout, decreased personal financial stress, and providing mental health supports. For example:

> *"It helped us keep staff and kept them positive. They felt noticed, valued, and honored to be getting more money. My employees loved the extra money. They don't make a lot to begin with and every little bit helps. They also worked through COVID, and we never had to close. They stayed healthy, and we made it!"*

> *"Staff felt they were noticed and appreciated. They were finally able to make enough money to feel they mattered in the educational arena. They were able to feed their families and it helped [them] pay rent with getting monthly bonuses. With the monthly bonuses to staff and the increased wages, we are able to hold onto valuable staff instead of losing them to the fast-food industry, which pays higher."*

"The CCCSPP gave us the ability to give higher wage increases then we typically would have been able to, to our staff which was well deserved. The ability to give the staff monthly bonuses on top of the increase, has helped tremendously with staff morale. We are able to make them feel appreciated for all their hard work and dedication to the child care field."

"I was also able to pay myself for prep time, managerial duties, and sanitizing toys. This helped diffuse burnout. Money was put towards health and life insurance. I got my first few paid vacation days ever (I don't charge families for these)."

"The program helped us by supporting our teachers with bonuses when things became more expensive. Many teachers were thankful for the extra money to put towards their student loans and living expenses. We were able to give some teachers larger raises to help close the gap between our teachers and paras that work in the school district which allowed us to retain some staff. We were able to continue to pay our expenses even though enrollment dropped at times due to many parents working from home and not needing care."

"We have been able to provide regular bonuses to our hard-working staff, which has a direct impact on the over-all morale of the agency. Also, the CCCS funding, in a very tangible way, has assisted our staff in handling financial challenges brought on by COVID. For this and more reasons, we are very thankful for the CCCS funding."

"We chose to invest the majority of these funds into stipends for our staff members. These stipends helped to ease the economic/financial hardships which a number of our staff were experiencing. By easing some of this financial stress off of our staff members, staff were able to provide higher quality care to our children because they were more present for their work and could concentrate more of their efforts on providing the high-quality care to our young children."

"We have been able to provide the current staff with additional money each paycheck to help support the cost increases that they have in their own households, and to more fairly compensate them for the incredibly difficult task that working in early care and education entails. They can still go work in much less demanding workplaces and make more money than we can afford to pay as a nonprofit."

"I have used almost the entire payment and put it towards my staff's wages. They were all living poverty-level incomes and needed this in order to stay working. It has made them all more dedicated to providing good quality child

care. The effects of increasing their salary are tremendous. They are all very capable of providing the best quality care and have shown that."

Providers also reported that the additional incentives helped compensate and reward staff for the extra work they had to do because of the pandemic, such as extra cleaning or working additional hours because of being understaffed. For example:

> *"Our center was able to […] give bonuses to all the staff, which helped them financially during the times we had to close during a COVID-19 exposure and other times to show appreciation for all the hard work they do and the long hours they put in, due to being short-staffed."*

> *"It has enabled us to reward staff for putting in extra hours for cleaning and sanitizing above normal. It has helped us advertise for openings and enabled us to be able to offer bonuses."*

The funding also provided staff with improved job security during the tumultuous time of the pandemic.

> *"We were able to maintain our current staff and improve the morale in the center. COVID hit the centers hard when the teachers didn't know if they would have a job from one day to the next."*

> *"We were able to provide staff with stability and job security as well, showing their value and importance to their profession and craft."*

Providers were also able to value and reward their staff through various staff appreciation events, such as staff meals, or via tokens of appreciation such as gift cards or gift baskets.

Although less common than providing bonuses or wage increases, some providers were also able to improve or offer new staff benefits such as retirement benefits and health insurance plans. Several providers noted that they were able to offer these benefits for the first time, but also noted some limitations in what they were able to provide. For example:

> *"We are also really excited to be able to offer a retirement benefit for the first time ever to our employees. It is another enticing benefit to potential teaching candidates and something our current staff have been asking for for a really long time."*

> *"It allowed me to have money to add for my retirement. Without this I was thinking about leaving the child care field as I don't have a lot of time left to earn for my retirement."*

> *"I am an in-home family provider so the funding that I have received has actually kept me afloat. My health insurance alone is crazy high and if not for this funding I would have to go to work somewhere else. Prices on everything*

since COVID have skyrocketed and keeping up with the expense increase is near impossible."

"From a staffing area, we were able to fully subsidize staff medical premiums 100%, double the agency match on their 401K, and give staff monthly bonuses. The staff appreciate the increase bi-weekly checks that help them live month to month."

A few providers were able to offer other non-traditional benefits to decrease staff members' personal financial stress. A few providers reported helping pay for medical expenses if they couldn't afford to pay health insurance. This was especially common for self-employed providers. For example, one provider discussed an upcoming surgery for breast cancer. Another provider was able to purchase needed hearing aids. One provider reported "help[ing] with funeral costs of an employee's mother." Another provider helped staff with relocation costs. Several providers gave tuition discounts for staff with children enrolled in the child care. One provider assisted their staff with her rent.

Some providers reported decreasing staff burnout with increased PTO and vacation or just less scheduled working time. Increasing the number of staff employed also enabled providers to give more time off. For example:

"Improved conditions for employees. Employees are able to work fewer scheduled hours without loss of income. This improves morale and quality of care while reducing burnout. It also allows greater flexibility for staff to fill in for one another without accruing overtime, which has been very helpful for planned and unplanned absences (like COVID quarantine)."

"This has been incredibly helpful in that we were able to hire more staff so that the staff we have, who are experiencing burnout and various illness (COVID and other illness), were able to take the time that they need to stay healthy and come back to work and be productive caregivers. We would not still be open if it wasn't for this program. We employ about 25 people and have 130 children in this small community and rely heavily on the CCPP grants. Our employees have received raises and bonuses and that would be impossible to maintain without the subsidy payment."

"I was able to hire someone and have been able to take "off" Saturdays without feeling guilty, and she also covers for me to attend advocacy meetings, appointments, and watch my son show his dairy calf at the fair without having to close—allowing my families to work and not have to take time off of work, and be part of the [research committee…] I am also planning on starting to add to my retirement fund once I am full again this fall with that money."

Physical and mental health and well-being of staff were improved both through covering health insurance and medical bills, as well as increasing the number of sick days for staff. This allowed staff to properly quarantine when exposed to COVID and still be able to make ends meet. A few providers discussed how hiring more staff enabled them to give more sick days as staff were better able to cover for each other without having to work overtime. Some providers also reported bringing in mental health professionals for staff or being able to see a therapist themselves. One provider was also able to add an Employee Assistance Program for staff.

Some providers reported that this was the first time they were able to provide vacation days for staff—particularly family or single-employee providers. For example:

> *"It helped me stay in business. The financial help lessened the burden of worrying about getting the bills paid. The extra amount will allow me to take a week off to regroup. I have not been financially able to have a paid vacation in 22 years. I am finally planning one this next year. I have devoted my life to taking care of children and have decided I should take a week and take care of myself. I will be a better provider, and I deserve it."*

> *"We were able to increase the wage of every employee along with now being able to provide three sick days and three paid holidays for each employee. This was not something that we were able to do for our workers before. We are also looking to hire an extra staff member in the coming weeks."*

For the providers responding to the survey who were self-employed or owned their child care, the CCC Stabilization funds significantly reduced their stress about their program's finances and budget and whether they would be able to stay open. Several described an increased sense of confidence in their program and feeling more rewarded.

> *"It has helped provide relief to me as a provider both financially and mentally. To help pay for supplies and increase my salary. With the financial boost to my salary, it has made my job feel more rewarding and has kept me in the profession."*

> *"I have been in early child care field for 20+ years and we have NEVER had any extra money in any way. This grant is MAGICAL! I have been able to build a quality staff, improve morale, build learning centers, and improve our physical center. It has taken a lot of stress away with worrying about the small things because I know I do not need to scrape and pinch funds to get basic needs."*

> *"It was huge, the extra funds to help families, be able to save for retirement, and upgrade the facility. I don't feel the stress of money and I can take care of myself. It has been a huge relief... I can help families in need and watch their kids without feeling like I'm taking their paycheck... I also love the fact I can save a little for retirement."*

> *"HUGE impact. It meant that I had a large portion of my utilities and mortgage covered, which meant that I allocate more $ from tuition to activities, supplies for children. This is not a lucrative profession; the added stress of caring for young ones during a pandemic has been a lot. This program was what I needed to feel able to continue doing what I love. It also meant that I felt comfortable keeping rates the same for parents when prices of practically everything skyrocketed."*

> *"It changed my life, my home, my daycare, my confidence in being the best daycare provider I could be. All along 28 years I knew I was and had a good daycare. But this program showed me how important I really was. It allowed me to do much-needed repairs that I was not able to do as a single-income mom myself. COVID was very scary times with many business closings. I survived and stand taller and prouder because of the help of this program. Thank you to whom is deserving, from the bottom of my heart."*

A few home providers also mentioned that with the help of the funding, they did not have to dip into personal savings or fund expenses out of their own pocket.

> *"The extra funding has really been a life saver! Since this extra funding, I haven't had to take out pawn loans on my keepsakes and jewelry, and that too has been a blessing as well!"*

> *"I don't know if I would have been able to keep the doors open if I didn't have this program available to me. I went through almost all of my savings trying to pay all the bills last year. Since this program, I no longer have to use my savings. I am not able to make enough to take home a paycheck, but I am at least able to pay the bills to keep the doors open. Mentally this has been stressful after 22 years in this profession and being the sole provider for my son but getting through it day by day."*

Several providers struggled with decreased or fluctuating staff attendance and discussed staff not wanting to come into work. A few providers used the CCC Stabilization funds to offer bonuses based on attendance. Others discussed how the incentives helped motivate staff to show up. When possible, providers also discussed trying to hire staff that were reliable and would show up to work.

Providers reported fully or partially paying for a wide variety of types of professional development, both credit and non-credit. For example, some providers discussed helping to cover costs for required new-hire trainings, attending conferences, bachelor's degrees, CPR classes, and classes to improve care for specific populations. Several providers reported using the funding to pay for the staff member's portion of the TEACH program, allowing them to participate free of cost. A few providers mentioned how increasing wages and bonuses motivated staff to complete trainings or classes.

"We have also been able to use some of our budget to allow for scholarships to continue staff to further their education. We also have them on the TEACH program, but we have used our freed-up budget money to pay for their portion of school, allowing them to go for free. I have over 10 employees now furthering their education."

"It allowed me to stay stable during my transition and afford to pay bills and recruit new employees. It allowed me to cover training costs for employees who usually would not be qualified or be able to afford continuing education."

"Coming into the CCC program I had two staff taking advantage of the TEACH scholarship. They are in the process of finishing an associate degree. Now with the raises I have given and will give upon completion of credentials and degrees, I have seven more staff on the TEACH scholarship—a total of nine staff who are increasing their educational level. This alone improves the quality of my program. I have chosen to use every penny of these two programs to increase wages for my staff and it is paying off in higher quality. Most importantly, the parents have noticed the difference this increased education is making in the program."

A few providers discussed being able to promote staff and improve their Registry level. For example:

"We have been able to create more positions within our program, so we are not at minimum staffing. Our lead teachers now have paid vacation time, and our assistant teachers have the opportunity to take credit-based classes and move up on the Registry to become a lead teacher. We have also retained most of our staff due to our monthly bonuses."

"Child Care Counts has improved my program tremendously. It has allowed the program to enhance teaching materials, hire qualified staff and gain higher Registry levels with completed educational courses. Everyone also had a chance at a raise and with that we were able to help our community and families."

Some providers discussed how the opportunity for professional development helped retain current staff by improving staff commitment to the program or recruit new staff. For example:

"We based our teacher pay on education/certification levels and continued to promote [that] we would reimburse for education, and this has made it possible to keep and grow teachers."

"This funding has been HUGE in making my staff stay with me and want to improve themselves. I continue to coach them and encourage them to take classes so they can take over when I no longer work."

> *"Increasing our staff's wages has caused our staff to 'buy into' our program more, and several of our staff are looking into increasing their educational level to an associate degree in the near future."*

> *"I was also able to take courses to further my education within early child care and it has helped me to grow an even bigger passion for my career and has also helped me to create a better quality child care for the kids and families in my care, as well as less stress on myself too. I am so grateful that I was able to find the time and to have the extra money from this program to be able to take the courses that I did. Thank you."*

As found in the analysis of the spending data described earlier in this report, providers used the majority of staff-focused funding on bonuses. Providers described the importance of being able to provide such bonuses, but also the challenge of not having enough money or worrying about sustainability of funding as preventing them from providing more permanent raises or new benefits.

> *"Having the funding has helped us to maintain the staff we have because we could give them a monthly bonus to increase their income each month. If this program could become permanent, I would love to use it to give wage increases."*

> *"Allowed me to keep valuable staff with routine bonuses. I am still hesitant to increase wages as once this program is done, I will not be able to sustain those wages. I see everywhere around me offering higher wages and I am not sure how they are managing that."*

> *"The Child Care Counts has kept us in business. Finding staff has been hard; being able to retain the staff I have has only been possible through the bonuses and raises I have been able to get. Looking at the long term, I am struggling with how to sustain it all without passing the increased costs onto our parents."*

> *""It helps us keep staff from leaving—the $500.00 bonuses we were able to give full-time staff each month kept them from quitting to work at McDonalds or Target or $16.00 per hour. We did not do wage increases because we did not want to get stuck in a bind when/if the Child Care Courts Stabilization Program stops. It was also easier to keep track of. […] the Child Care Counts Program has allowed our center to meet the demand of higher wages for staff while still keeping child care affordable."*

Despite the improvements on staff well-being with the help of the CCC Stabilization program, many providers mentioned wages still were not high enough and were not yet at the level that staff deserved. As one provider said, "It helped keep the business open, but still didn't feel it was enough. Staff are still extremely underpaid, living paycheck to paycheck to paycheck. There needs to be money to help alleviate the stress." Similarly, many providers were still unable to afford benefits such as health insurance or a retirement plan even with the CCC Stabilization funds. Providers also expressed concern about having to decrease wages or remove bonuses or benefits after the funding ran out and how this would impact staff well-being and retention. See the Constraints section for more details.

And even with all of the positive impacts identified, a few providers still mentioned high levels of burnout. As one provider said, "*Our turnover has been minimal, our burnout has been significant, but we are still open and providing quality care."*

Family Assistance and Family Effects

In response to the first open-ended question discussing impacts of the CCC Stabilization Program, 580 providers mentioned impacts on families. Providers reported using funds to help families by staying open, providing quality care, tuition assistance, or other gifts. A few providers also tried to engage families more in their programming.

Several providers reported being able to use the money to reduce tuition, provide tuition discounts, or waive fees for all families, a portion of families, or both. A few providers described rotating between which families they assisted each month or week, so that they could help everyone a little bit. For example:

> *"This payment program has also allowed me to give a tuition payment break to some of my most needy families that are just above the cutoff and don't receive any or much state aid. I have also 'spread the wealth' by reducing everyone's daycare costs by $1/day. Not much, but it helps everyone. I have also been able to put off a tuition increase that I would have had to make last January."*

Very commonly providers also used funding to refund, discount, credit, waive, or offset lost tuition when children were out sick with COVID or when there were COVID-related closures. Some providers also increased vacation days for families or didn't charge for other prolonged absences, such as medical or family emergencies.

> *"This funding had a significant impact on our families who were affected with COVID and quarantine periods, by helping to reduce their cost of tuition to 50% while out of daycare. The center took a huge hit during COVID-19 due to low numbers of children but being open to support our hospital staff who needed to work."*

> *"This payment program made a huge difference on our program. Due to COVID cases we closed classrooms and quarantined children several times. The CCC Program made it possible for us to waive or reduce tuition for families and still allow us to pay our teachers their full salary."*

> *"In addition, we offered families a 50% discount on tuition if their child was quarantined due to a classroom exposure. This added up to a significant loss of revenue throughout the last two years."*

> *"Families did not pay when their children were sick or when they took vacation. I was able to reimburse myself for the lost income using funds from this program."*

> *"From January 2021 to March 2022, we as an organization credited over $260,000 in tuition for early-childhood parents quarantined for potential exposure. If we did not have the grants, we would not have been able to keep our centers open."*

Several providers reported waiving registration fees, and a few waived transportation fees. A few providers also assisted with or fully covered costs of field trips (if they didn't already do so). For example, one provider said, "*I was able to offer more support for parents. I was able to waive all co-pays and late fees/enrollment fees. I was able to incorporate signup bonuses for families as well as increase field trips."*

When they could, many providers tried to help low-income families or families who struggled paying tuition because the parents lost a job or income during the pandemic. This included forgiving overdue balances; working out payment plans; providing discounts or "free-days"; providing tuition assistance for families who no longer qualified for public assistance; and waiving co-pays, fees, or tuition. A few providers reported helping families with more than one child enrolled. Another was able to help two "families from pending homelessness situations." For example:

> *"I was able to work out payment plans, discounts for a second child with parents who are struggling financially. Overall, the program helped me support my families' essential needs."*

> *"[We] did not have to terminate any family due to nonpayment. We were able to subsidize those accounts that had balances [using the] Child Care Counts Stabilization Payments."*

> *"[For] three families, we let them bring the children at half rate so they could continue to work. Still holding a spot for one family until they come back in the fall. (Family of three)."*

> *"It was a HUGE impact and a blessing! My program is very small, and these additional funds allowed me to accept just the funds received from WI Shares assistance program, and still be able to remain open and pay my own bills, without charging the parents their co-pays and balance due."*

> *"The CCC Stabilization Payment Program helped my parents tremendously by assisting them with co-payments. Some parents were really struggling to make payments and those funds really helped."*

Some providers offered free or discounted tuition for the children of their staff. For example, one provider said, "Child Care Counts Stabilization Payment Program funding has helped us increase salary; it has helped us provide and increase bonuses. It has helped us cover teachers' children's tuition and community members' tuition who need more financial help right now."

By using the CCC Stabilization Program funds to offset the revenue losses resulting from COVID-related closures or un-enrollments and increased operating costs due to high inflation rates and competitive staffing costs, some providers were able to freeze tuition. Other providers still had to raise rates, but not as high as previous years, or not as high as they reportedly would have had to if they had faced the challenges from the pandemic without receiving the CCC Stabilization payments. For example:

> *"I have chosen not to raise my rates because of this program. My daycare is in a low-income school district, so the cost of quality daycare is a big hindrance to families looking for daycare."*

> *"…helped us not to have to raise our rates, causing families to feel the burden of these extra costs. We also were able to not charge families full rates when their child couldn't come due to COVID cases or exposures. Families really, really appreciated this!"*

> *"I have been able to keep my weekly tuition steady since 2020 even though prices have gone up significantly for utilities, groceries, supplies, toys, and books, and gas."*

> *"The funding has also provided us with enough income, so we have not had to increase child care rates for families for over six years. This has been an enormous benefit for families who may be struggling during the pandemic."*

Some providers reported trying to relieve financial stress for families in ways other than tuition. For example, one provider said they were able to "assist parents with funds for gas to/from work and child care." Several providers helped families by purchasing supplies for them such as diapers, wipes, formula, or baby food for infants. For older kids, several providers gave families school supplies and bookbags, and a few mentioned purchasing "personal hygiene supplies" or clothing and uniforms for children. Providers mentioned they provided these supplies for all children, lower-income families, or single mothers. As mentioned previously in the Program Quality section, some providers used funding to offer "additional services like transportation" to help out families or added activities on the weekend each month. Others reported using funds to support family engagement activities. For example:

"I was able to take continuing education classes, refer parents, and hold meetings providing food/snacks with parents going over the trainings as well as children updates within my program."

"We were able to have a family night with our children, staff, and parents at the movies to help engage with our families we serve."

Improved Operations

Providers reported using the CCC Stabilization payments to improve how their organization operated. Many simply reported that given the funding, they were able to "operate more smoothly." Others discussed strategic planning, investing funds, and hiring staff to help run better as an organization. As noted previously, providers also updated their supplies and facilities to improve functionality and efficiency as well as the overall look and feel of their child care.

A few providers evaluated their operation and their administrative needs to improve the efficiency of the organization. This also included hiring staff to allow for more specialization of tasks. For example:

"The Child Care Counts Stabilization Payment Program allowed us to retain staff, an opportunity to evaluate [our program's] supervisory and administrative needs, start a strategic planning process, and improve employee morale."

"It allowed me as an owner to be able to hire a cook to take one less responsibility off of me to put my focus on the program and also has allowed me to hire an accountant to be able to make sure our finances are correct and allow us one day to have better financial stability."

A few providers also discussed how CCC Stabilization changed the way they spent their funds and operated their program. Providers were more confident that their program would be able to survive, so they could make more long-term investments. For example, one provider said:

"It helped with the confidence that I could continue to invest in my centers and my staff without being unsure of the future. Without it, I would not have been sure enough of the future of my child care center and would have had to possibly make different decisions. I would have likely cut back on a lot of necessary spending and closed classrooms down because of the uncertainty of hiring qualified and quality staff. The funds allowed me to continue with business with the confidence that we would be OK."

In addition to upgrading learning environments, outdoor spaces, and supplies as previously described in the Program Quality section, providers also reported purchasing equipment and appliances (e.g., furnaces, hot water heaters, laundry machines, dish washers/sanitizers, yard maintenance supplies, and air conditioning) that improved the financial efficiency of their operations in the long run. For example, many providers replaced appliances that were old and needed repairs more often or purchased equipment that was higher quality than what they otherwise would have been able to afford. For example:

> *"We have never before been able to afford a sanitizer at our satellite facility, which meant the staff had to follow a three-step, manual dishwashing procedure several times a day. We are so extremely grateful that we now have been able to purchase a sanitizer for this facility with funding from the Child Care Counts Stabilization Program."*

> *"This program allowed me to free up other money that would otherwise be put towards staff salary and use [it] to renovate the room that is used for the classroom for the children. The room was made safer and easier for staff to keep cleaner for the children."*

> *"Our facility truly looked run down, dirty, and somewhat unprofessional. This program gave us the ability to update our center with clean, updated flooring and a fresh coat of paint. We also had many appliances that needed work such as our furnaces, hot water heaters, and our air conditioners that we were able to fix and/or update. We feel so very blessed to have this opportunity to provide such a better environment to our children and staff."*

Having access to funds up front allowed providers to make those big purchases and facility maintenance without having to take out a loan. As one provider explains, "*My dryer broke in July and I was able to replace it immediately when I received my CCC money instead of going into debt and incurring interest, increasing the cost.*"

Several providers described other ways the CCC Stabilization program funds saved them money in the long run. For example, some providers used funds to avoid or pay off debt. Others discussed being able to pay bills on time to prevent late fees from accumulating. Others explained how the funds enabled staff retention, and therefore reduced the costs of hiring new staff. For example:

> *"It has enabled us to pay staff better, so that they stay longer. We spend so much on recruitment every time we have to replace someone."*

> *"At times when I had to go over budget for certain situations, such as having to train new employees yet needing to assign care for the children on site, I I had to have more staff on than I normally do in order to keep business running normally. Having to pay them as well as paying the new hires for training was cutting into budget."*

Providers also discussed the benefit of having a safety net in their finances and being able to afford any unexpected costs that might come up. The funding often had indirect impacts beyond purchases made with it—i.e., CCC funds "freed up money" for providers to use elsewhere. A few providers discussed the future impacts of this funding, saying the extra funds helped impact their current balance, meaning they will be able to cover operating costs in the future. One provider said that the funding *"allowed us to be sustainable and set some groundwork for the future with staffing, building maintenance, and communication."*

Providers also discussed being able to stay licensed or accredited as an impact of the CCC Stabilization Program. They were able to meet the State requirements by using funds on updating their facilities and supplies and having enough staff to stay within required staff-to-child ratios.

Feeling Valued as an Industry

Some providers also discussed how the CCC Stabilization Program showed them that they were valuable and that the work they were doing was important. This was in contrast to how they had often felt unseen or unvalued.

> *"This funding has allowed us to truly compensate our team for their worth. Recognizing their hard work and the child care field itself is so appreciated. Ensuring we have a high-quality team to provide early-childhood education to our children will pay back in so many ways in the future. Thank you for seeing their value and providing this support."*
>
> *"Overall, I feel this program made my staff feel cared for; we work really hard every day to provide the best for our children. Yet, child care is always seen as the little guy. Thank you for doing this for us."*
>
> *"I'd love so much for these funds to continue beyond next summer, but also for there to be a push in the community to see the value of ECE as well as know this is a profession."*

What program needs could not be addressed because of constraints on how CCC Stabilization funding could be used?

Providers reported several ways that the constraints of the CCC Stabilization program prevented them from meeting their needs. This included the amount of funding, the duration of the funding, the time limits to spend funds, the restrictions about what funds could be spent on, and some confusion about what kind of spending was allowed.

Insufficient Funds

Not receiving enough funding meant some providers needed to make tradeoffs, incur costs themselves, or were unable to address identified needs. This was often true in regard to big ticket items such as repairs or maintenance (e.g., plumbing issues, playground upgrades, or other major building repairs). Many providers noted that with inflation, supply chain issues, and labor shortages, the cost of repairs labor and materials increased, also meaning the funding they received didn’t stretch as far. For example:

> *“Unexpected expenses always arise. We had a huge storm hit—many trees went down and damaged the house and garage attached to the house. The excavating and tree removal was a huge expense. The roofs and wall needed to be replaced. The daycare fence needed to be replaced, but we could only make do with a repair. Children in the home cause an immense amount of wear and tear on everything—my floors are only a few years old but need replacing. Doors and doorknobs are always needing work or replacement. The decks are showing more wear and tear and yet the funds are just not there to make improvements. The appliances are already needing to be replaced from so much use. The furnace man said last year he thought the furnace would make it through last year then need replacement.”*

Although funds were often used for staffing-related expenditures, many providers noted that the level of funds were insufficient to recruit or hire new staff, increase staff incentives or benefits, or provide professional development. For those who were able to increase bonuses or wages, many explained that pay for child care staff still wasn’t high enough or at the level staff deserved. This theme also came up frequently in providers’ responses about the impacts of the funding and their recommendations for changes. For example:

> *“It helped keep the business open, but still didn't feel it was enough. Staff are still extremely underpaid, living paycheck to paycheck to paycheck. There needs to be money to help alleviate the stress.”*

> *“We were allowed to pay our employees monthly bonuses to bring their income to a more worthy wage, since they work so much and have a lot of education, yet we are not able to pay what they should be making.”*

In particular, several providers wanted to give health insurance to their staff but couldn’t afford it because of how expensive it is.

> *“This has helped us tremendously! One thing that would really help retain staff is a health insurance plan for the staff. Many of the staff need help with health insurance but that is something we have not been able to do.”*

Several providers discussed the tradeoffs they had to make, such as being unable to afford to update their facility because they had to use most of their funding for wage or benefits increases. Other providers had to use the CCC Stabilization funds for basic operating costs such as rent, utilities, current payroll, food, or supplies, so couldn’t afford to provide bonuses or increase wages, or hire new staff.

> *“My concern was although I was able offer some bonuses to my employees to retain them during the pandemic, there were times where I had to allocate a*

majority of funds to utilities and supplies because of increasing prices. I am also concerned that when giving wage increases, will I be able to continue to offer the same wages over next few years?"

"Hiring new staff isn't possible right now. The costs of rent, utilities, and food have gone up so high the Child Care Counts Stabilization Payment helped just make ends meet. I am not able to raise my enrollment prices due to the economy and parents not having the money to pay payments."

A few providers explained that they weren't able to make any quality improvements, because even with the funding, they were just barely covering their basic needs. Others said more funds were needed to cover the increased costs from inflation and continue stabilizing their program from the effects of the pandemic.

"There weren't enough funds at a time to make sure everything was done. We had to limit the bonuses to make sure the repairs were done. The cost of materials has gone up which is having an impact on the prices of labor."

"We are making approximately 16K in tuition; and our Payroll is 21K per month. Our building expenses range to about 8K per month. Therefore, your funding is used to bridge the gap; however, it still does not cover all the costs. We are unable to address any curriculum improvements; quality improvements; continuing education supports to staff; HEALTH INSURANCE, which is a huge request. Thusly, we CANNOT compete with other industries at this point. We are just limping by."

Length of Funding

The limited duration of the CCC Stabilization Program was another significant constraint for providers. Not knowing how long the funding program would last limited providers' ability to increase staff incentives and assist families.

Many providers were hesitant to increase wages or benefits because of the relatively short duration of the CCC Stabilization Program. Some of these providers chose to give bonuses instead because wage increases weren't sustainable.

"Being able to give my staff monthly bonuses has been huge—they deserve so much more. Unfortunately, because we don't know the longevity of these Counts payments, we couldn't use it to increase their hourly wage or add insurance benefits (which is our goal), but the bonuses have really helped the morale for our teachers and admin staff. They are so grateful."

"We have opted for bonuses as opposed to long-term payroll increases or benefits packages because it is not known whether the funding will continue. Similarly, we have added a reduced-rate spot and provided tuition assistance for families when needed as opposed to reducing overall tuition rates because

it is not known how long the funding will continue. If long term funding was secured, we could reduce the tuition for all of our families."

"I did notice areas where I didn't want to allocate funds to because of sustainability. For instance, I know that the funding is supposed to be available to increase pay rates. We were skeptical to do that because we didn't feel that we would be able to sustain those pay rates once the grant was over, so it was easier to do bonuses for the staff instead."

"If the payment program ran longer, I think we would feel more comfortable raising everyone's wages. Let's say if we knew it would exist for five years, we would feel more confident raising everyone's wages by $1.75, not need to give it out as a monthly bonus."

Many providers expressed concern about having to decrease wages or remove bonuses or benefits after the funding ran out. They were concerned about how this would affect staff well-being and retention. Others were worried they would have to drastically raise tuition rates after the funding ended in order to continue paying their staff at the new levels.

"I am afraid of what will happen when this is over. Will they quit? They have been used to making more money and now I will have to take it away from them. It is very sad."

"It has been more than beneficial to have the Child Care Counts payments to keep our current staff and to be able to hire new employees. Without it, we would probably have to close our daycare facility. We are still concerned at this point at how our daycare company will be able to proceed forward once the program is complete. Due to the large increase in employee wages, once the program ends, we will have to decrease our employees' pay or have to cut staff. "

A few providers tried to use funds in ways that might make compensation increases more sustainable.

"It has been so important to our business; staff appreciate the extra money on their checks (even though overtime makes the impact less). It has allowed us to pay down our mortgage in order to pay better wages to our staff once it is fully paid off."

See the Recommendations section for additional comments regarding the potential benefits of extending the CCC Stabilization funding.

Time Constraints

Some providers reported that time limits to spend the funding were too restrictive and prevented them from using funds to sustainably raise wages and benefits, or save funds for emergencies, staffing shortages, sudden un-enrollments, or shutdowns. Providers also explained how not being able to save up the funds meant it would feel like hitting a wall when the CCC Stabilization Program ended. For example:

> *"I wish we were allowed to set some aside for later. Like in a year or two from now when maybe there will not be any extra supplement or funding that honestly, I would say we are becoming reliant on to keep going. I feel like the inability to set aside an emergency fund will feel like hitting a wall when funding stops. Daycare should have always been partially funded instead of relying on families to pay everything. They can only afford so much while providers still need to make a living wage for how hard we work and how many hours of work are involved."*

Providers were also concerned about how they would pay their increased taxes after receiving the CCC Stabilization funds given they could not save funding for the future. Some providers said they had to take out a loan to cover their unexpected increased income taxes. For example, one provider said:

> *"I'm worried come tax time how badly I will get taxed and where I'm going to pull that from. Would have been nice if we could have put X amount each month away for taxes OR be tax free. Seeing I was open the whole time during the pandemic, even when there was only one child here."*

Providers were also unable to save up funds for large purchases or future building expansions. For example, because of the time constraints, some providers were unable to increase their capacity, address plumbing issues, replace a well, or save up for a new vehicle. A few providers were frustrated that they were not able to pay for previous expenses.

> *"I wanted to expand the building to accommodate two new infant rooms and fund new staff, but because the funding had to be spent so quickly and could not be used in this way, I couldn't. We currently have 67 infants on our waiting list, with no anticipated openings until 2024."*

> *"Because of the restrictions on the time frames, I was unable to use the money when I needed it. For example, if I was forced to buy a new furnace right before I received the money, I would be unable to pay for the furnace with the money that I receive that month. You always had to receive the money, then spend it. It doesn't always work out."*

A few providers said they struggled to spend the funds within the time frame. Providers experienced delays trying to get supplies or completing building maintenance because of supply-chain issues or challenges getting a quote or finding a contractor.

> *"Originally we would have liked to add onto the center since we have a waiting list, but we could not use for building and the money need to be spent*

in 120 days, so we could not bank the money to use once enough was build up to start a project."

"Extend the time frames to spend the money! There are significant delays in both obtaining needed materials (order delays and shipping delays) as well as getting quotes/securing and completing contractors for facility projects like electrical and plumbing during the 90-day time frames."

Several providers found the spending deadlines very stressful and ended up purchasing unnecessary supplies in order to use the funds in time.

"The spending deadlines were daunting and stressful!!! Even though I was able to spend the funds appropriately, I really wanted the ability to save something for future needs. I felt I had to spend funds on things we didn't necessarily need right now while being scared to death of not being able to fully operate because of an unknown possibly just around the corner."

One provider had to forfeit unused funds because of the time constraints and limited space to store purchased supplies.

"Time constraints for spending funds also resulted in forfeited dollars for our program. Our program is small, and we have limited space for supplies. Our coordinator recognized the value of these grant awards and worked hard to make prudent purchasing decisions for the benefit of our enrolled families."

Another provider would have preferred to be able to order supplies in one large order instead of multiple smaller ones. A few providers said without the time frame to spend funds, they would have been able to invest funds better, such as having better retirement investment strategies for a more optimal rate of return or being able to build some monetary equity by banking some of it. Another provider explained because their time as a director is so in demand, especially when understaffed, the deadlines to spend the funds meant they didn't have the time to adequately research how to improve their program quality with the funding.

Many providers also discussed not being able to increase wages and benefits because the time constraints on the funding made it unsustainable. Similarly, providers weren't able to spread out the bonuses over a longer period of time. For example, one provider said:

"Our program needs that we could not address with the funding would be long-term employment. Having to use all of the funds within 120 days makes for a great bonus for employees, but I don't think it will help us retain employees once the funding has stopped. If we had a longer time to use the funding, and we could give an increase in hourly wage, that would help us long term. The funding would need to have date of being used by at least five years; this would help out centers state wide to be able to offer competitive wages."

Spending Allowances

Several providers were not able to meet the needs of their child care program because of the restrictions on what expenditures were allowable with the CCC Stabilization funds. Some providers had unmet needs because they didn't seem to think a particular expenditure was allowable and tended to err on the side of caution. Because of the allowable expense constraints, providers said they were unable to use funds for remodeling, building improvements, building additions or expansions to increase capacity, costs related to opening a new center, house repairs and maintenance for in-home providers, transportation repairs, or homeowner's or other insurance. More specifically for facility improvements, providers said they were unable to re-surface their parking lots and sidewalk, replace gutters, replace a deck, remove a storm-damaged tree, repair their roof, paint the house, do electrical maintenance, update flooring, add drywall, upgrade their HVAC, purchase a fridge, purchase a dishwasher, add a new bathroom, or add new play areas because these expenses couldn't be claimed under the CCC Stabilization Program. Providers said these renovations would help to improve health and safety of children, increase capacity, or meet licensing requirements. For example:

> *"As a state-licensed, in-home provider, I am not able to make home repairs because I live there. I have been in child care for over 30 years and the reimbursement I am now receiving is a true blessing, but it does not help the lack of funds over the past decades. Trying to catch up and paint the house or put on a new roof are not covered with an in-home daycare."*

> *"I am a family provider who does child care in the basement for going on 26 years; I do not have a bathroom in the basement and wanted to add one. I was told the money could not be used for this purpose. It would have really helped with the INCREASED hand washing that was necessary during COVID quarantines to have that sink and toilet in the basement with us. It also helps to not have to leave some children unattended to take other children upstairs to use the bathroom."*

> *"We need construction pieces such as drywall to be installed in our satellite center. We felt this would fall under building construction and would not be an allowable expense. We have ragged wallpaper covering old irreparable walls right now. It needs to be addressed."*

> *"We are needing to do some larger updates on our building (parking lot resurfacing, new HVAC unit, landscaping, tree removal from the storms). Due to the constraints, we were not able to utilize those funds for items needed."*

Other providers believed they weren't able to spend funds on educational equipment or supplies, staff recruitment efforts, or incentives for volunteers. A few providers said not being able to cover food costs was an unmet need, especially with high inflation rates or not qualifying for the USDA Federal Food Program. For example:

"Being a CAP program, a 10% de minimis is a must for all funds spent. With Payment B being used for staff bonus, only an additional $12,000 is being charged to the regular budget. I know Payment A can be used for the de minimis, but those funds are already supporting other operating costs. We could also not address the high cost of recruitment staff like ads, online job sites etc. Postings for ads is very expensive."

"It was our interpretation of grant guidelines that food was not an eligible operating purchase. Our program offers breakfast, lunch, and snacks, and being able to use grant dollars toward food purchases would have gone a long way in addressing this need for our families."

Several providers also said they couldn't or were unsure if they could spend funds on income taxes, property taxes, self-employment taxes, real estate taxes, house insurance, vehicle insurance, or vehicle registrations. Providers were especially frustrated with not being able to spend funds on taxes because of how significantly receiving the funds increased their taxes. For example:

"There was a question (depending on whom I asked) as to whether or not I could use the funds on property taxes and house insurance. After all, I have an in-home child care, which means legally I need to pay house insurance and tax on my property (just the time/space percentage). Same goes for my vehicle costs, the time/ pace percentage of insurance, registration, repairs. I need and use my vehicle to pick up items for child care, food, supplies, etc."

"When we got audited, I was told that the tax expenses incurred from providing bonuses was not an allowable expense, but I felt it should be. The money was appreciated but it costs a business quite a bit of money in matched taxes that I felt that should be allowable to expense against our funds."

"It is scary that 100% of the funds need to be put to use on entirely productive uses. It seems sensible, but without the ability to hold 10% in reserve for the federal tax obligation, the whole grant really creates a different problem for the operator. We have $120,000 in grants. Even if the business itself only broke even, that $120,000 will be taxed at 15%, which is $18,000 of real cash that needs to be paid to the IRS before the year ends."

Providers found Program B especially restrictive. For example, some providers wanted to be able to use Program B funds for current payroll and benefits rather than needing to increase pay or benefits. Some providers who were already offering good wages and benefits felt penalized by those requirements. Others found the requirement to constantly increase wages unsustainable and thought it was setting them up for failure after the funding ended. One provider recommended a threshold; i.e., if providers were already offering pay and benefits above that level, they could use Program B funds to maintain those incentives. Similarly, another suggested that providers should be able to spend funds on administrative charges and cover recruitment costs other than sign-on bonuses. Some providers also suggested that Program B funds should be able to cover payroll taxes, which increased as wages increased. For example:

> *"I would also allow a percent of program B to COVER the additional payroll taxes we are getting hit with and NOT have to take it from Program A funds. I would also allow a longer time frame to use the funds."*

> *"I think that the Program B funds should be allowed to cover wages in general, since we are paying significantly more than we were pre-pandemic. I cannot continue to raise wages every time a new round of funding comes out. I have done that too many times, and now am in a position where we cannot sustain it with any less funding."*

> *"Allow for use for items that have already been in place such as 401k and health benefits. Doesn't seem fair that we already had these items and only new items count."*

> *"I would make the requirements for the staff funding portion more flexible. My program was losing money each month because of how much I was already paying my staff, including all of the benefits I offer, so to have to pay them more money seemed like a very hard rule to follow. I think there should be some sort of guideline where if you are meeting certain criteria (certain hourly wage, certain benefits offered) then the money can be used to help balance the budget. For almost all child care centers, payroll expenses are the #1 budget item, sometimes taking up as much as 90% of the budget, so requiring more money spent, which also increases payroll taxes and workers compensation rates, is challenging."*

Several providers wanted to be able to determine which staff received bonuses and how much based on performance, attendance, or longevity instead of by position, as they felt not all of their staff deserved the same amount. For example, one provider said:

> *"Some staff members really deserved more of a wage/benefit increase, due to their efforts and reliability, while other employees did not. I would have liked to distribute the funds to the employees who have earned it due to their actions instead of having to evenly distribute it only based on their hours."*

Similarly, some wanted to offer retention bonuses. One provider wanted to be able to offer part-time and substitute teachers bonuses just like the full-time staff received. Another recommended being able to give bonuses for center owners or directors.

A few providers struggled with which staff counted for the Program B funding. For example, one provider described having staff that just come in as needed, making it difficult to meet the minimum threshold for the Program B funds. Another provider said they were not able to count "new employees who have not gotten paperwork through the Registry system yet."

Several providers had to forfeit some of the Program B funds because of the requirement that funds be used to increase wages, bonuses, or benefits. Some providers were affiliated with a university or school, or their staff were a part of a larger bargaining unit, meaning the provider themselves could not change the pay or benefits their staff received. Another provider was not able to provide staff appreciation gifts or events for the same reason. For example:

> *"Program B monies had to be returned because we could not use them for staff salary/bonuses/etc. All my teachers are part of a bargaining unit of a much larger institution, and the institution & union were unwilling to only have some members receive these monies."*

> *"I wish Program B had more flexibility. We have constraints on what we can offer due to our organizational structure in terms of stipends and raises, but there are other things that would make our workplace more appealing and less stressful."*

> *"Being in a school district it is hard, simply because the school has criteria as well as the Child Care Counts. So, putting the two together; it was hard. I wanted to treat the staff to a luncheon and gift card gift for the really hard summer we put in with the behaviors and overtime they put in, but it was not allowed."*

A few providers commented that during Round 1 the CCC Stabilization Program B was too restrictive, but that the changes made for Round 2 were greatly appreciated.

As shown by some of the earlier provider comments about restrictions, there also seemed to be some confusion about allowable expenditures that impacted how providers spent funds. For example, providers were unsure if they could use the funds for payroll, certain types of taxes, insurance, food costs, household maintenance, a heater, pest control, lawn services, or adding a porch. One provider said they received conflicting instructions about whether all staff on payroll should receive bonuses or only staff that worked during Count Week. There was also some confusion about what counted as remodeling or what counted as construction. Some providers called the CCC Stabilization customer service line when they had questions, but others found out during audits that some expenses were not allowable. For example:

> *"I've made two calls on just this because I am in need of a water heater but the one I have to replace is $3,100.00, and I certainly don't want to misuse those funds. Also, another important point I still haven't got a clear answer on is whether or not you can use the funds for a purchase made up to 120 days before you received the payment. This is something that I was told when I first called with questions but since I am not able to find that information anywhere."*

> *"I wasn't sure if I was allowed to use the funds to pay for services such as pest control and lawn upkeep, even though those were things I needed done for my center. So, I used the funds as my payroll and then had to pay for those expense out of my own payroll increases. I am adding on a new front porch soon and again, not sure if that is allowed, so I will have to pay for it out of my personal payroll."*

Some providers were able to work around these constraints, as well as any confusion in various ways. Some providers used money that the CCC Stabilization freed up to pay for improvements that the CCC Stabilization Program funds could not be spent on directly. Other providers used funds to increase their pay and then used the increase in their personal income to meet certain needs. For example:

> *"I needed to replace my gutters and deck. I couldn't claim those towards the program but, since I had more money towards the mortgage and utilities, I was able to do some of that."*

> *"We wanted to upgrade our HVAC system to increase our air quality. We are aware that we cannot claim the costs of this improvement for the grants, but the grant paid for all of our operating expenses, which freed up the funds to do it. We installed a new unit, with 5" MERV 13 filters, and added a UV light to degrade bacteria."*

Because of the constraints around the funding, providers also had challenges recording and reporting the usage of the funds. For example, several providers found it difficult to prove funds were used to increase pay or benefits. A few providers found it difficult to document the increase in pay specifically for new staff, although one thought changes in Round 2 would address this. While some providers were able to work around some of the constraints by using freed up money, this made the accounting more difficult. Other providers noted that the need to keep records about their funding influenced their spending decisions. For example:

> *"We have a 30-year-old building that is in need of several major renovations. It would make accounting much simpler if we could use funds from the payment program for renovations."*

> *"As a family child care provider, I distributed all of the payments as payroll for easy record keeping—especially if I'm audited. The money goes into a separate account, a percentage is set aside for taxes, then the rest is spent on the child care or transferred to the family account as needed. Most goes to the child care, but it's nice to know it's available for the family if we need it."*

Some providers explained that although the program design was not restrictive, contextual situations made it hard to utilize some funding. For example, many described having funding to hire new staff but not being able to find candidates. Providers also had challenges accessing affordable and quality health care or dental or eye insurance, especially home providers.

Similarly, several providers were not able to use funds to provide professional development because of a lack of opportunities available, especially during the pandemic, for rural providers or for those who were not comfortable with technology. For example, one provider said, "*In an economy navigating through a public health crisis, there were few opportunities for professional development/continuing education. Our program had to forfeit dollars we were unable to use in this capacity."* A few providers also commented on not being able to receive any funding. For example, funding wasn't available to seasonal programs, others said the application process and restrictions were too burdensome, and one provider noted that they didn't have access to the portal so weren't able to apply.

If you could wave a magic wand, what changes would you recommend to Child Care Counts Stabilization?

No Recommended Changes

In response to the final open-ended question, many providers reported that they did not have any recommendations for the CCC Stabilization Payment Program, and several thought the program was very well run. Several providers appreciated that the customer support was very helpful and that the communications were up to date. Others said the website and the funds tracker were easy to use. Several thought the restrictions in place were not too constraining and allowed them to cover all their wanted expenditures. For example:

> *"This has been a good program and a lot goes into implementing it and making sure that fraud isn't occurring. I think that DCF has done a nice job with this, all in all, and I am greatly appreciative of the financial help."*
>
> *"I think the program is great. I appreciate how easy it has been to submit forms and the communication is always up to date. I have been very impressed with how well it has been run!"*
>
> *"There are no changes I would make at this time. I like being able to submit all applications, updates, and documentation through the provider portal. In addition, the trainings have been helpful, as well as the tools that have been made available. While I have not used the actual tracking tool, it gave me enough information to keep my own records in order which made submitting audit information easier."*

Make the Program Permanent

For those who gave recommendations, one key suggested improvement was for CCC Stabilization to continue or be made permanent. Many providers argued this would allow them to better address their staffing issues by providing provide health insurance or retirement benefits and sustainable wage raises. Increasing the duration of the CCC Stabilization funding would also help keep tuition rates affordable for families or help providers decrease tuition rates.

> *"I would wave my magic wand and have the end date disappear. We are already drowning in a staffing crisis. It would be really beneficial to the field if we could use this program to permanently increase staff wages."*

> *"I would look for a way for this funding to be sustained after April of 2023. Having it sustained longer would allow us to be able to continue to pay higher wages to retain quality staff so that we can maintain enrollment and provide a quality experience for families."*

> *"That it could be a program that lasts forever and would be funded at higher amounts so that we could pay our staff at the same level as DPI teachers. This would also help with recruiting staff to fill the large need at this time. Creating more staffing options for centers would allow them to recruit staff with more education. This would also increase affordability and accessibility for parents."*

> *"My magic wand would provide for some kind of funding long term. I don't expect the child care situation to improve much. It is an industry fraught with challenges that only worsened after 2020. Without some kind of support, I fear losing staff to other higher-paying jobs and having to raise rates too high for parents. We are one of the lowest-priced centers in our area and still maintain 5-Star quality with wonderful, educated staff, but this will be hard to maintain after 2023. The whole industry is struggling, and I don't see it changing dramatically by 2024."*

> *"I would love for the money to be a permanent, continuous program to allow a set amount of money per employee each month to make major changes to their pay scale to reflect the tough position they take on every day. The amount of pay a child care worker receives is very minimal compared to other jobs, such as the fast-food service industry. Child care employees should be able to receive a large hourly pay rate; however, this is not possible for small businesses to sustain without support. We would love to pay our employees a lot more but would need that guaranteed continuous support of a program like the Child Care Counts Stabilization Payment Program. We cannot make these changes with the program having an end date (we were only able to give out small raises that we can continue to meet once the program is finished). I would also love the program to support benefits such as health, dental, and vision insurance for our workers who need this—once again a continuous financial support we would need to offer this long term."*

> *"I would absolutely love for it to continue. I have not increased the rates I charge parents for many, many years. It is hard to charge more when you know that parents can only afford so much. Having supplemental income has*

made it so I am not living paycheck to paycheck. I am 55 years old and finally have savings and can perhaps start saving money for retirement."

Providers recommended continuing the CCC Stabilization Program as it would allow them to continue increasing the quality of care they provided and to sustain all the changes they already made. Increasing the length of the funding would also allow providers to keep up with rising costs and to continue recovering from the pandemic. Several providers discussed having become reliant on the funds and were not sure how they would continue without them. Providers also discussed having longer-term funding would help them plan better. For example, one provider said:

> *"Please make this an ongoing program. We need to be able to plan for the next 5+ years. The uncertainty of continued funding in the program is making future planning very hard to do. We are left wondering and hoping. This is not a good business plan. Our communities and the state of Wisconsin need Early Learning Programs to be funded and well planned out, the same way public school is."*

Providers also suggested the need for permanent funding for child care and early education as the CCC Stabilization Program only provided a temporary fix to the deeper issues within the industry. For example:

> *"First and foremost, that it would be a permanent program. Our industry is constantly on the brink of collapse; we need permanent government investment so that parents can afford our services and we can afford to be competitive in our hiring—in line with elementary school salaries and benefits. Our struggles with providing quality programs are a struggle with public investment."*

> *"I have been a teacher for five years and a director for 31 years. It is so sad that it took a pandemic to value our profession. As time moves on, I fear there will be a shift back and the child care community will once again not be valued for the work we do molding young minds. Please help find a way to support high quality child care!"*

> *"The program is a needed temporary boost to the child care industry, but it does not address the longer-term challenges. Even with recent increases, wages remain low, especially compared to nearly every other sector of the economy. Our staff deserves respectable health, dental, and vision coverage, but this is far too expensive for us to offer. Perhaps if resources were pooled, a program could be rolled out for child care workers across Wisconsin."*

> *"To continue funding indefinitely! Child care is not a big money-making industry, but the need is incredibly GREAT. This funding has allowed centers to make improvements to their centers that might have otherwise shut them*

down; it has allowed them to pay their staff a better wage and it has given the families some relief in tuition payments. No one is getting rich here, and child care centers NEED HELP."

"It is perfect....We would just need the assurance that once December of 2023 comes...it will continue. It has changed our lives as teachers and owners of programs... For the first time in 15 years, I feel I am making a difference in the lives of all the children because we have the funds to run on a daily basis; and the teachers are paid wages they deserve. This means they are happy and able to care for the children in a completely different frame of mind...happiness instead of worry. We were able to hire more educated teachers and pay them. We were able to educate assistant teachers. Thank you for the free classes. Thank you for everything and saving child care."

As discussed in the Constraints section, some providers were unable to meet certain needs because of the level of funding; therefore, another common recommendation was to increase payments overall.

Changes to Funding Calculation and Distribution

Similarly, providers discussed changing how the funding was calculated and distributed. Providers had many and sometimes conflicting suggestions about such changes, which had much to do with their own characteristics and how these might play into their allocation. Providers suggested changes regarding number, characteristics, and age of children enrolled or attending; YoungStar rating; type, size, and location of a provider; and other factors.

For example, several providers argued the funding amount should be based on monthly attendance instead of attendance for one or two weeks. Providers reported a lot of fluctuation in their attendance rates, especially during the pandemic when children were often out for multiple weeks. Another provider was closed for vacation during the Count Week and so missed out on that funding. For example, one family provider said:

"Instead of Count Weeks, count the whole month. With COVID quarantine/isolation and vacations, it's easy to have a family out two weeks in a row. That happened to me but luckily not during a Count Week. I did take vacation the second August Count Week, because we had several doctor appointments scheduled. One child was out due to COVID the first August Count Week, so I lost payment for her. If I'd taken a different week of vacation, I would've had to close for the doctor appointments anyway, which would have inconvenienced the parents. It's sad that family child care providers have to choose between taking time off and receiving full payments."

Alternatively, with all the fluctuation in child attendance rates, some providers recommended having the funding amount based on enrollment numbers instead of attendance. Another provider recommended having a base amount for providers who don't have any enrollments, because during these periods of no enrollment they weren't able to keep up with their operating costs.

Several providers explained that because the funding was based on number of children served, they received more funds when they had higher enrollment or attendance, but in reality, they needed the extra funding when they had low enrollment or attendance rates. Several providers said the funds should go to help providers who were struggling with enrollments or attendance. For example:

> *"The CCC payments have been a life saver and a business saver during the past year due to very low enrollment. However, it was disconcerting to receive higher amounts during the times I had a higher attendance, rather than when I really needed it more. (I received higher income from parents with greater number of attendance vs lower attendance and lower income)."*

> *"I wish that this could help out those of us struggling to fill our vacancies as much as it helps those that are full. It seems if you are doing well, you get more which to me defeats the purpose. I have noticed a big change in the child care needs of parents and because of the age constrictions; it has been difficult to fill all the vacancies we have because everyone wants part time. Preschools have also affected my vacancies more than it ever did before. I never had children leaving for even 4K, and now they leave for 3K. I thought this was to help those of us that are struggling because of all the changes since COVID, when in fact it benefits those who are doing well and are full even more. I have been in business for 28 years and never had a problem finding children to enroll until now and because of that, my payments will be less. Don't get me wrong, I truly appreciate any help I can get, but this just somehow doesn't seem fair."*

As an alternative way to address this issue, a few other providers argued the payments should be based on capacity instead of enrollments or attendance. Another provider recommended calculating funding amounts by licensed capacity because having to maintain their child-to-staff ratios meant the funding amount wasn't enough, especially for small centers. Some providers simply recommended increasing the amount of money per child.

Providers also had various frustrations with how the CCC Stabilization payments were calculated based on the types of children they served and recommended changes in the formula used or the classification of certain populations. For example, some providers requested more funding for part-time children. One provider recommended reducing the number of hours needed to claim children for the non-traditional hours additional amount. For example, one provider said:

> *"Reduce the new hours for the non-traditional hours. We have many children who attend at 5am–6am who we were not able to get the additional funding*

for because that is only 10 hours over the 2-week period, which is the exact amount defined by the time constraints. I think it would be better if any children who attended any amount of time during the non-traditional hours could be claimed. It'd also be nice if centers that are members of the CACFP got additional funding since CACFP reimbursements are so low to begin with."

A few providers recommended more funding for children with disabilities. Another recommended changes to the classification of children with special needs. For example, one provider said:

"The Count program recognizes children who have either an IEP or an IFSP, but there are children who are diagnosed with special needs who don't receive these services because the families have sought private therapy or places such as {XXX} for children with autism. This is not recognized by the grant, but we still service these children with special needs."

For the WI Shares add on, one provider recommended that it not be based on the number of WI Shares children they had, but whether or not they served any WI Shares children. They explained that many Shares recipients in their area opted to send their children to Head Start. A few other providers argued that the funding should not be impacted by the number of WI Shares recipients served at all. Alternatively, a few providers recommended more funding for programs that serve children in poverty that "don't have financial resources to pay co-pays and transportation fees." One provider recommended fully funding all child care spots for families earning less than $100K.

A few providers argued the CCC Stabilization program should compensate the same amount for all enrolled children regardless of the child's race or language because rural communities tend not to have diverse populations.

Several providers had recommendations regarding the funding amount based on the child's age. Some providers argued age should not be factored into the calculation at all because they worked to provide the same quality of care for all ages. Additionally, in-home child care providers are limited to how many infants they can care for. These providers felt penalized by the increased amount for younger children. Another provider commented that older kids eat more and require more supplies for educational and preschool activities, so the funding amount should not be decreased for the older children. Other providers argued there should be more funds for older or school-aged children and that the high need for before- and after-school care and care for children during school breaks should be considered. For example, one provider said:

"I know that centers that serve children under two get more $$ because there is a great need for that care, but also consider the need for school age care—before, after, vacation, summers of kids who are kindergarten, 1st, 2nd, 3rd grade. We don't want these kids home alone, and families who can't find care for their young school-age kids in my area are leaving them home with only an

older sibling to care for them because of their work schedules and lack of available and affordable school-age care. Most of all, thank you for investing in child care. It has made a difference in our little center."

Other providers, however, argued for increased funding for under-two-year-olds. One provider broke down the differences in tuition revenue considering the staff-to-child ratio requirements, saying there is a decreased incentive for providers to serve younger children and the CCC Stabilization program add-on for under-two-year-olds does not make up the difference.

"Increase funding significantly for children under the age of two and decrease funding for children aged three and older. When child-to-teacher ratio is factored into business decisions, centers would have done much better with the current per-child amounts by eliminating care for younger children and only providing care for older children. Using my center as an example, we currently charge $200 per week per full-time child under the age of two. At this age, one teacher can care for four children. This means that teacher position can bring in $800 of tuition per week. We currently charge $180 per week per full-time child aged three and older. At this age, one teacher can care for 10 or more children. This means that teacher position can bring in at least $1,800 of tuition per week. Now factor in the Stabilization Payment Program Round 1. The four children under the age of two would bring in $175 per child per month or $700 total a month. The 10 children aged three would bring in $135 per child per month or $1,350 total a month. From a business financial decision-making process, it is clear cut what providers should do."

Some providers recommended changes to how staff should be factored into the CCC Stabilization funding amount. Similar to the number of children attending, having funds based on the number of staff employed meant that providers received more money when they had more staff; however, some providers argued that they actually needed more assistance when they were understaffed so they could recruit and hire more employees. One provider recommended considering the amount they are currently paying staff. Another provider said they should be able to claim more than three staff members as a family provider. Other comments related to this issue included:

"Look at the amount that the individual center is paying their staff and continue to fund the payrolls while we are struggling to hire so that we can in turn increase the capacity of our programs. We're in a spiral downward and I need a magic wand to wave. A bridge to the training of new child care workers would be great! I could train them myself while they work at our center and receive payroll."

"My family daycare employs three staff, plus I myself work full time. It would be very helpful if EVERY provider at my daycare could get a bonus! As it stands, I can only claim three total, which means I don't get a bonus even though I work 60 hours a week."

“Staffing schools is our number one problem and priority. Any more funds that can be directed to program B would be incredibly helpful. It is understandable that funding is determined by number of staff employed during the count week, but the fewer staff we had, the fewer funds we received which was the inverse of what we needed; more funding to recruit and retain staff.”

Providers also had various recommendations about how the CCC Stabilization funding should consider YoungStar ratings. On one hand, some argued that all providers should be treated equally regardless of Star level. Some argued that having Program B based on Star level made it difficult for lower-level centers to hire the staff they needed to become accredited. Others described frustrations with the YoungStar rating system or described the implication of having their YoungStar rating drop when they had to hire less-qualified staff during the pandemic. Another provider said the rating system didn’t align with their philosophy about quality care; for example, they preferred nature-based programming.

“Do not base the staff grant on YoungStar rating. We are a 3 Star and we just went through our rating and our YS Rep would have rated our center as a 4 Star but could not because I had to hire 'new'-to-the-profession staff with lower Registry levels and therefore YS has to drop us to a 2 Star!!!!!! This is so unfair because quality and environment is not enough to support a 4 star since they base it also on Registry level. Centers CANNOT get staff, let alone experienced staff, but we are proof that with a strong leader and teamwork we still presented as a 4-Star center. So, since the YS level is a driving factor for the amount the staff get in the grant, their monthly grant will drop. This is not fair.”

“That we all be treated the same no matter what Star we are. I’m a 2 Star; I know providers that are four and five and spend a lot less time with their children. They know how to make it look good when they are being checked out. I have been in business for 37 years—that should say something. Thank you for your support to help keep my doors open.”

On the other hand, some providers thought higher-star programs should receive more funding because higher-quality care is more expensive. A few other providers commented that as a 5-Star program they had received more under previous funding sources, so in comparison, with the CCC Stabilization program, they struggled a bit more. For example:

“The one thing that we have noticed with Payment A is that as a 5-Star YoungStar provider, these funds are less than what they were under the previous YoungStar program, and we think that this is causing some YoungStar programs to struggle a little more. There have been grumblings in the ECE community as to whether it is financially feasible to continue to be a YoungStar provider as the costs are significantly more for ECEs who work hard to keep their YoungStar status. Nobody argues the importance of their YoungStar rating in ECE, but the costs are challenging.”

"We have used the program funding to help our families and parents. The problem with the program is that we are a 5-Star center. We brought in more funding when the funding was based on your Star rating. We were able to provide our staff with continuing education, and mental health, pay for field trips, cut our parent's copay by 95% if not taking it to $0, and provided our parents the support they needed. Now we have had to charge fees for field trips, and increase co-pays, and our teachers have had to cut their continuing education due to a lack of support. We felt that mental health was the most important. In cutting the other support we were able to keep mental help support at 100%."

Some providers also had recommendations to change how the program considered the provider type or size in determining the payment amount. For example, some providers argued group and family providers should receive the same amount, or that licensed and certified providers should receive the same amount. Others argued family providers or in-home programs should receive more funding than they did because running such a business may mean having one person doing the same job as an entire center, or because with fewer staff and fewer children, the provider takes more of a hit when children or staff are not present. Another provider similarly argued smaller programs should receive more funding than they did because they often spend their own money on supplies to keep kids engaged, comfortable, and learning. Another provider specifically recommended more funding for in-home providers that offer care during non-traditional hours, as "…one bad month can shut [them] down permanently." One provider recommended certified providers should receive more.

Some providers recommended the location of their child care should be taken into account for the payment amount. A few providers said there should be an increase in funding for rural areas, as they struggle to find staff, "yet are needed in child care deserts." A few other providers argued that more funding should be given to those in areas with higher costs for supplies, property, or staffing. Other providers argued for an increase in funding amount for providers in low-income areas. For example:

"That areas where cost of care is much higher are considered. My building cost me almost 2 million where in another part of the state it would be less than half of that. [Our] county costs are so inhibitive for start-ups; I am still struggling as I start my fifth year even though I was lucky to obtain a low interest rate from the SBA. Also staffing here is much more due to higher cost of living needs."

"I would change the amount of the payment. It needs to increase per child. [Our] city is still not getting the REAL total cost of child care. Even with the stabilization payment for Shares, it still does not match up to the program in the rural areas. They have a grant which was from left over money from COVID that will allow the real total cost of child care per child to $1,800 per child. This is not equality. While we barely get $800.00 per child in the inner

city, the rural areas are getting up to $1,800. Where there are majority minorities, we get less, and the children suffer. I just ask that you make it equal all over."

A few providers thought that continuity of services should be taken into consideration as well. Some recommended more funding for the providers that remained open the entire time, as a reward, whereas others thought providers should receive funding even if they were closed for COVID-19 related reasons. One provider said there should be an extra stipend for family providers who had to close down their whole program when a child has COVID-19 instead of being able to close just a single room.

Providers also recommended the payment program consider other factors such as more funding for providers that are a CACFP member, that are in positive standing with the DCF and don't have citations, or that provide homeschooling. One provider argued the funding should be based on the number of hours worked instead of the number of children enrolled. Another provider wanted increased funding around December so providers could give their children and families a party. A few providers mentioned the need to make sure smaller centers are aware of the funding. Another provider suggested that the funds be automatically given to all child care providers.

Timing and Cadence of Distribution

Providers also had recommendations about when and how the funding was distributed. For many of these providers, the recommended changes to the distribution process were to help providers plan better. For example, several providers preferred one lump sum, so they knew how much they were receiving and to remove the monthly documentation. Some providers, however, preferred smaller amounts spread out over a longer period of time, or even suggested more frequent payments such as weekly or bi-weekly. One provider suggested programs should receive the same amount each month, which would again both improve providers' ability to budget and reduce the monthly requirements. Similarly, another provider said it was difficult to budget the funding when it was based on child attendance, yet enrollment and attendance fluctuated so often while expenses rose, and recommended the program "*go back to the way that it was in the beginning."*

Some providers simply asked for better information about how much money they should expect and for how long so that they could better budget for future spending. For example, a few providers would have spent funds differently if they had known the monthly amount they would be receiving in advance.

"It would have been very helpful to know ahead of time at least approximately how much money we were to get each month. I would have spent more money on some needed infrastructure/outdoor areas had we known how much we were to get and that I could combine several months into one purchase to make some significant needed changes like carpeting and

painting the center. These two things would make a huge difference at our center."

"As the owner, it's very hard to plan & budget for the future not knowing if & when the grants will end. If you all have a proposed timeline of the grants, and what they will be, it would be very helpful if you could communicate that to centers. For example, after this round of funding, centers are wondering what will happen next. Will I finally have to close doors? Will there be another round of grants to keep us afloat? If I have to close, what will that timeline look like? Will I have the opportunity to give my landlord and employees a notice? There's a lot of stress in not knowing when the grants will end."

Other providers suggested that the funding should be distributed at the same time each month. A few argued that funds should be distributed at the beginning of the month because that is when most bills are due. A few providers said the wait times for the funding were too long. One provider explained that if there were changes in their staffing between the application and payment date, it created extra administrative work for them as they either had to return some funds or re-allocate them to other staff.

A few providers suggested different mechanisms for the payment disbursement. For example, one provider suggested disbursing the funds by giving providers a debit card. Another suggested having a deposit account set up for current employees so staff could directly receive the portion of funds designated for the workforce, to reduce the room for error created by having those funds go through the provider first.

Tax Implications

Another recommendation was to make CCC Stabilization funding tax free or to allow providers to save more of the funds to pay their taxes. Several providers explained that when they received more funding from CCC, their taxes increased, which hit self-employed providers especially hard. For example:

"My taxes where greatly affected in 2021 because the funds became taxable income. My husband and I had to decline our child care stipend amounts given by the government ($6,000) because of my business income. If we would have accepted those, we would have had to pay into the federal government because of our income amounts. If I had a magic wand, I would make those untaxable; that would greatly help the child care industry as we stand right now. A lot of family child care programs are not doing them because of this exact reason and are then having to close because of the increase in price of everything. They are unable to give bonuses or to increase wage because of not getting the stipend amounts so then fall into the category of staff shortage."

"It would have been nice to be able to pay payroll taxes with some of the money. The bonuses were invaluable, but they raised our payroll taxes, and it was now a stretch to cover those."

Relatedly, some providers suggested improving the information they received about how the payments would be taxed. For example:

"It isn't tax advice to inform people on the front end that they should plan to save for the inevitable tax bill. I worry that many less-sophisticated operators will further be jeopardized when they fail to see that this 'free' money isn't free at all."

"The only suggestion I may have would be to add in fixed estimated tax payments on the amount of stabilization funds received. Many centers may be unaware of such payments resulting in them spending all funds received and then not being able to afford a tax payment on such funds later on."

Administrative Burden

Many providers had recommendations to decrease the amount of time and administrative paperwork needed for the application and audit process, including technical changes to the portal or changes to the reporting periods or process.

A number of providers noted that accountability is important but were frustrated with how much administrative work was required for the application, tracking expenditures, and submitting the monthly updates. This was especially true for providers who were already understaffed and overworked; they argued that the process took up staff members' much-needed time away from children. A few providers were considering not reapplying because it took up too much time and required too much paperwork:

"I really struggle with being able to complete the grants during the time period. I have a hard time with balancing work/home life and this past year due to the grant I spend more time than ever on work. Trying to track the expenses, I have been uploading all receipts to a file, so I am ready if/when audited. I also want to plan a vacation and cannot because I need to work around the grant and my staff needing off. I would like to be able to work ahead and have access to the grant info on the weekends so I could input the students or staff and be somewhat ahead of the game. Most recently I planned to be off work around the grant period. However, then I received my audit notices for {multiple} centers for both programs for three months each. I worked about 60 hours on the weekend to get the info uploaded, (and I thought I was prepared!) and then was told–oops–the letter was sent in error. I literally am exhausted from all the paperwork and am considering either raising prices – a lot – and not doing the grants any more, OR completely leaving the field. I have no time to enjoy anything due to all the paperwork. I

have not had time to enjoy the children/parents or my personal family as I am always doing paperwork."

"The additional paperwork and computer work has been overwhelming. I literally spend days at the computer for the grant, trying to upload and keep track of the receipts. I have considered not applying for the grant funds because of the amount of time I spend in addition to my regular job as owner/director. I would prefer if we could work on weekends also, as I can work uninterrupted. If I have staff that is out, I need to work their job and come home to work on the grant—makes for 15-hour days. But the time constraints have definitely been a HUGE STRESSOR. (I have [multiple] sites)."

"I realize you need to have checks and balances when money is being given, but the fact is this money is supposed to help support us, but in fact we are already on the brink of exhaustion. I work extremely long and hard hours. I have little or no family time because of the needs of my daycare. Then I get audited to take any of the precious little time I have to comply with the audit. We are stuck between a rock and a hard place! We need the money to stay in business but have no time to care for ourselves or family. Something has to give. I have been doing family daycare for over 45 years. I have second-generation children in my daycare, but it has become so different from when I had these children's parents. I feel like more and more of my time is being spent with regulations, forms, and paperwork. My families are paying me to care for their children not to do paperwork!!"

"Magic wand - to somehow reduce the amount of paperwork required to receive funding. If there was a way that based on licensing numbers, and amount was granted per program, instead of having to complete monthly reports. OR to do an annual or even bi-annual report, just to be able to reduce paperwork required. Staffing is a continual issue in child care, so when Directors are covering for areas, along with the administrative responsibilities, to be able to complete these responsibilities less often would be appreciated. With that said, we do understand that accountability is important."

"Our center did not apply for the last round because all the changes seemed too overwhelming. The monthly submitting and 90 days to spend funds was confusing. I have heard from other centers how confusing and stressful it all is. The only reason we are applying now is we are struggling to stay open and need help. Looking back, we should have applied before. I was less intimidated by the old payments of one application period and several months to use the money."

Some family providers added that the process required documents that they typically don't use. For example:

> *"Make this more usable for family providers. It is hard enough to navigate the provider portal. The CCC Program is asking for documents that we as licensed family providers generally do not use, such as timesheets, employment letters, or paystubs. As sole owners and individual workers of our own in-home business, why would we use or need these things and where would we even invent such documents? Again, the family providers are being left or pushed out into left field."*

Several providers requested more time to be able to sign up and complete the requirements. One provider suggested combining Programs A and B so that there was only one application. Another provider said sites with one tax ID number should be combined under one application as it was difficult for providers who had multiple sites with staff that sometimes worked at several of the sites. Another provider said they would prefer if the program didn't require an additional application for the WI Shares add-on amount. One provider recommended having a checklist for the application, as they constantly worried that they weren't filling it out correctly. Another provider commented that having the Round 2 start in August was difficult as it is a very busy time of year with school starting. This issue may have explained some of the missing providers in the questionnaire sample who applied in later months.

Providers also had recommendations for the monthly update process. Several would prefer only having to submit the updates if there were any changes needed. A few providers recommended either eliminating the monthly renewals and having the payments be automatic as they previously were, or spacing the updates further apart, such as quarterly or every other month. One provider suggested only submitting the numbers monthly and then providing the names and timesheets if they were audited. Several providers suggested having the Count Weeks be the same week each month. Another provider suggested having the option to be closed for one or two days during the Count Week, so they didn't have to reschedule appointments or vacations. Several providers requested more time to complete the renewals such as being able to submit it over the weekend when they don't have children in their care or having two weeks to submit the information. Finally, one provider recommended receiving a notification if they were approved for the funding each month or not. For example:

> *"My recommendation is to have the option to be closed for a day or two during a Count Week so that important appointments or family vacations don't have to be rescheduled. Even if this meant getting only partial payment, at least care providers wouldn't lose out on the entire payment if they can't rearrange a vacation or appointment. The schedule in advance does help for planning, but just makes it restrictive on family life in certain situations."*

> *"To update only if there are changes that need to be made. There's so much to keep up with nowadays that sometimes it slipped my mind to complete the monthly requirements and took a real risk of not receiving the benefits and it was so stressful."*

Technical Improvements

Several providers had technical recommendations to make the portal easier to navigate and to simplify the child attendance reporting and data entry. A few providers said they were frustrated with how many pages they had to click through to update the child's or staff member's information, then after updating one child's information they were sent back to the first page with the child list and had repeat the whole process again for each child. Similarly, providers were frustrated with having to "add and enter names one at a time, every single time." Large providers especially spent a lot of time adding or removing kids and ensuring everything matched their attendance and payroll sheets.

One provider requested the addition of an "attending" button by each child's name and to have a button to be able to switch all students from part- to full-time depending on the program's operating hours. Another provider recommended having a checkbox to mark if there was an increase or decrease in enrollments. One provider wanted to be able to filter or sort by child age to make it easier to add or remove children, and another said the "date of birth" sorting function needed to be fixed. Some providers recommended being able to better make changes based on the previous month's submissions; for example, being able to save previous answers and only update those if needed, having an easier way to remove children from the previous month, or being able to export the prior month's completed application so they could view all children's info at once and easily see what needed to be updated when entering the current month. Other providers recommended being able to upload a spreadsheet or photos of attendance records instead of individually adding them. One provider commented that this process was especially burdensome during the summer because the children that attended changed so much from week to week. A few providers also lamented that the portal logged them out every 20–30 minutes and they had to start over every time the system bumped them off.

A few providers requested better supports for those who were less technologically savvy; for example, having paper applications available for those without internet or computer access. Several providers struggled with scanning or uploading files, and one said they had to hire someone to download or upload. Some providers struggled with navigating the portal and application initially but found the help staff very supportive and responsive.

Providers also discussed the difficulty of tracking their expenditures and dates and how much time this took from working with children. Some providers commented that child care providers typically don't track all of their expenditures. One provider said they would prefer to submit each time a payment was made using the CCC Stabilization funds so they wouldn't have to go back through all of their records to enter the payments retrospectively. A few providers recommended reducing the requirements needed for tracking the expenditures, and others recommended having a better tracking system as they found the form to be difficult, time consuming, and overwhelming. One provider said the spreadsheet didn't offer options, such as "*the additional funding on the staff side for the YoungStar bonus.*" Specifically, several providers found it difficult to document how much they spent on raises versus payroll and trying to "prove" they increased staff pay, and one provider asked for more direction on tracking the hourly wage increases.

Several providers also recommended changes to the audit process. A few providers recommended having fewer audits or eliminating them all together. Another recommended a shorter audit time frame. One provider suggested that making it easier to prove expenditures would make the audits easier. Another provider said there should be more transparency about the documentation needed for the audits.

Constraints and Spending Allocations

Providers had various recommendations related to constraints for spending the funds and the amounts allocated to categories. A common recommendation was to remove or extend the time constraints for spending the funds up to six months or several years. One provider recommended simply having one or two deadlines.

In terms of constraints about what providers could spend funds on, some providers recommended removing all constraints so they would be able to use the funds as they saw fit or on any reasonable expenses. Some argued that this would better help providers recover lost revenue from the pandemic. Another provider recommended removing constraints because the extra work required to sort how much they spent on each category was not worth the amount they received. Another provider explained they thought there shouldn't be any constraints because they already had to submit their receipts. One provider thought 5-Star program should not have funding restrictions as long as it was used for program finances. Other examples included:

> *"I just feel like if this is something that we should be using to keep us above water, then there should not have been the listed restraints, especially if the government was going to just turn around and ask us for receipts anyway. This should have been a program that allowed us to use the money as we chose FOR OUR PROGRAMMING PURPOSES and those who were not doing right by the money would have just had to pay it back, such as the people who may have personally financially benefited from this program."*

> *"Not having to use the money in specific categories, not having to have extra hours sorting by categories the amount expended from CCC. Not always having to do extra work for the small amount of money I receive instead of having spare time to plan for activities or spend with my family. The money will be paid in taxes anyway. There is already enough on my plate to add more paperwork hassle."*

Other providers explained that having a funding program intended to help them survive and get through a pandemic that then came with restrictions almost defeated the purpose. Another provider explained that the threat of an audit made providers feel unsupported and may have restricted spending more than intended. For example:

> *"I think the email threats (basically) of explaining every cent, that it needed to be in certain places and of the inevitable audits when we were doing our best and keeping open and actually got a chance to get paid a bonus, we should have felt more like you all had our back....But instead it felt like Big Brother constricted our usage too much, so I made sure to keep my categories simple and I might have chosen to spend it more for the day to day of my daycare. But I am super grateful, it would have been easy to walk away at my age."*

Other providers suggested increasing the allocations for specific spending categories or to add new allowed expenditures. For example, some providers recommended increasing funds for staffing or for Program B to raise wages more and to cover full health and dental plans for staff and retirement match options. Other providers recommended decreasing and reallocating Program B funds, as they felt that program was not effective in retaining the net number of staff. Others suggested increasing Program A funds or combining the two programs.

Various providers recommended increasing funds specifically designated for tuition discounts, assistance for low-income families, building maintenance, insurance and utilities, continuing staff education, classroom supplies, COVID-19 prevention, field trip funding, or advertising. One provider specifically recommended more funds to help providers recuperate during and after a COVID-19 outbreak in the center.

Providers also recommended ways to decrease confusion about which expenses were or weren't allowable. Some providers found the current guidelines vague and open to interpretation. A few providers said they had to frequently call in to ask if an expense was allowable. One provider suggested having a list of what they could not spend money on, and another suggested including examples in the guidelines for using funding. Another requested that terms and conditions language be made easier for the average person to understand.

Some providers also wanted more guidance and training on how to budget and best use the CCC Stabilization funds; for example, information on how they could use the funds to sustain wage increases long term. One provider suggested having "…mentors across the state to help programs increase their program's quality and to get people through the process of certification/licensure faster." Another provider recommended a mechanism to share how other providers were spending their funding, and another recommended a mandatory budgeting class to help spend funds more wisely.

Other Government Assistance

Providers also shared how they would use a 'magic wand' to make changes in the child care industry more broadly and had some recommendations regarding other government assistance programs.

Several providers recommended going back to a previous funding program, which better rewarded providers with higher Star ratings and had fewer constraints and administrative burdens. For example, one provider said:

"While any funding is greatly appreciated, this particular program made things a little more difficult for me. Prior to this program, I received a 30% bonus for being a 5-Star daycare that automatically deposited into my account on the first of every month based off of how many children were enrolled. I could spend the money however I wanted to without explanation. Now, I have to apply every month for the grant, wait to be approved, I don't get the money until the next month, and then I'm told on how to spend it AND get audited on the money as well."

Many providers discussed the need for an increased supply of child care staff and requested more help with the labor shortage issues. One provider recommended future grants to recruit and retain more employees. Other suggestions included government programs that better advertised child care as a career field, incentive packages for people interested in going into the child care field, funding to help get staff qualified more easily and faster, an assistant teacher course for high schoolers, and providing incentives for volunteers. One provider recommended having DCF licensing temporarily relax the lead teacher education requirements, the child-to-staff ratios, and the maximum group size so providers could get more staff. Another provider asked for help getting regulators to change the age ranges for child ratios, specifically decreasing the cut-off from two years down to 18 months.

A few providers—often family providers—recommended a program to help them find substitute staff, either long or short term, who are qualified and cleared to work with children; for example, having a 'bank' of substitutes that providers could use so they didn't have to close for personal appointments. Several providers said they needed more support to increase child care wages. Another recommendation was for more accessible professional development materials. One provider suggested having the teacher packet from the Early Education Station be available at low or no cost, saying the online option wasn't feasible. Another provider recommended a closer relationship and incentive program with local colleges or Early Childhood Education associates to help provide professional development. Another recommended a program to provide free or low-cost quality training for staff between centers. One provider said they needed help finding the materials for continuing education.

One big unmet need for several providers was not being able to offer their staff health care insurance or retirement plans. Several providers suggested having a state-assisted benefits program for the industry. For example, they recommended pooling child care providers and staff in order to have access to lower insurance rates, perhaps state wide. For retirement benefits, one provider wanted a plan for child care staff included in the Wisconsin education system the way it is for teachers. Another recommended a retirement incentive bonus to help the "old-timers" start a retirement plan. Other recommendations included:

"If there was a way that we could combine with other centers or pool this money towards offering health insurance or a possible 401k match for attendance, that would be great."

"We would like to be able to afford health/dental insurance for the employees who need it. I wish DCF could create a program for all DCF employees to have access to insurance. If the pool of employees was bigger, health care could be offered at a lower rate."

"How about help with health insurance. How about do a group plan with all the in-home daycares or a group plan throughout the state, like maybe BadgerCare for all in-home daycares."

"I have staff who need insurance/benefits that I cannot provide. We need group health insurance availability to stop losing high-quality long-term staff who leave for benefits."

Providers also recommended having funding programs to help expand or open new child care facilities. One suggested a grant for after a provider signed a lease to help fund the build out. Another suggested having a building improvement loan, such as having the Small Business Administration bring back this type of program. One provider suggested working with companies that produce early childhood education supplies to provide discounts on equipment.

Providers also suggested programs to better support for families, such as helping families find child care, which could be in collaboration with school districts. Another suggested assistance for families that are not on the WI Shares program. One provider commented that WI Shares only pays for child care if a parent is working, whereas if it paid for child care when a parent is unemployed or job searching, then the provider could use funds such as the CCC Stabilization Program for other needs instead of assisting families that WI Shares doesn't cover. For example, one provider said:

"[I] wish the Shares program would pay for child care when a parent loses a job and then looks for a new job. Shares only pays for child care if a parent is working. We used the money to provide that child care that Shares didn't."

One provider recommended a newborns-only facility. A few providers wanted additional support for particular children they served, such as special-needs children or children with disabilities. Other recommendations included emergency funds for COVID-related closures for which providers could apply as needed. Another requested non-financial support, such as legal support. One provider recommended having more opportunities to voice their opinions and the needs of their program. Another provider commented that applying for the various funding programs was too much work and overburdened their staff; others noted that there was some confusion about whether providers could apply for the CCC Stabilization Program if they were receiving state funding from other funding programs. Finally, one provider recommended fully subsidizing all childhood education, noting that they would not need a stabilization program if the industry was adequately funded.

What are key takeaways and policy implications from these findings?

In sum, the CCC Stabilization program appears to have provided much-needed monetary relief to child care programs across the state during the time of the COVID-19 pandemic. Via their responses to the open-ended questions, providers demonstrated an acute need for the funding; often to simply make ends meet, but also to address staffing issues and make improvements in their facilities and programming. As reflected in the quantitative data analysis, at least some providers reported spending in each of the allowable categories across Programs A and B; however, they indicated clear preferences. For Program A, focused on “increasing access to high quality care,” providers overwhelmingly reported using funds for covering current payroll and benefits (especially group providers) and physical operating expenses (especially family providers). For Program B, focused on “funding workforce recruitment and retention,” providers heavily prioritized using funding to give bonuses or stipends to current staff in contrast to wage increases or improved benefits. In both programs, providers showed a preference for using funds to support non-credit versus credit-based training. Differences in spending patterns, particularly between family and group providers, reflected the very different needs of these types of programs based on the children they serve and highlight potential questions regarding equity that need to be explored further.

These reported spending choices, corroborated by the open-ended question responses, reflect consistent concerns about long-term sustainability of funding as well as gaps in financial support of the “true cost” of providing high quality child care. While the CCC Stabilization program undoubtedly delivered immediate financial relief for providers during a particularly tumultuous time—and many providers reported spending that could lead to better financial stability, reduced staff turnover, and improved program quality—the uncertainty of future funding clearly limited longer-term investments such as wage increases and benefits. Although there is some evidence that providing short-term financial incentives may reduce turnover in early care and education (Bassok et al., 2021), evidence remains mixed regarding the best way to attract and retain high-quality child care workers and address gender and racial inequities in the field (Prenatal-to-3 Policy Impact Center, 2022). Prior research also suggests mixed results regarding the association between teacher qualifications, classroom quality, and children’s outcomes (e.g., Lin & Magnuson, 2018), and of note in this study, CCC Stabilization spending on professional development was not evenly distributed among providers. It is unclear whether spending patterns and outcomes would have been different with the promise of continued or a higher level of funding; therefore, future policy experimentation and research could help establish adequate levels of funding and evidence-based spending priorities.

If policymakers choose to extend CCC Stabilization, providers offered many specific, although sometimes conflicting, recommendations about ways to improve the program, including how funding is distributed, how funding could be used to better meet provider needs, and how to reduce administrative burden associated with participation. Again, differences in providers—particularly family versus group—may need to be considered in any program restructure.

What additional research could help shed light on ways to support the child care and early education industry?

While this report provides extensive descriptive information about providers' experiences with the CCC Stabilization program, there is still much to learn about the program and its implications for the child care community. Future quantitative research combining questionnaire and administrative data could provide additional insights into associations between types of spending and program outcomes such as staff turnover, program closure, and quality, both short- and long-term. Such research could also explore questions of equity—e.g., associations between funding distributions, spending patterns, and outcomes for vulnerable populations. Qualitative research (e.g., focus groups and interviews) could help contextualize findings (for example, provide insight into how providers made spending decisions or explain how other public programs interacted with CCC Stabilization), as well as investigate why some providers chose not to participate in the program. Such research could help inform program improvement, identify spending priorities that lead to positive outcomes, and help policymakers consider the most effective way to support what continues to be the fragile yet crucial child care and early education industry in Wisconsin.

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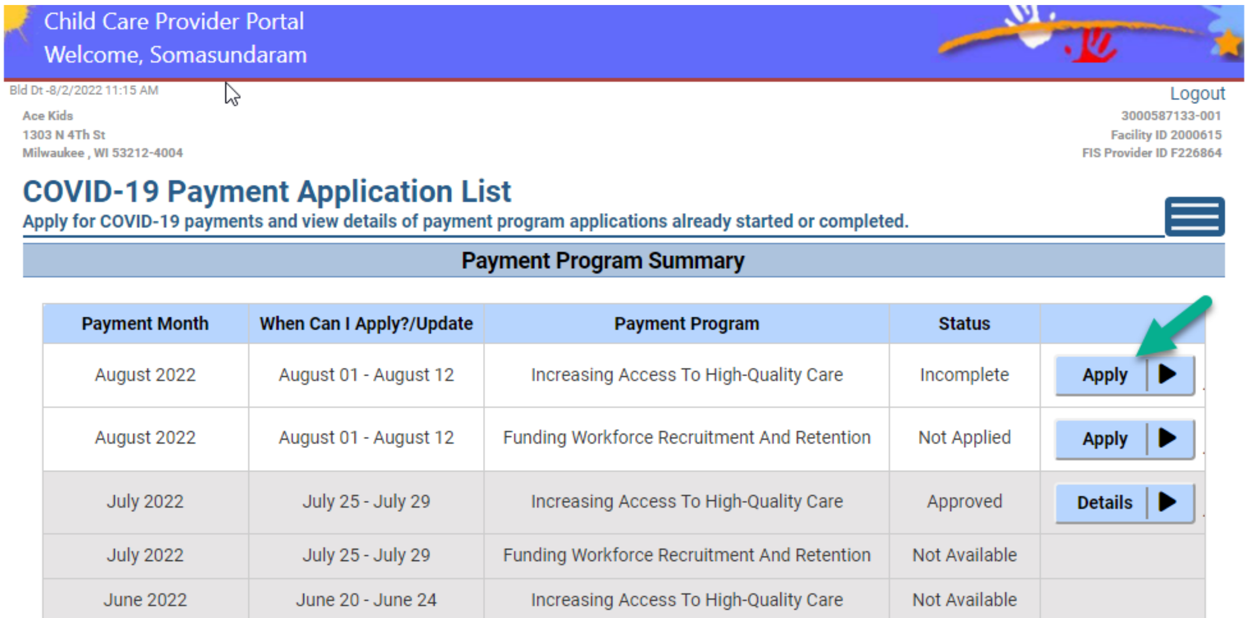
Appendix A – Child Care Counts Questionnaire, August 2022



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3000587133-001
Facility ID 2000615
FIS Provider ID F226864

COVID-19 Payment Application List

Apply for COVID-19 payments and view details of payment program applications already started or completed.

Payment Program Summary

Payment Month	When Can I Apply?/Update	Payment Program	Status	
August 2022	August 01 - August 12	Increasing Access To High-Quality Care	Incomplete	Apply
August 2022	August 01 - August 12	Funding Workforce Recruitment And Retention	Not Applied	Apply
July 2022	July 25 - July 29	Increasing Access To High-Quality Care	Approved	Details
July 2022	July 25 - July 29	Funding Workforce Recruitment And Retention	Not Available	
June 2022	June 20 - June 24	Increasing Access To High-Quality Care	Not Available	

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COVID-19 Payments - Evaluation

Please fill out all the below question before proceeding with application

Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

- This information WILL NOT be used for audit purposes
- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

Q1. **In the last round of the Child Care Counts Stabilization Payment Program, from November 2021 to July 2022, you received $100.00 via Program A, "Increasing Access to High-Quality Care."**

Did you spend, or are you planning to spend any of that funding for...

... physical operating expenses such as mortgage, rent, or utilities?	○ Yes	○ No
... building maintenance or upgrades, such as building repairs, or appliance maintenance?	○ Yes	○ No
... covering payroll and benefits?	○ Yes	○ No
... reducing COVID-19 risk, such as providing personal protective equipment (PPE) or cleaning supplies?	○ Yes	○ No
... providing materials or supplies for enhancing program environment and curriculum, such as classroom supplies and equipment?	○ Yes	○ No
... providing social and emotional development supports or mental health services for staff?	○ Yes	○ No
... providing social and emotional development supports or mental health services for children?	○ Yes	○ No

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COVID-19 Payments - Evaluation

Please fill out all the below question before proceeding with application

Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

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- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

Q2. **Continue thinking about the last round of the Child Care Counts Stabilization Payment Program, from November 2021 to July 2022, from which you received $100.00 via Program A, "Increasing Access to High-Quality Care."**

Did you spend, or are you planning to spend any of that funding for...

... providing credit-based training for professional development and continuing education, such as scholarships, tuition for university or technical college courses, or certificate completion?	○ **Yes**	○ **No**
... providing other non-credit-based professional development training or education?	○ **Yes**	○ **No**
... providing family engagement activities, such as family meeting materials and supplies or events?	○ **Yes**	○ **No**
... providing financial assistance for families, such as covering fees, copayments, or tuition reduction?	○ **Yes**	○ **No**

... something else? Please tell us:

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COVID-19 Payments - Evaluation

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Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

- This information WILL NOT be used for audit purposes
- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

Q3. **About how much of that $100.00 have you spent, or will you spend, on each item below?**

The total should add up to $100.00

... covering payroll and benefits?	$10.00
... providing social and emotional development supports or mental health services for staff?	$20.00
... providing other non-credit-based professional development training or education?	$30.00
... providing family engagement activities, such as family meeting materials and supplies or events?	$40.00
... providing financial assistance for families, such as covering fees, copayments, or tuition reduction?	$50.00
Total Spent	$150.00

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COVID-19 Payments - Evaluation

Please fill out all the below question before proceeding with application

Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

- This information WILL NOT be used for audit purposes
- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

Q4. **In the last round of Child Care Counts Stabilization Payment Program, from November 2021 to July 2022, you received $2,000.00 via Program B, "Funding Workforce Recruitment and Retention."**

Did you spend, or are you planning to spend any of that funding for...

... efforts to recruit new staff, such as sign-on bonuses?	○ Yes	○ No
... bonuses or stipends for current staff?	○ Yes	○ No
... increased hourly wages or annual salary?	○ Yes	○ No
... new or increased paid time off, such as sick leave or vacation?	○ Yes	○ No
... new or increased benefits such as health or dental insurance, or retirement?	○ Yes	○ No
... providing credit-based training for professional development and continuing education, such as scholarships, tuition for university or technical college courses, or certificate completion?	○ Yes	○ No
... providing other non-credit-based professional development training or educations?	○ Yes	○ No

... something else? Please tell us:

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Facility ID 2000615
FIS Provider ID F226864

COVID-19 Payments - Evaluation

Please fill out all the below question before proceeding with application

Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

- This information WILL NOT be used for audit purposes
- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

Q5. **About how much of that $2,000.00 have you spent, or will you spend, on each item below?**

The total should add up to $2,000.00

… efforts to recruit new staff, such as sign-on bonuses?	$0.00
… increased hourly wages or annual salary?	$0.00
… new or increased benefits such as health or dental insurance, or retirement?	$0.00
… providing other non-credit-based professional development training or educations?	$0.00
Total Spent	$0.00

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Facility ID 200061
FIS Provider ID F22686

COVID-19 Payments - Evaluation

Please fill out all the below question before proceeding with application

Please answer the following questions about how you used your Child Care Counts Stabilization Payment Program funds. This information will be used by DCF to understand and explain the impact of the Child Care Counts program. This is also an opportunity for you to provide feedback to help inform potential future programs to support child care providers to stabilize and strengthen their child care programs.

- This information WILL NOT be used for audit purposes
- These questions will ask for APPROXIMATE amounts and will not be reviewed against any actual documentation that you may be asked to provide in the event of an audit.
- Please estimate how much you used. There is no need to gather documentation for this form.
- Feedback results will not be published with your facility name, nor with any identifying information related to your child care program.

Please visit the Child Care Counts webpage for more information about these feedback questions.

t would help us a great deal to learn your responses to a few more questions.

Q6: What impacts did the Child Care Counts Stabilization Payment Program funding have on your program?

Q7: Did you have any program needs you could not address with the funding from the Child Care Counts Stabilization Payment Program because of constraints on how the funding could be used?

- ○ **Yes**
- ○ **No**

Q7A: If Yes, Please tell us about the program needs you could not address because of constraints on how the funding from the Child Care Counts Stabilization Payment Program could be used.

Q8: If you could wave a magic wand, what changes would you recommend to the Child Care Counts Stabilization Payment Program?

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Appendix B - Data Sources, Constructs, and Measures

DATA SOURCES FROM DCF

- **CCC Feedback Results:** The results from the CCC Stabilization Questionnaire
- **Monthly Application Files:** Each provider's CCC applications for each month they received funding—includes characteristics like provider type, staff size, enrollment, and star level
    - Individual files for Nov 2021-Aug 2022
- **Monthly Active Provider Directories:** Files documenting active child care providers for a given month—includes data like daytime and nighttime capacity
    - Individual files for Nov 2021-Aug 2022
- **DCF CCC Dashboard**: An interactive tool for analyzing CCC funding at a statewide level that allows provider level official data to be exported
    - https://dcf.wisconsin.gov/covid-19/childcare/payments/data

DATA FILE CONSTRUCTS

- **Master Application File:** Created by combining all monthly application files for November 2021 through August 2022
    - Each month was given standardized columns and an entry month variable, then rows with duplicate provider location numbers were removed
- **Master Capacity File:** Created by combining all monthly active provider files, which included data on daytime and nighttime capacity for each file
- **CCC DCF Data Split by Payment:** This file uses official DCF dashboard data to compile accurate funding amounts for each provider, by program type
    - The DCF dashboard was limited to CCC Stabilization Round 1 funding months (Nov 2021-Jul 2022)
    - That dashboard data was then exported to Excel
    - Each provider's payments were assigned a month variable, with the earliest month being labeled as the entry month
- **Round 1 Population with Demographics:** Combines the official DCF data file above with the with master application file
    - Duplicates were removed by provider location number
    - Then the files were merged by provider location number and entry month to attach the application demographics when a provider first applied for CCC Stabilization
    - This merged file was then merged with the August 2022 application file to add updated demographics from when providers applied for CCC Stabilization Round 2
- **Questionnaire Results with Demographics:** Combines the CCC Stabilization questionnaire results from DCF with the master application file
    - Then the files were merged by provider location number and entry month to attach the application demographics when a provider first applied for CCC Stabilization

- This merged file was then merged with the August 2022 application file to add updated demographics from when providers applied for CCC Stabilization Round 2
- **Payment A Rank and Spending:** Adapted from the questionnaire results to construct an accurate file of reported spending for Program A
    - In the questionnaire results with demographics, all providers that reported zero spending for any Program A category were removed, leaving 2,963 responses
    - Using these valid responses, various tables were created to for Program A spending by certain provider characteristics
- **Payment B Rank and Spending:** Adapted from the questionnaire results to construct an accurate file of reported spending for Program B
    - In the questionnaire results with demographics, all providers that reported zero spending for any Program B category were removed, leaving 2,635 responses
    - Using these valid responses, various tables were created to for Program B spending by certain provider characteristics
- **Providers that did not apply for CCC Stabilization Round 2:** Created to find providers that were in the population but not in the questionnaire responses
    - In the Round 1 population with demographics, an indicator was created for whether a provider location number was in the survey—1 for in, 0 for not in.
    - This file was created by copying over all provider info for those with an indicator of 0

Appendix C – Statistical Testing Results Regarding Differences in Program A Spending Patterns by Various Program Characteristics

By Provider Type									
Category - Program A	Group	Family	Difference	Group	Cert	Difference	Group	PS	Difference
Operating Expenses (Rent, Utilities, etc.)	32.92%	48.98%	16.05% ***	32.92%	47.81%	14.89% ***	32.92%	6.08%	26.84% ***
Building Maintenance and Repairs	8.47%	12.60%	4.13% ***	8.47%	9.87%	1.40% *	8.47%	5.12%	3.35% **
Payroll and Benefits	37.60%	14.29%	23.32% ***	37.60%	8.83%	28.78% ***	37.60%	51.44%	13.84% ***
COVID-19 Related Expenses	2.56%	4.04%	1.48% ***	2.56%	6.09%	3.53% ***	2.56%	1.48%	1.08% ***
Materials and Supplies	8.04%	8.63%	0.59%	8.04%	9.73%	1.69% **	8.04%	22.95%	14.91% ***
Mental Health Support for Staff	0.65%	0.73%	0.08%	0.65%	1.15%	0.49% ***	0.65%	0.76%	0.10%
Mental Health Support for Children	0.56%	0.71%	0.14% **	0.56%	1.86%	1.30% ***	0.56%	1.43%	0.87% *
Credit-based Training	1.32%	1.20%	0.11%	1.32%	1.93%	0.61% **	1.32%	0.69%	0.63% ***
Non-credit-based Training	1.25%	1.16%	0.10%	1.25%	1.39%	0.13%	1.25%	2.85%	1.60% **
Family Engagement Activities	1.08%	2.08%	1.00% ***	1.08%	3.58%	2.50% ***	1.08%	2.45%	1.37% *
Financial Assistance for Families	5.54%	5.59%	0.06%	5.54%	7.77%	2.24% ***	5.54%	4.74%	0.79%
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 1458 for Group, N = 1116 for Family			N = 1458 for Group, N = 328 for Certified			N = 1458 for Group, N = 61 for Pub. School		

By Star Level						
Category - Program A	2 & 3 Star	4 & 5 Star	Difference	2 Star	3, 4, & 5 Star	Difference
Operating Expenses (Rent, Utilities, etc.)	40.77%	31.63%	9.14% ***	41.54%	36.94%	4.59% ***
Building Maintenance and Repairs	10.11%	8.92%	1.18%	10.17%	9.64%	0.53%
Payroll and Benefits	26.64%	36.05%	9.40% ***	24.57%	31.44%	6.87% ***
COVID-19 Related Expenses	3.37%	2.69%	0.67% ***	3.62%	2.95%	0.67% ***
Materials and Supplies	8.33%	8.49%	0.16%	8.96%	7.97%	0.99% *
Mental Health Support for Staff	0.66%	0.78%	0.12%	0.71%	0.67%	0.05%
Mental Health Support for Children	0.65%	0.59%	0.06%	0.75%	0.56%	0.19% **
Credit-based Training	1.19%	1.20%	0.00%	1.20%	1.19%	0.01%
Non-credit-based Training	1.17%	1.49%	0.33% *	1.17%	1.28%	0.12%
Family Engagement Activities	1.64%	1.08%	0.56% ***	1.86%	1.29%	0.57% ***
Financial Assistance for Families	5.48%	7.07%	1.59% ***	5.46%	6.07%	0.61%
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 1697 for 2, 3 Star N = 469 for 4, 5 Star			N = 850 for 2 Star N = 1295 for 3, 4, 5 Star		

Category - Program A	% of Share Recipients >75%	<75%	Difference		Headstart vs. No Headstart HS	Not HS	Difference	
Operating Expenses (Rent, Utilities, etc.)	46.37%	37.80%	8.57%	***	15.64%	40.69%	25.04%	***
Building Maintenance and Repairs	9.21%	10.50%	1.29%	**	8.21%	10.17%	1.95%	
Payroll and Benefits	16.41%	29.42%	13.00%	***	42.12%	25.59%	16.54%	***
COVID-19 Related Expenses	5.30%	2.81%	2.49%	***	3.55%	3.46%	0.09%	
Materials and Supplies	7.35%	9.25%	1.89%	***	15.49%	8.57%	6.92%	***
Mental Health Support for Staff	1.18%	0.58%	0.60%	***	1.46%	0.72%	0.75%	*
Mental Health Support for Children	1.30%	0.59%	0.71%	***	1.60%	0.75%	0.85%	**
Credit-based Training	1.89%	1.07%	0.82%	***	1.69%	1.28%	0.41%	
Non-credit-based Training	1.41%	1.19%	0.21%	**	2.36%	1.22%	1.14%	**
Family Engagement Activities	3.20%	1.23%	1.96%	***	1.63%	1.76%	0.13%	
Financial Assistance for Families	6.38%	5.55%	0.83%	*	6.23%	5.79%	0.44%	
*** p < 0.1 ** p < 0.05 *** p < 0.01**	N = 802 for >75% N = 2147 for <75%				N = 75 for HS N = 2877 for No HS			

Category - Program A	Any vs. No Infant Care Any	None	Difference		>75% School Age vs. Not >75%	Not	Difference	
Operating Expenses (Rent, Utilities, etc.)	41.26%	34.74%	6.52%	***	22.88%	40.87%	17.99%	***
Building Maintenance and Repairs	10.51%	8.38%	2.14%	***	5.65%	10.32%	4.67%	***
Payroll and Benefits	25.47%	28.35%	2.87%	*	40.93%	25.32%	15.61%	***
COVID-19 Related Expenses	3.47%	3.44%	0.04%		1.98%	3.54%	1.56%	***
Materials and Supplies	8.05%	11.82%	3.77%	***	16.91%	8.36%	8.55%	***
Mental Health Support for Staff	0.71%	0.86%	0.15%		0.88%	0.73%	0.15%	
Mental Health Support for Children	0.70%	1.10%	0.40%	***	1.36%	0.74%	0.62%	**
Credit-based Training	1.29%	1.32%	0.04%		0.86%	1.32%	0.46%	**
Non-credit-based Training	1.18%	1.54%	0.35%	**	1.18%	1.25%	0.07%	
Family Engagement Activities	1.67%	2.13%	0.47%	**	1.60%	1.76%	0.16%	
Financial Assistance for Families	5.69%	6.33%	0.64%		5.75%	5.79%	0.03%	
*** p < 0.1 ** p < 0.05 *** p < 0.01**	N = 2404 for Any Infant Care N = 548 for Not				N = 134 for School Age N = 2818 for Not			

Appendix D – Statistical Testing Results Regarding Differences in Program B Spending Patterns by Various Program Characteristics

By Provider Type									
Category - Program B	Group	Family	Difference	Group	Cert	Difference	Group	PS	Difference
Efforts to Recruit New Staff	7.10%	6.23%	0.87%	7.10%	9.59%	2.49% *	7.10%	7.59%	0.49%
Bonuses or Stipends for Current Staff	57.15%	42.44%	14.71% ***	57.15%	35.58%	21.57% ***	57.15%	74.46%	17.31% ***
Increased Wages	25.69%	23.64%	2.06% *	25.69%	22.66%	3.03%	25.69%	7.31%	18.38% ***
New or Increased Paid Time Off	3.51%	11.09%	7.58% ***	3.51%	12.28%	8.77% ***	3.51%	1.44%	2.07% **
New or Increased Benefits	1.93%	6.97%	5.03% ***	1.93%	5.47%	3.53% ***	1.93%	4.84%	2.91%
Credit Based Training	2.10%	4.86%	2.76% ***	2.10%	8.13%	6.04% ***	2.10%	1.62%	0.47%
Non-credit-based Training	2.52%	4.78%	2.26% ***	2.52%	6.28%	3.77% ***	2.52%	2.73%	0.21%
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 1391 for Group, N = 964 for Family			N = 1391 for Group, N = 240 for Certified			N = 1391 for Group, N = 40 for Pub. School		

By Star Level						
Category - Program B	2 & 3 Star	4 & 5 Star	Difference	2 Star	3, 4, & 5 Star	Difference
Efforts to Recruit New Staff	7.31%	3.95%	3.36% ***	8.67%	5.26%	3.41% ***
Bonuses or Stipends for Current Staff	50.14%	59.02%	8.87% ***	46.01%	55.90%	9.89% ***
Increased Wages	24.92%	24.69%	0.23%	24.65%	24.99%	0.34%
New or Increased Paid Time Off	7.38%	3.95%	3.43% ***	8.94%	5.17%	3.77% ***
New or Increased Benefits	3.89%	4.21%	0.32%	4.06%	3.91%	0.15%
Credit Based Training	3.11%	1.70%	1.41% ***	3.78%	2.18%	1.60% ***
Non-credit-based Training	3.25%	2.48%	0.77% **	3.88%	2.59%	1.29% ***
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 1484 for 2, 3 Star N = 450 for 4, 5 Star			N = 722 for 2 Star N = 1212 for 3, 4, 5 Star		

	% of Share Recipients					Headstart vs. No Headstart			
Category - Program B	>75%	<75%	Difference			Any	None	Difference	
Efforts to Recruit New Staff	13.26%	4.78%	8.48%	***		4.45%	7.05%	2.59%	
Bonuses or Stipends for Current Staff	39.70%	53.80%	14.10%	***		67.86%	49.66%	18.20%	***
Increased Wages	20.93%	25.59%	4.66%	***		18.16%	24.51%	6.35%	**
New or Increased Paid Time Off	9.67%	6.14%	3.53%	***		2.46%	7.18%	4.72%	***
New or Increased Benefits	3.79%	4.23%	0.44%			3.89%	4.16%	0.27%	
Credit Based Training	6.64%	2.59%	4.05%	***		1.43%	3.70%	2.28%	***
Non-credit-based Training	6.05%	2.86%	3.19%	***		1.76%	3.74%	1.99%	***
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 684 for >75% N = 1947 for <75%					N = 70 for HS N = 2560 for No HS			

	Any vs. No Infant Care					>75% School Age vs. Not			
Category - Program B	Any	None	Difference			>75%	Not	Difference	
Efforts to Recruit New Staff	6.81%	7.80%	0.99%			8.03%	6.94%	1.09%	
Bonuses or Stipends for Current Staff	49.12%	55.34%	622.00%	***		60.29%	49.71%	10.57%	***
Increased Wages	25.24%	19.81%	5.43%	***		24.06%	24.38%	0.32%	
New or Increased Paid Time Off	7.40%	5.30%	2.10%	***		2.33%	7.26%	4.92%	***
New or Increased Benefits	4.23%	3.76%	0.47%			1.18%	4.24%	3.05%	***
Credit Based Training	3.58%	3.95%	0.37%			2.35%	3.70%	1.35%	**
Non-credit-based Training	3.62%	4.04%	0.42%			1.75%	3.77%	2.01%	***
* p < 0.1 ** p < 0.05 *** p < 0.01	N = 2195 for Any Infant Care N = 435 for Not					N = 104 for School Age N = 2526 for Not			

Appendix E – Spending Tables

Overall Spending

Payment A Category	Total Spent	Mean	Median	Max	Rank	Avg % of Total Spending
Payroll and Benefits	$36,985,837	$12,483	$2,000	$315,000	3.01	25.92%
Operating Expenses (Rent, Utilities, etc.)	$34,360,699	$11,597	$4,500	$233,000	1.92	40.07%
Building Maintenance and Repairs	$8,681,513	$2,930	$500	$100,000	3.51	10.11%
Materials and Supplies	$7,784,409	$2,627	$500	$152,000	3.41	8.76%
Financial Assistance for Families	$5,549,207	$1,873	$0	$100,000	4.44	5.79%
COVID-19 Related Expenses	$2,904,337	$980	$200	$70,000	4.40	3.48%
Non-credit-based Training	$1,186,374	$400	$0	$20,000	5.46	1.27%
Credit-based Training	$1,131,709	$382	$0	$20,000	5.49	1.33%
Family Engagement Activities	$1,064,919	$359	$0	$20,000	5.23	1.76%
Mental Health Support for Staff	$607,799	$205	$0	$12,800	5.86	0.74%
Mental Health Support for Children	$555,432	$187	$0	$15,000	5.88	0.78%
N = 2963						

Payment B Category	Total Spent	Mean	Median	Max	Rank	Avg % of Total Spending
Bonuses or Stipends for Current Staff	$32,948,131	$12,504	$2,000	$300,000	1.66	50.07%
Increased Wages	$13,679,970	$5,192	$500	$129,000	2.14	24.39%
Efforts to Recruit New Staff	$3,052,244	$1,158	$0	$152,000	2.94	7.02%
New or Increased Paid Time Off	$1,666,719	$633	$0	$67,000	3.03	7.05%
New or Increased Benefits	$1,273,269	$483	$0	$74,000	3.45	4.14%
Non-credit-based Training	$1,069,126	$406	$0	$45,000	3.22	3.69%
Credit Based Training	$867,050	$329	$0	$36,000	3.27	3.65%
N = 2635						

By Provider Type

Licensed Family Providers						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$4,686,732	$4,200	$3,900	$23,000	1.51	49.0%
Building Maintenance and Repairs	$1,226,983	$1,099	$500	$10,000	3.30	12.6%
Payroll and Benefits	$1,484,843	$1,331	$412	$13,850	3.68	14.3%
COVID-19 Related Expenses	$378,391	$339	$200	$2,500	4.30	4.0%
Materials and Supplies	$819,077	$734	$500	$9,000	3.46	8.6%
Mental Health Support for Staff	$76,471	$69	$0	$2,500	5.98	0.7%
Mental Health Support for Children	$69,551	$62	$0	$2,500	5.98	0.7%
Credit-based Training	$114,482	$103	$0	$2,500	5.71	1.2%
Non-credit-based Training	$108,297	$97	$0	$2,000	5.65	1.2%
Family Engagement Activities	$206,524	$185	$0	$4,000	5.17	2.1%
Financial Assistance for Families	$587,324	$526	$0	$12,000	4.52	5.6%
N = 1117						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$173,461	$180	$0	$4,500	2.97	6.2%
Bonuses or Stipends for Current Staff	$1,149,458	$1,192	$900	$12,000	1.79	42.4%
Increased Wages	$643,339	$667	$200	$12,000	2.15	23.6%
New or Increased Paid Time Off	$256,180	$266	$0	$4,000	2.62	11.1%
New or Increased Benefits	$166,287	$172	$0	$4,000	3.10	7.0%
Credit Based Training	$97,008	$101	$0	$2,500	3.02	4.9%
Non-credit-based Training	$108,267	$112	$0	$3,000	2.97	4.8%
N = 965						

Licensed Group Providers						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$28,604,010	$19,619	$10,000	$233,000	2.22	32.9%
Building Maintenance and Repairs	$7,103,313	$4,872	$1,000	$100,000	3.61	8.5%
Payroll and Benefits	$34,232,795	$23,479	$10,830	$315,000	2.27	37.6%
COVID-19 Related Expenses	$2,389,461	$1,639	$260	$70,000	4.57	2.6%
Materials and Supplies	$6,393,175	$4,385	$1,400	$152,000	3.40	8.0%
Mental Health Support for Staff	$488,117	$335	$0	$12,800	5.74	0.7%
Mental Health Support for Children	$425,476	$292	$0	$15,000	5.83	0.6%
Credit-based Training	$967,336	$663	$0	$20,000	5.25	1.3%
Non-credit-based Training	$1,005,951	$690	$95	$20,000	5.19	1.3%
Family Engagement Activities	$746,475	$512	$0	$20,000	5.37	1.1%
Financial Assistance for Families	$4,723,031	$3,239	$0	$100,000	4.42	5.5%
N = 1458						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$2,799,626	$2,013	$50	$152,000	2.91	7.1%
Bonuses or Stipends for Current Staff	$31,163,783	$22,404	$10,125	$300,000	1.52	57.2%
Increased Wages	$12,875,834	$9,257	$2,000	$129,000	2.09	25.7%
New or Increased Paid Time Off	$1,344,167	$966	$0	$67,000	3.37	3.5%
New or Increased Benefits	$1,056,599	$760	$0	$74,000	3.72	1.9%
Credit Based Training	$728,315	$524	$0	$36,000	3.49	2.1%
Non-credit-based Training	$917,535	$660	$0	$45,000	3.41	2.5%
N = 1391						

Certified Providers						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$943,705	$2,877	$2,000	$12,000	1.45	47.8%
Building Maintenance and Repairs	$196,966	$601	$300	$6,200	3.56	9.9%
Payroll and Benefits	$195,321	$595	$50	$20,000	4.23	8.8%
COVID-19 Related Expenses	$109,430	$334	$200	$2,400	4.00	6.1%
Materials and Supplies	$172,461	$526	$300	$6,000	3.46	9.7%
Mental Health Support for Staff	$25,391	$77	$0	$2,000	6.20	1.1%
Mental Health Support for Children	$34,423	$105	$0	$3,000	5.95	1.9%
Credit-based Training	$34,749	$106	$0	$5,000	5.96	1.9%
Non-credit-based Training	$25,310	$77	$0	$2,200	6.23	1.4%
Family Engagement Activities	$73,864	$225	$100	$2,500	4.97	3.6%
Financial Assistance for Families	$158,300	$483	$100	$7,000	4.38	7.8%
N = 328						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$40,307	$168	$0	$2,000	3.04	9.6%
Bonuses or Stipends for Current Staff	$173,760	$724	$500	$4,000	2.03	35.6%
Increased Wages	$122,849	$512	$250	$4,000	2.28	22.7%
New or Increased Paid Time Off	$61,020	$254	$0	$2,000	2.73	12.3%
New or Increased Benefits	$26,983	$112	$0	$1,500	3.41	5.5%
Credit Based Training	$35,877	$149	$0	$2,000	3.05	8.1%
Non-credit-based Training	$26,304	$110	$0	$2,000	3.22	6.3%
N = 240						

Public School Providers						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$126,252	$2,070	$0	$30,802	4.74	6.1%
Building Maintenance and Repairs	$154,251	$2,529	$0	$65,000	4.56	5.1%
Payroll and Benefits	$1,072,878	$17,588	$10,080	$104,000	2.00	51.4%
COVID-19 Related Expenses	$27,055	$444	$0	$4,000	4.30	1.5%
Materials and Supplies	$399,696	$6,552	$3,000	$37,908	2.18	23.0%
Mental Health Support for Staff	$17,820	$292	$0	$9,500	4.98	0.8%
Mental Health Support for Children	$25,982	$426	$0	$4,712	4.80	1.4%
Credit-based Training	$15,142	$248	$0	$3,000	4.74	0.7%
Non-credit-based Training	$46,816	$767	$100	$6,000	4.15	2.8%
Family Engagement Activities	$38,056	$624	$0	$6,000	4.54	2.4%
Financial Assistance for Families	$158,300	$483	$100	$7,000	3.82	4.7%
N = 61						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$38,850	$971	$0	$10,500	2.50	7.6%
Bonuses or Stipends for Current Staff	$461,130	$11,528	$8,750	$50,000	1.38	74.5%
Increased Wages	$37,948	$949	$0	$7,000	2.45	7.3%
New or Increased Paid Time Off	$5,352	$134	$0	$2,152	2.98	1.4%
New or Increased Benefits	$23,400	$585	$0	$8,500	2.83	4.8%
Credit Based Training	$5,850	$146	$0	$1,400	2.93	1.6%
Non-credit-based Training	$17,020	$426	$0	$6,270	2.75	2.7%
N = 41						

Other Provider Characteristics

Headstart Providers						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$797,197	$10,629	$2,500	$131,000	3.01	15.6%
Building Maintenance and Repairs	$344,690	$4,596	$500	$65,000	3.43	8.2%
Payroll and Benefits	$2,240,982	$29,880	$18,800	$247,000	2.11	42.1%
COVID-19 Related Expenses	$224,098	$2,988	$1,000	$65,000	4.16	3.6%
Materials and Supplies	$748,280	$9,977	$3,750	$152,000	2.95	15.5%
Mental Health Support for Staff	$52,900	$705	$0	$9,500	5.01	1.5%
Mental Health Support for Children	$72,950	$973	$0	$12,000	5.04	1.6%
Credit-based Training	$71,238	$950	$0	$10,000	4.87	1.7%
Non-credit-based Training	$116,323	$1,551	$100	$15,000	4.56	2.4%
Family Engagement Activities	$59,850	$798	$0	$9,000	5.07	1.6%
Financial Assistance for Families	$349,492	$4,660	$0	$60,000	4.32	6.2%
N = 76						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$181,750	$2,596	$0	$80,000	2.90	4.5%
Bonuses or Stipends for Current Staff	$4,262,087	$60,887	$34,500	$300,000	1.47	67.9%
Increased Wages	$872,409	$12,463	$0	$85,000	2.00	18.2%
New or Increased Paid Time Off	$153,500	$2,193	$0	$50,000	2.97	2.5%
New or Increased Benefits	$160,130	$2,288	$0	$74,000	3.07	3.9%
Credit Based Training	$48,781	$697	$0	$10,000	3.23	1.4%
Non-credit-based Training	$74,343	$1,062	$0	$12,000	3.00	1.8%
N = 71						

Under 75% WI Shares						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$27,378,979	$12,752	$4,500	$233,000	2.08	37.7%
Building Maintenance and Repairs	$7,326,603	$3,412	$500	$100,000	3.45	10.4%
Payroll and Benefits	$33,232,886	$15,479	$2,500	$315,000	2.84	29.6%
COVID-19 Related Expenses	$2,197,158	$1,023	$150	$70,000	4.41	2.8%
Materials and Supplies	$6,788,405	$3,162	$600	$152,000	3.24	9.3%
Mental Health Support for Staff	$433,556	$202	$0	$12,800	5.65	0.6%
Mental Health Support for Children	$389,125	$181	$0	$15,000	5.66	0.6%
Credit-based Training	$857,451	$399	$0	$20,000	5.26	1.1%
Non-credit-based Training	$947,664	$441	$0	$20,000	5.15	1.2%
Family Engagement Activities	$676,434	$315	$0	$20,000	5.24	1.2%
Financial Assistance for Families	$4,606,874	$2,146	$0	$100,000	4.38	5.6%
N = 2147						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$2,552,359	$1,314	$0	$152,000	2.94	4.8%
Bonuses or Stipends for Current Staff	$30,233,449	$15,560	$3,400	$300,000	1.59	53.8%
Increased Wages	$12,236,448	$6,298	$500	$129,000	2.06	25.6%
New or Increased Paid Time Off	$1,251,986	$644	$0	$67,000	3.02	6.1%
New or Increased Benefits	$1,121,660	$577	$0	$74,000	3.30	4.2%
Credit Based Training	$644,426	$332	$0	$36,000	3.23	2.6%
Non-credit-based Training	$855,181	$440	$0	$45,000	3.13	2.9%
N = 1943						

Over 75% WI Shares						
Payment A Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Operating Expenses (Rent, Utilities, etc.)	$6,968,497	$8,689	$4,930	$79,600	1.51	46.4%
Building Maintenance and Repairs	$1,350,495	$1,684	$600	$40,000	3.68	9.2%
Payroll and Benefits	$3,751,526	$4,678	$1,000	$247,000	3.45	16.4%
COVID-19 Related Expenses	$705,779	$880	$425	$38,400	4.40	5.3%
Materials and Supplies	$994,504	$1,240	$500	$44,800	3.85	7.4%
Mental Health Support for Staff	$174,048	$217	$0	$10,000	6.45	1.2%
Mental Health Support for Children	$165,637	$207	$0	$10,000	6.47	1.3%
Credit-based Training	$272,716	$340	$0	$15,000	6.14	1.9%
Non-credit-based Training	$238,152	$297	$0	$20,000	6.30	1.4%
Family Engagement Activities	$387,315	$483	$200	$10,000	5.24	3.2%
Financial Assistance for Families	$938,231	$1,170	$250	$32,000	4.60	6.4%
N = 802						
Payment B Category	**Total Spent**	**Mean**	**Median**	**Max**	**Rank**	**Avg % of Total Spending**
Efforts to Recruit New Staff	$499,435	$730	$100	$20,000	2.95	13.3%
Bonuses or Stipends for Current Staff	$2,710,452	$3,963	$1,000	$94,870	1.85	39.7%
Increased Wages	$1,441,992	$2,108	$500	$81,500	2.35	20.9%
New or Increased Paid Time Off	$414,693	$606	$0	$16,000	3.06	9.7%
New or Increased Benefits	$150,609	$220	$0	$12,030	3.89	3.8%
Credit Based Training	$222,099	$325	$0	$10,000	3.39	6.6%
Non-credit-based Training	$213,720	$312	$0	$12,000	3.50	6.1%
N = 684						