

## The New Normal: What Is the Impact on Provider Costs?

States, territories, and tribes are implementing requirements for child care programs to maintain safe environments for children and staff during the coronavirus virus disease 2019 (COVID-19) pandemic. The Centers for Disease Control and Prevention's [guidance for child care programs that remain open](#) recommends that child care programs modify drop-off and pick-up procedures, screen children upon arrival, implement social distancing strategies, intensify cleaning and disinfecting, wear face coverings, and maintain adequate ratios and group sizes.<sup>1</sup> These practices require additional staff, materials, and supplies, and incur additional costs.

**It may not be feasible for child care programs to open and operate without financial assistance.** The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) appropriated an additional \$3.5 billion in supplemental Child Care and Development Fund (CCDF) Discretionary funds for state, territory and tribal governments (Lead Agencies) to prevent, prepare for, and respond to the Coronavirus Disease 2019 (COVID-19). It also offers expanded flexibility to provide child care assistance to families and children.<sup>2</sup> The Child Care and Development Fund (CCDF) provides continued funding to state, territory and tribal governments during the pandemic to assist children and their families with paying for child care.<sup>3</sup> Lead Agencies are deciding how best to support children, families, and child care providers with these funds during this public health emergency.<sup>4</sup>

**The [Provider Cost of Quality Calculator \(PCQC\)](#) can help states estimate increased costs and help states “test” financial options to support child care programs.** The PCQC is a web-based tool that calculates the cost of care based on site-level provider data.

The tool helps users understand the discrete costs of delivering child care services and the projected revenue from family fees, Child Care and Development Fund (CCDF) subsidies, and from Child Care and Adult Food Program (CCAFFP) reimbursements for meals and snacks. The PCQC demonstrates if a gap exists between the provider's cost of producing quality services at a given level and the revenue sources that are available to support service delivery. **Knowing the size of the gap at different enrollment levels, quality levels, and various provider types can inform the design of financial support and incentive packages.**

The PCQC can help answer questions such as:

- ◆ How much will a program's income and expenses change if the number of children is reduced from 20 to 10 in preschool and school-age classes to carry out social distancing?
- ◆ How much will it cost, on average, for a family child care provider to hire an assistant to help with pick up, drop off, and health screening at a family child care home?

<sup>1</sup> Centers for Disease Control and Prevention. (2020). *Supplemental guidance for child care*. U.S. Department of Health and Human Services. <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/guidance-for-childcare.html>

<sup>2</sup> Office of Child Care, Administration for Children and Families, Department of Health and Human Services. (2020). *CCDF Discretionary Funds appropriated in the CARES Act (Public Law 116-136) passed into law on March 27, 2020* (CCDF-ACF-IM-2020-01). Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-im-2020-01>

<sup>3</sup> Office of Child Care, Administration for Children and Families, Department of Health and Human Services. (2020). *CCDF Discretionary Funds appropriated in the CARES Act (Public Law 116-136) passed into law on March 27, 2020* (CCDF-ACF-IM-2020-01). Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-im-2020-01>

<sup>4</sup> Office of Child Care, Administration for Children and Families, Department of Health and Human Services. (2020). *CCDF Discretionary Funds appropriated in the CARES Act (Public Law 116-136) passed into law on March 27, 2020* (CCDF-ACF-IM-2020-01). Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-im-2020-01>

- ◆ How will furnishing masks for staff and purchasing additional cleaning products impact the budget?
- ◆ If the CCDF subsidy rate is increased by a certain percentage per child, will this cover the program's increased operating costs for that child and family?

The PCQC is free and accessible via the following link: <https://childcareta.acf.hhs.gov/pcqc>. Simply register by creating a username and password. Users can create multiple scenarios representing different provider types, manage and share those scenarios, and save and print reports. National and state-specific data are built into the tool; users can update the data to customize the tool for their area.

The National Center on Early Childhood Quality Assurance (ECQA Center) works with states to strengthen health and safety standards and support high quality, accessible early childhood education systems. The ECQA Center delivers training and technical assistance to advance these priorities. For technical assistance on using the PCQC, please contact the ECQA Center at [QualityAssuranceCenter@ecetta.info](mailto:QualityAssuranceCenter@ecetta.info).

## Additional Resources

The PCQC web page offers resources to support use of the tool by sharing an overview of its capabilities, instructions on entering data, and information on how specific program elements influence net revenue. Target audiences include state and territory CCDF Administrators and staff, policy makers, advocates, child care resource and referral staff, and child care organizations and networks (<https://childcareta.acf.hhs.gov/pcqc>).

National Center on Early Childhood Quality Assurance. (2015). *Increasing quality in early care and education programs: Effects on expenses and revenues*. Office of Child Care.

<https://childcareta.acf.hhs.gov/resource/increasing-quality-early-care-and-education-programs-effects-expenses-and-revenues>

National Center on Early Childhood Quality Assurance. (2015). *Understanding the potential of the provider cost of quality calculator*. Office of Child Care. <https://childcareta.acf.hhs.gov/resource/understanding-potential-provider-cost-quality-calculator>

National Center on Early Childhood Quality Assurance. (2018). *Early care and education program characteristics: Effects on expenses and revenues*. Office of Child Care. <https://childcareta.acf.hhs.gov/resource/early-care-and-education-program-characteristics-effects-expenses-and-revenues>

National Center on Early Childhood Quality Assurance. (2018). *Guidance on estimating and reporting the costs of child care*. Office of Child Care. <https://childcareta.acf.hhs.gov/resource/guidance-estimating-and-reporting-costs-child-care>

Office of Child Care. (n.d.) Provider cost of quality calculator [Online tool]. U.S. Department of Health and Human Services. <https://www.ecequalitycalculator.com/>

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## National Center on Early Childhood Quality Assurance

9300 Lee Highway  
Fairfax, VA 22031

Phone: 877-296-2250

Email: [QualityAssuranceCenter@ecetta.info](mailto:QualityAssuranceCenter@ecetta.info)

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