





Financial Supports for Maryland ECE Providers During the COVID-19 Pandemic

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This fact sheet summarizes the financial resources Maryland child care providers applied for during the COVID-19 pandemic. Findings are based on a 2021 survey of center-based and family child care (FCC) providers¹ conducted by Child Trends as part of a four-year research collaboration with the Maryland State Department of Education (MSDE) on the 2019 Maryland Child Care Policy Research Partnership.

A Variety of Financial Supports Were Available to ECE Providers

	<p>Direct Funds & Grants</p> <ul style="list-style-type: none"> • \$2,000 Child Care Grant: Noncompetitive \$2,000 grant to help with COVID-19-related expenses, funded through the Coronavirus Aid, Relief, and Economic Security Act (CARES).² • Personal Protective Equipment (PPE) Grants: Noncompetitive \$800 or \$1,600 grants for cleaning, sanitizing, and personal protective equipment, funded through CARES.³ • Pandemic Relief Grant: Noncompetitive \$15,000 base award and \$300 per licensed slot, funded through ARPA Act of 2021 for personnel, rent/mortgage, personal protective equipment (PPE), etc.⁴ There were several rounds of these grants with varying amounts. • Small Business Grants: Grants to cover three months of operating expenses, up to \$10,000.⁵ • Local Child Care Grants: Locally administered ARPA grants other and funding for child care program pandemic relief. These grants ranged in value.
	<p>Loans</p> <ul style="list-style-type: none"> • U.S. Small Business Administration (SBA) COVID-19 Economic Injury Disaster Loan: Forgivable, low-interest, fixed-rate, long-term loan to help overcome the effects of the pandemic by providing working capital to meet operating expenses.⁶ • SBA Paycheck Protection Program Loan: Forgivable loan to incentivize providers to keep workers on payroll; could be used to help fund payroll costs, employee benefits, rent, utilities, worker protection related to COVID-19, etc.⁷
	<p>Subsidized Tuition Payments</p> <ul style="list-style-type: none"> • Essential Personnel Child Care (EPCC) and School-Age (EPSA): Child care tuition for children of essential personnel, paid for by the state. • Child Care Scholarship (Subsidy): Tuition for children with eligible family incomes paid for by the state and funded through the federal Child Care and Development Block Grant (CCDBG).
	<p>Other</p> <ul style="list-style-type: none"> • Unemployment Insurance: Enhanced unemployment insurance provided through the CARES Act which included a weekly bonus for former child care providers. • Maryland EXCELS Tiered Reimbursement: Higher scholarship⁸ payments for providers with higher ratings through EXCELS (Maryland's Quality Rating and Improvement System).

¹ N=984 child care providers: 305 center-based child care respondents; 679 family child care (FCC) providers.

² <https://www.marylandtaxes.gov/RELIEFAct/docs/03-29-2022-MSDE-Federal-COVID-Funding.pdf>

³ <https://www.marylandtaxes.gov/RELIEFAct/docs/03-29-2022-MSDE-Federal-COVID-Funding.pdf>

⁴ https://earlychildhood.marylandpublicschools.org/system/files/filedepot/3/child_care_stabilization_grant_faqs.pdf

⁵ <https://onestop.md.gov/forms/maryland-small-business-covid-19-emergency-relief-grant-fund-5e7a6d8db5d67700fe1e6050>

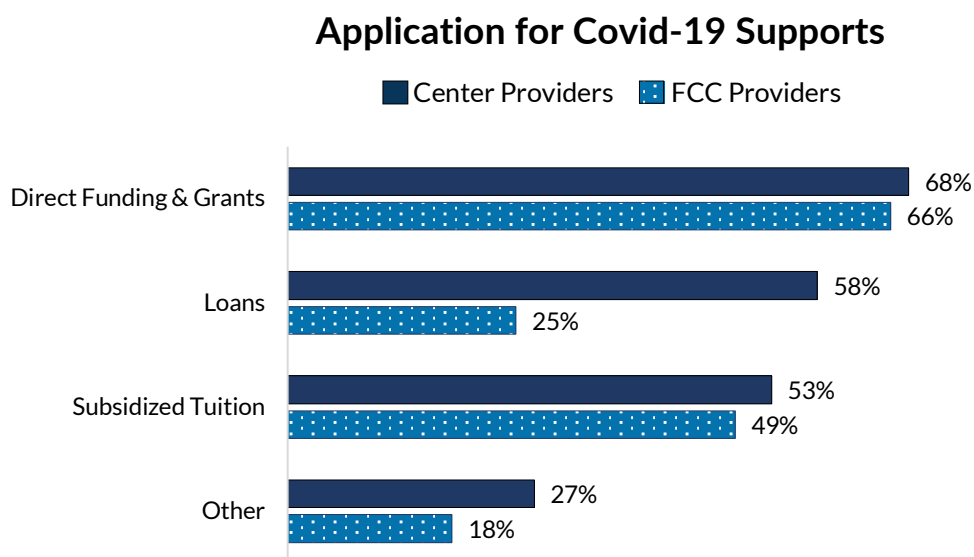
⁶ <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/covid-19-economic-injury-disaster-loan/about-covid-19-eidl#section-header-6>

⁷ <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program>

⁸ Maryland refers to child care subsidies, funded through the federal Child Care and Development Block Grant (CCDBG), as child care scholarships.

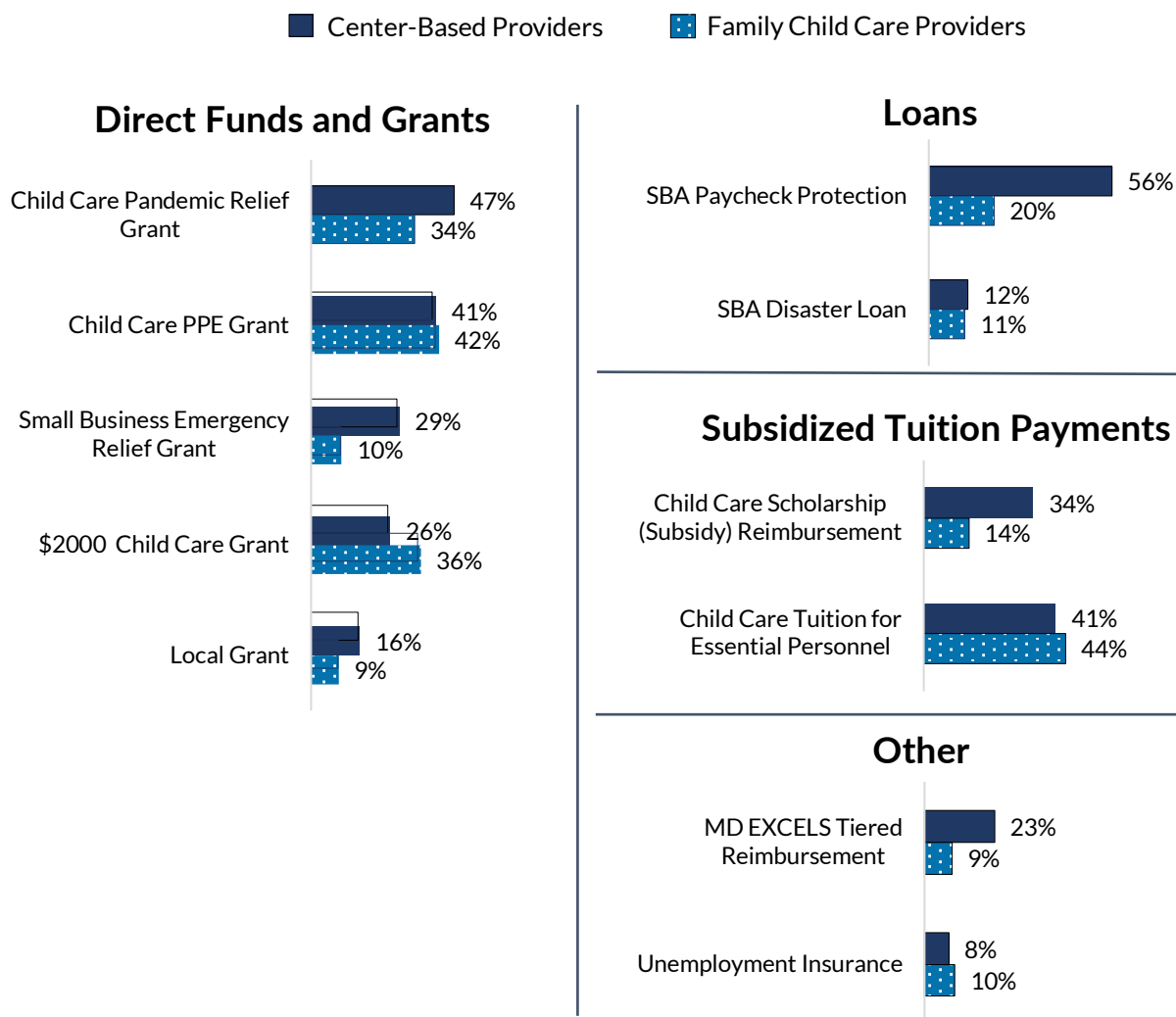
Both Center-Based and FCC Providers Applied for Direct Funding, Grants, and Subsidized Tuition Programs; Fewer FCC Providers Applied for Loans

- Providers reported which funding they applied for from the list of options in the above table.
- 99 percent of FCC and center-based providers reported receiving some form of funding or financial support during the pandemic.
- Direct funding and grants were the most popular among FCC and center-based providers.



Source: MDCCPRP Provider Survey, *N Weighted* = 1802 FCC Providers and 601 Center Providers.

- Over 30 percent of center-based and FCC providers applied for the Child Care Pandemic Relief Grant, the PPE Grant, and Essential Personnel Child Care Programs.
- A larger proportion of center-based providers applied for SBA Paycheck Protection loans (56% vs. 20% for FCCs), the Child Care Scholarship Program (34% vs. 14% respectively), and Maryland EXCELS (23% vs. 9% respectively).



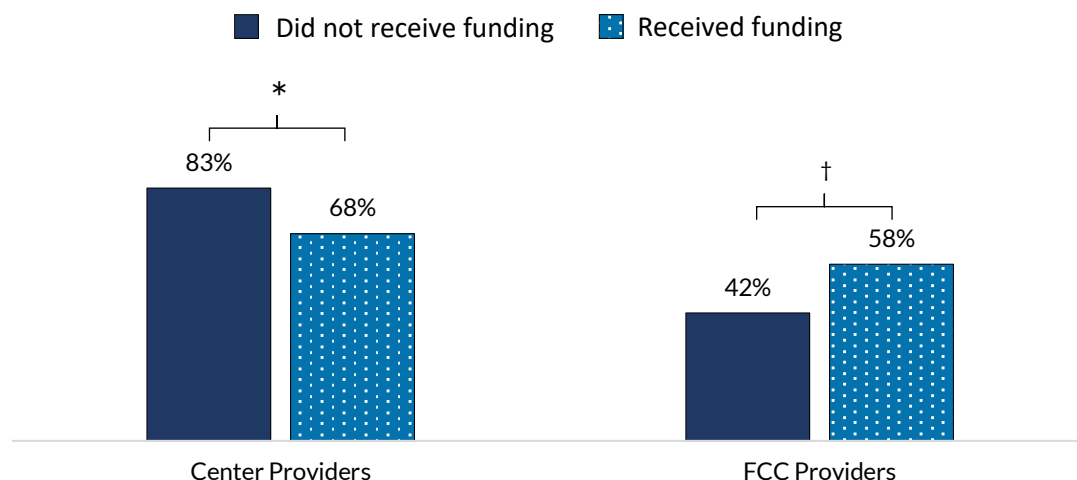
Source: MDCCPRP Provider Survey, N Weighted = 1802 FCC Providers and 601 Center Providers.

Receipt of Grants and Funding Was Associated with Different Outcomes for Center-Based and Family Child Care Providers

- Family child care providers who received **grants or funding** during the pandemic were marginally *more likely* to agree or strongly agree that they would be in business in three years.
- However, center providers who received **grants or funding** during the pandemic were significantly *less likely* to agree or strongly agree that they would be in business in three years.

- No other types of support (loans, subsidized tuition payments, or other) were associated with beliefs that providers would continue to serve young children three years in the future.

Percent of providers who believed they would be serving children 0-5 in three years by receipt of funding



Source: MDCCPRP Provider Survey $N_{Weighted} = 1802$ FCC Providers and 601 Center Providers.

Note: * = Chi-square test $p < .05$, † = Chi-square test $p < .10$

- These findings could signal that financial support was especially meaningful for FCC providers, given their small scale. Center providers who applied for support may have done so because they were in financial distress.
- Participants' forecasts of their business's future functioning are not necessarily accurate and may represent their feelings of uncertainty during COVID-19, rather than the actual health of their businesses.

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