

Understanding the Impact of the Peacetime Emergency Grants

Introduction

The COVID-19 pandemic changed the delivery of child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC), a competitive grant program for licensed or certified child care centers and licensed family child care providers with grant awards distributed from April to June 2020. As part of the Minnesota Child Care Policy Research Partnership—a federally funded partnership between Child Trends, University of Minnesota, and the Minnesota Department of Human Services—the research team developed an online survey to understand providers' experiences with COVID-19 and perceptions of the PECC program. The survey was open from July 31, 2020 to September 9, 2020. A total of 1,898 center-based and family child care licensed providers who applied for the PECC Grant (36 percent) completed the survey. See **Appendix A** for more information about survey respondents and survey analysis methodology.

This resource is a compendium of 11 fact sheets prepared by the research team to summarize findings from the PECC Survey. The fact sheets highlight findings about providers' experiences receiving or not receiving the grants, as well as their experiences related to several COVID-19 challenges. As Minnesota and other states continue developing supports for child care providers in the wake of the pandemic, this information can promote an understanding of how grant strategies may impact providers in different ways, depending on their characteristics. This compendium is divided into three sections: (1) financial impact, (2) child care provider practices, and (3) PECC Grant applicants and non-applicants. Each section provides a summary of key findings as well as the full fact sheets.

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Authors: Mallory Warner-Richter*, Kara Ulmen*, Jenna Castillo*, Hasan Tosun, Ashley Hirilall, and Elizabeth Davis

*The first three authors contributed equally to the development of this brief.

Contributing Researchers: Kathryn Tout, Weilin Li, and Jennifer Cleveland

Contributing Reviewers: Lynda Rhodes, Amanda Ward, Cindi Yang, Diane Benjamin, Ann McCully, Stephanie Hogenson, and Jennifer Moses

Financial impact fact sheets

The pandemic caused enrollment declines and increased costs, which strained child care programs that were already operating on fragile margins.¹ We asked child care providers a series of questions about how the COVID-19 pandemic affected their program's financial health, including items about how grantees used the PECC funds, whether they experienced financial challenges, their well-being, and the risk of program closure.



[Financial impact of Peacetime Emergency Child Care Grant funds](#)



[Provider financial challenges and well-being during the COVID-19 pandemic](#)



[Grants reduce risk of program closures](#)

Key findings

- Family child care providers most commonly **used the PECC funds for cleaning and sanitizing supplies** while center-based providers **used the funds for wages**. While most PECC Grant recipients reported that it helped them stay open, **center-based recipients were more likely than family child care providers to indicate that the grant helped them stay open^a and serve more children**. Significantly more center-based providers also **reported receiving other types of financial assistance** (e.g., loans, grants, and donations) than family child care providers (81 and 59 percent, respectively).*
- In response to the pandemic, 47 percent of center-based providers indicated that the cost of doing business increased “by a large amount” while this was true for 35 percent of family child care providers.* Additionally, **75 percent of center-based providers and 55 percent of family child care providers reported experiencing financial loss due to the COVID-19 pandemic**.*
- Most providers showed minimal levels of anxiety, however, **15 percent of family child care providers and 27 percent of center-based providers reported moderate or severe anxiety**. In comparison, only 6 percent of the general population in 2019 reported moderate or severe anxiety (prior to the pandemic). The average anxiety score for center-based respondents was significantly higher than that of family child care providers.*
- Significantly fewer PECC Grant recipients **permanently or temporarily closed** between March 25, 2020 and September 1, 2020 than non-recipients.* The most common reason reported by center-based providers was low enrollment or attendance. For family child care providers, **possible exposure to COVID-19 from someone in their program commonly influenced their decision to close**. Providers who did not receive the PECC Grant were more likely than recipients to indicate **risk of closure in the next 6 months**.*

^a Note: * indicates a statistically significant difference (p < .05)

Financial impact of Peacetime Emergency Child Care Grant funds

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first round of funds in April 2020. To understand providers' experiences with and perceptions of the PECC program, an online survey was shared with applicants (N=5297). A total of 1,898 center-based and family child care applicants (36 percent) completed the survey between July 31, 2020 and September 9, 2020. Among the respondents, 58 percent applied for and received the grant (PECC Grant recipients) and 42 percent applied but did not receive the grant (non-recipients). This fact sheet presents initial findings on the financial impact of the grant program.

How providers used PECC grant funds (check all that apply)

Family Child Care



83 percent
cleaning and sanitizing supplies/
health and safety materials



67 percent
food



61 percent
rent/
mortgage

Center-based child care



79 percent
wages

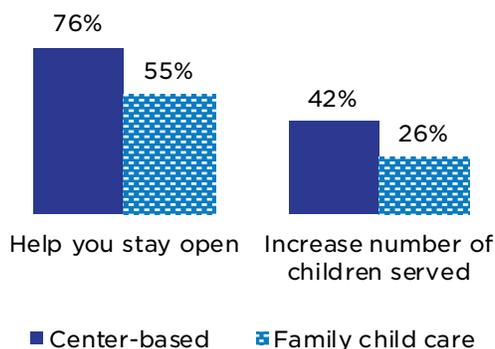


64 percent
cleaning and sanitizing supplies/
health and safety materials

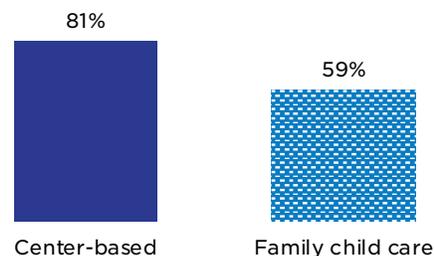


58 percent
rent/mortgage

- **The majority of center-based and family child care providers** who received the Peacetime Emergency Child Care Grants said **it helped them stay open**.
- **Fewer than half of providers said they were able to increase the number of children served** as a result of receiving the grant.
- Center-based providers **were more likely to say the grant helped them stay open*** and serve more children.



81 percent of center-based child care providers and **59 percent** of family child care providers who applied for the Peacetime Emergency Grants also **received other types of financial assistance**, including loans, grants, and donations for their child care programs.*



Note: * indicates a statistically significant difference ($p < .05$)

This is one in a series of fact sheets from a study of Minnesota's Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>

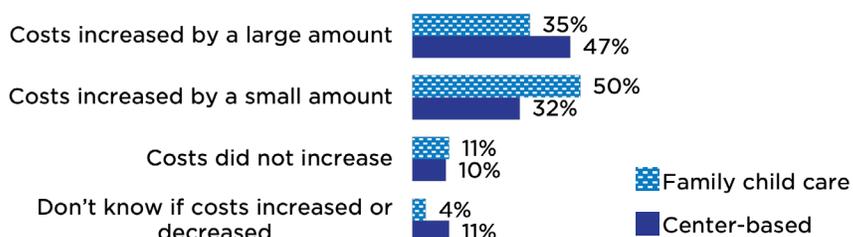
Provider financial challenges and well-being during the COVID-19 pandemic

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To understand providers' experiences during the pandemic, an online survey was shared with child care providers between July 31, 2020 and September 9, 2020. A total of 1,898 center-based and family child care providers completed the survey. The survey asked child care providers about their experiences related to a number of COVID-19 challenges. This fact sheet presents initial findings on financial challenges and personal well-being during COVID-19.

Note: The providers invited to participate were applicants to the Peacetime Emergency Child Care Grant Program, and thus, were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.

Costs of doing business increased "by a large amount" for 47 percent of center-based providers and 35 percent of family child care providers.*



75 percent of center-based providers and **55 percent** of family child care providers **are experiencing "financial loss"** due to the Coronavirus outbreak.* In the past month, center-based providers lost an average of \$51,612, and family child care providers lost an average of \$4,047.

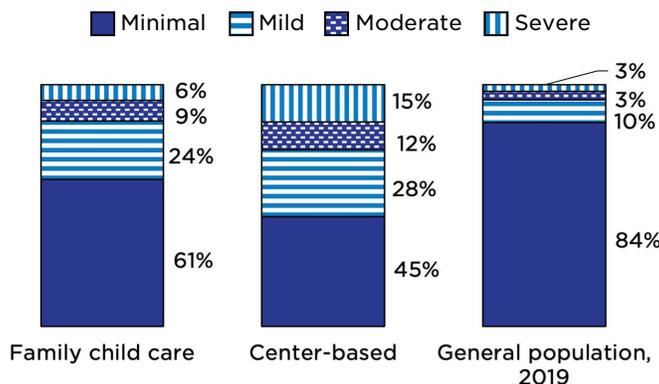
While the majority of survey respondents reported minimal levels of anxiety, **15 percent of family child care respondents and 27 percent of center-based respondents reported symptoms of moderate or severe anxiety.**** For comparison, in the general population in 2019 prior to the pandemic, only 6 percent reported moderate or severe anxiety symptoms.

**The average anxiety score for the center-based respondents is significantly higher than family child care providers ($p < .05$).

Provider well-being

Providers completed the Generalized Anxiety Disorder-7 to assess for anxiety. Provider's total scores were compared to the diagnostic ranges:

- 0-4** minimal anxiety
- 5-9** mild anxiety
- 10-14** moderate anxiety
- 15-21** severe anxiety



Sources: Analysis of licensing data and data from the Peacetime Emergency Child Care Grant survey, 2020; Terlizzi EP, Villarreal MA. (2019). Symptoms of generalized anxiety disorder among adults: United States. Hyattsville, MD: National Center for Health Statistics.

Note: * indicates a statistically significant difference ($p < .05$)

This is one in a series of fact sheets from a study of Minnesota's Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>

Grants reduce risk of program closures

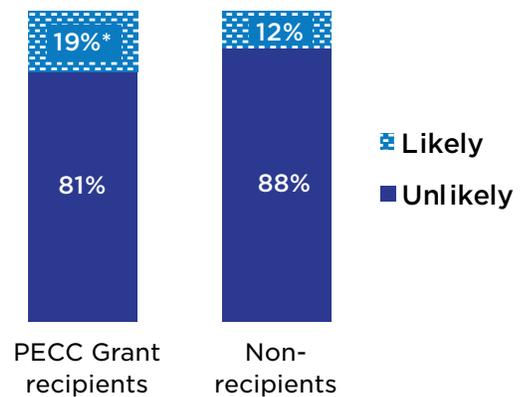
Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first round of funds in April 2020. To understand providers' experiences with and perceptions of the PECC program, an online survey was shared with applicants (N=5297). A total of 1,898 center-based and family child care applicants (36 percent) completed the survey between July 31, 2020 and September 9, 2020. Among the respondents, 58 percent applied for and received the grant (PECC Grant recipients) and 42 percent applied but did not receive the grant (non-recipients). This fact sheet presents initial findings from the survey on program closures and factors related to COVID-19.

12 percent of PECC Grant recipients, compared to **17 percent*** of non-recipients, **closed at some point** since the March 25th Stay-At-Home order.

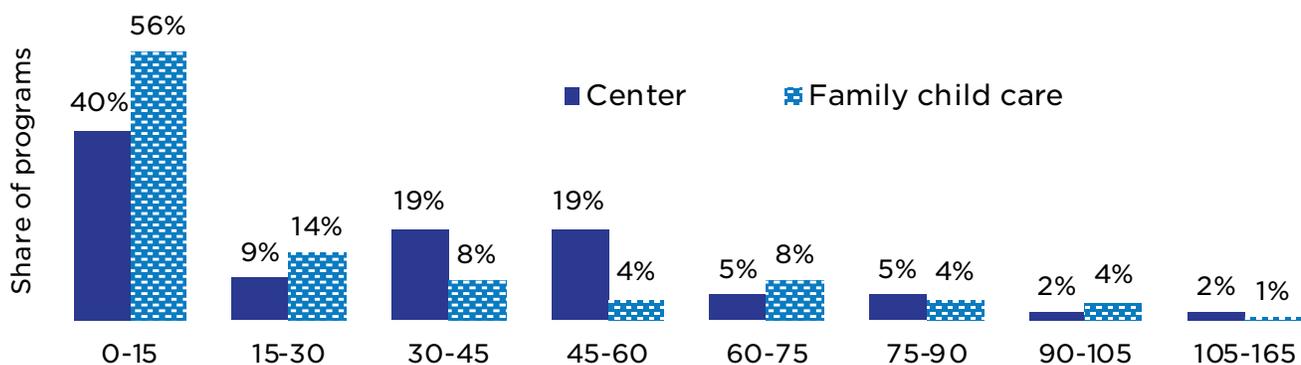
43 percent of center-based providers identified **low enrollment or attendance** as a factor that influenced their decision to close.

Providers who did not receive the PECC grant were **more likely than recipients to indicate risk of closure in the next 6 months.**



39 percent of family child care providers identified a possible exposure to COVID-19 from someone in their program (family, child, or staff) as a factor that influenced their decision to close.

Regardless of receiving the grant or not, the number of days programs closed **rangd from 1 to 165.**



Note: * indicates a statistically significant difference ($p < .05$)

Child care provider practices fact sheets

During the pandemic, child care providers were required to implement a variety of new safety guidelines to prevent the spread of the COVID-19 virus. New routines can be challenging to put in place, particularly when staffing patterns are unpredictable and guidelines are changing regularly.² We surveyed child care providers about their confidence in implementing these new practices as well as how their typical practices may have been modified as a result of the pandemic. Three fact sheets covered these topics:



[Providers' confidence in practices related to COVID-19](#)



[COVID-19 and child care: Attendance and communication with families](#)



[Child care providers participate in professional development during COVID-19 pandemic](#)

Key findings

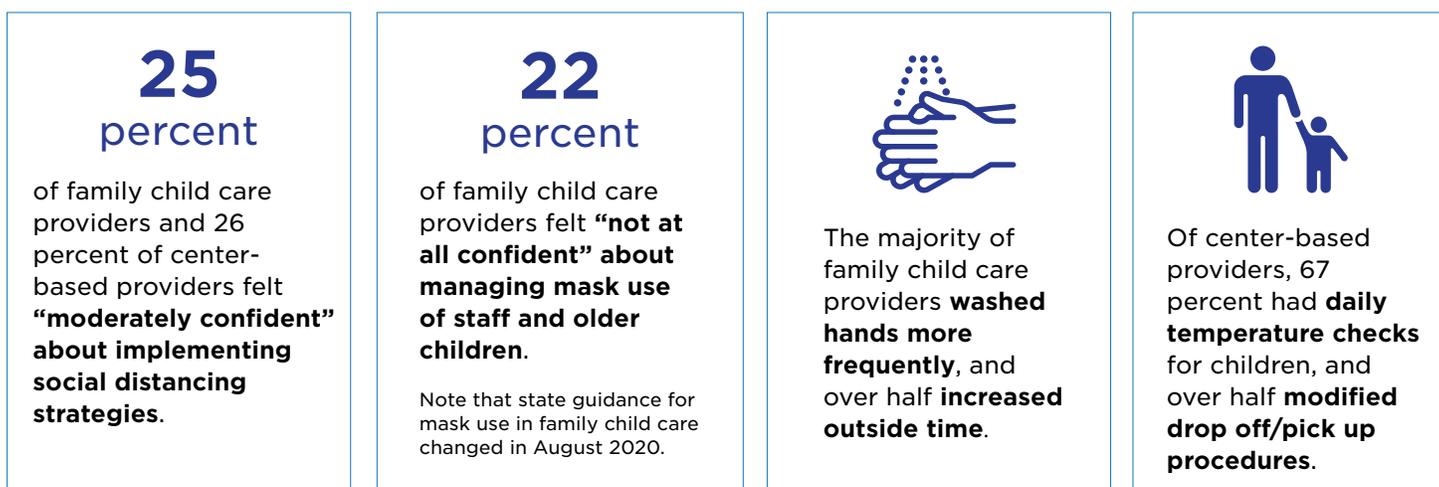
- **Twenty-five percent of family child care and 26 percent of center-based providers (25 and 26 percent, respectively) felt “moderately confident” about implementing social distancing strategies.** To comply with the new safety guidelines, providers selected the top three changes made to their program. For family child care providers, **72 percent washed hands more frequently**, 55 percent increased outside time, and 46 percent completed daily temperature checks for children. Among center-based providers, **67 percent also completed daily temperature checks** for the children, 52 percent modified drop off/pick up procedures, and 48 percent washed hands or used sanitizer more frequently.
- When child care providers took the survey (July 2020 – September 2020), **family child care providers maintained similar attendance levels in the past week while center-based programs reported lower level of attendance in the past week.** Additionally, **the majority of providers changed the way they communicated with families**—66 percent of center-based providers and 51 percent of family child care providers increased the frequency of communication, for example. Center-based providers reported that **families most commonly asked about their ability to conform to health and safety standards (60 percent)** and family child care providers reported that **families most commonly asked about their availability of school-age care (45 percent).**
- Sixty-eight percent of center-based **directors reported that their employees completed virtual professional development**, and **59 percent of family child care providers completed virtual professional development.** Providers most **commonly completed professional development opportunities related to child development/developmentally appropriate practices** followed by health/safety. About half of providers reported no barriers in accessing virtual professional development; however, those that indicated experiencing barriers reported that they did not have enough time and/or they preferred in-person training.

Providers' confidence in practices related to COVID-19

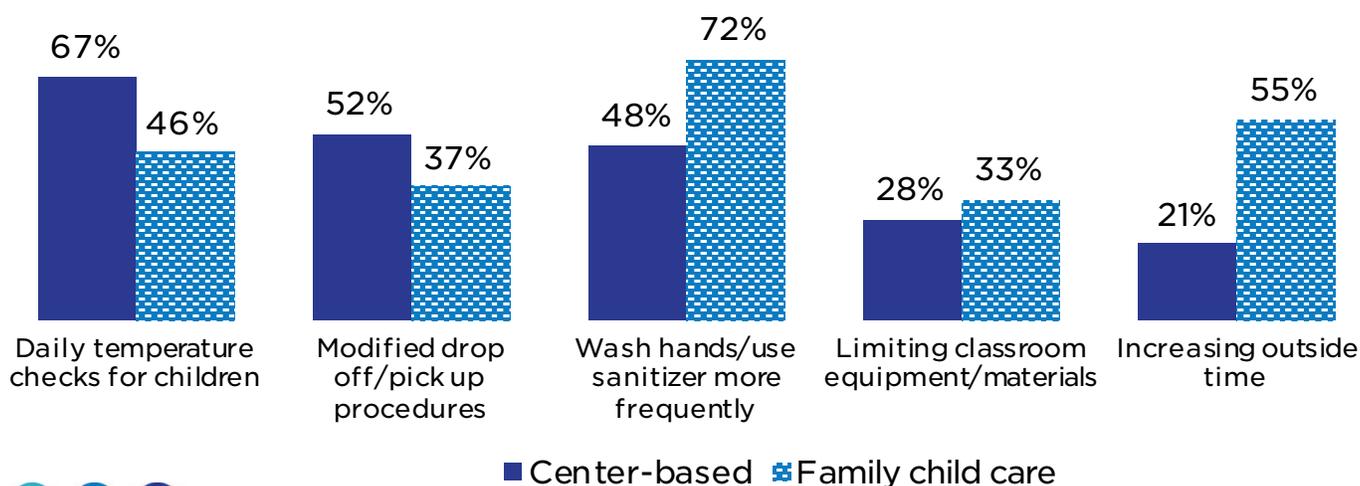
Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To understand providers' experiences with the pandemic, an online survey was shared with child care providers between July 31, 2020 and September 9, 2020. A total of 1,898 center-based and family child care providers completed the survey. The survey asked child care providers* about their experiences related to a number of COVID-19 challenges. This fact sheet presents initial findings on provider's confidence in practices related to COVID-19.

* The providers invited to participate were applicants (N=5297) to the Peacetime Emergency Child Care Grant Program, and thus, were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.



What changes have providers made to comply with new COVID-19 safety guidelines?



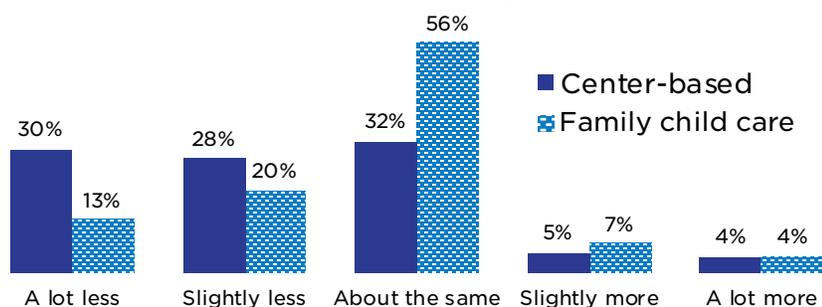
COVID-19 and child care: Attendance and communication with families

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

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In the past week, how does the average daily attendance compare to number of children enrolled?



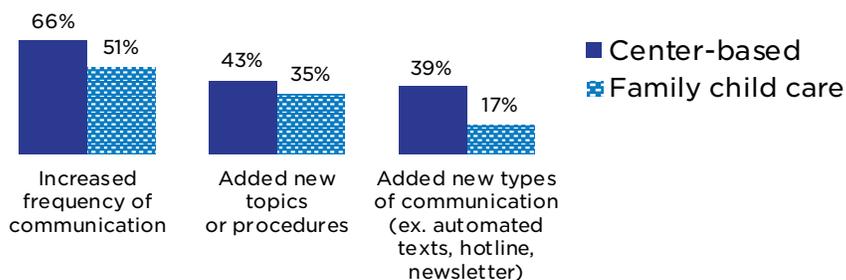
The majority of family child care providers **maintained about the same attendance levels** relative to the number of children enrolled in their program.

Center-based programs reported lower levels of attendance relative to enrollment.

Source: Peacetime Emergency Child Care Grant Survey, 2020

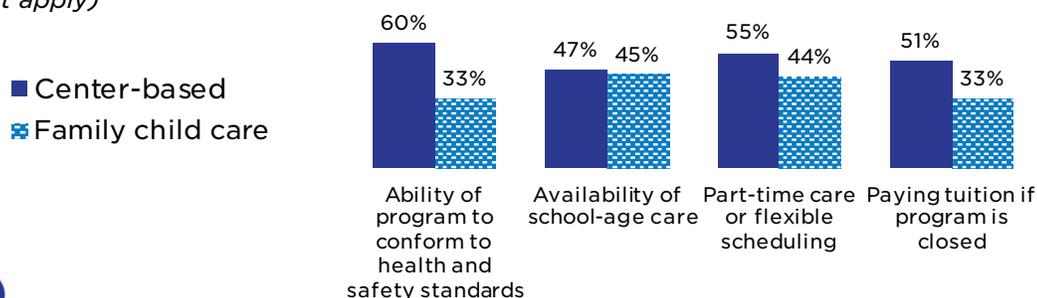
How have provider's communication with families changed? (check all that apply)

- **92 percent** of center-based and **78 percent** of family child care providers **changed the way they communicated with families during the pandemic.**



Source: Peacetime Emergency Child Care Grant Survey, 2020

What child care topics do families ask providers about given the pandemic-related guidelines? (check all that apply)



Source: Peacetime Emergency Child Care Grant Survey, 2020

Child care providers participate in professional development during COVID-19 pandemic

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

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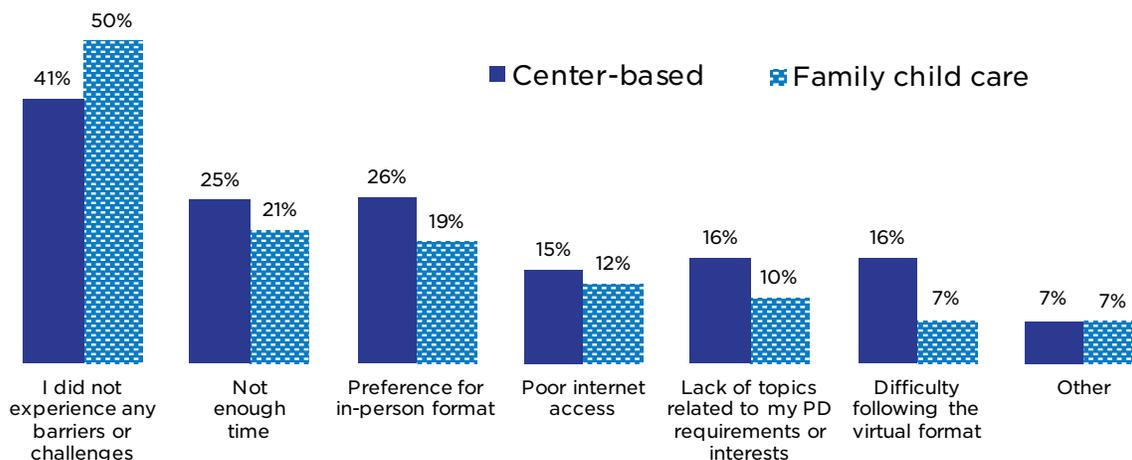
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68 percent of center-based directors reported that their employees completed virtual professional development while **59 percent** of family child care providers completed virtual professional development between the March 25th Stay-At-Home order and September 9th, 2020.

Which topics were covered in the professional development activities completed by program staff and providers? (check all that apply)

1. Child development/developmentally appropriate practices, including assessment and curriculum
2. Health/Safety
3. Supporting children's behaviors/working with children with specific needs
4. Relationships with families

Many providers reported no barriers to accessing virtual professional development. Providers who experienced barriers indicated they **did not have enough time** and **preferred in-person** (over virtual) professional development. Participants selected all that applied.



Source: Peacetime Emergency Child Care Grant Survey, 2020

PECC Grant applicants and non-applicants fact sheets

Providers had different needs and access to resources during the pandemic. To understand who applied for and received the PECC Grant, the research team analyzed application patterns as well as other characteristics of applicants and non-applicants. The fact sheets highlight application and PECC Grant recipient status by provider type, geography, and other characteristics, such as race/ethnicity, license capacity, Parent Aware rating, and willingness to serve children enrolled in the Child Care Assistance Program (CCAP).



[Application patterns for the Peacetime Emergency Child Care Grant](#)



[Characteristics of family child care applicants and non-applicants](#)

[Characteristics of rural and urban family child care grant applicants](#)



[Characteristics of center-based applicants and non-applicants](#)

[Characteristics of rural and urban child care center grant applicants](#)

Key findings

- While the majority of licensed center-based and family child care providers applied for the PECC Grant at least once, **68 percent of family child care providers applied compared to 56 percent of center-based providers.*** Additionally, Parent Aware rated programs applied at higher rates than those that were not rated.*
- For family child care providers:
 - **Black family child care providers were more likely to apply than White family child care providers.***
 - **Providers in rural areas were significantly more likely to apply than those in urban areas.** We defined rural and urban based on the Census definitions. Rural includes those in rural areas and in population clusters of 2,500 to 50,000 outside of Urbanized Areas, which have population greater than 50,000.
 - **Providers with higher license capacity were more likely to apply than providers with lower license capacity.***
 - **Providers willing to serve children enrolled in CCAP were more likely to apply than those not willing to do so.***
- **Among rural family child care providers, 72 percent applied for the PECC Grant.** Rural family child care providers were less likely to say that the PECC Grant helped them stay open than those in urban areas (62 and 71 percent, respectively).* Additionally, 9 percent rural family child care providers permanently closed in 2020, while this was true for only 7 percent of urban family child care providers.*
- For center-based providers:
 - **Those with higher child capacities were more likely to apply.***
 - **On average, applicants held a child care license for fewer years than non-applicants.***
 - Those willing to accept children in CCAP were more likely to apply.*
- Among rural center-based providers, rural center applicants' average licensed capacity was significantly higher compared to non-applicant rural centers.* **When child care providers took the survey (July 2020 - September 2020), rural centers, on average, reported experiencing less financial loss per licensed seat in the past month compared to urban centers (\$329 and \$887, respectively).*** Lastly, more than 6 percent of centers permanently closed in 2020 with rural and urban centers closing at about the same rate during the pandemic. This is a slightly higher exit rate than observed in earlier years.

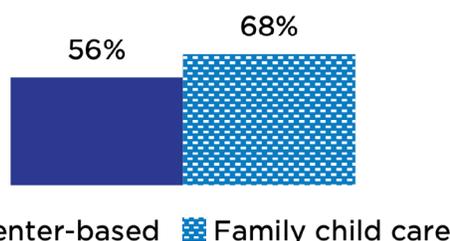
Application patterns for the Peacetime Emergency Child Care Grant

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

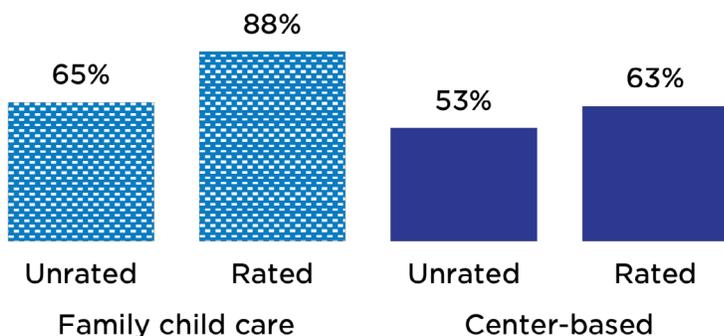
The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first of three round of funds in April 2020. More information about eligibility requirements and a summary of the applicants and awards by round can be found at <https://www.childcareawaremn.org/providers/emergency-child-care-grants/>. This fact sheet provides a summary of application patterns and the characteristics of providers who applied or did not apply for the grants.

Percent of providers who applied at least once

While the majority of licensed center-based providers and family child care providers applied at least once, family child care providers applied at higher rates* than did child care centers.



Source: Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020



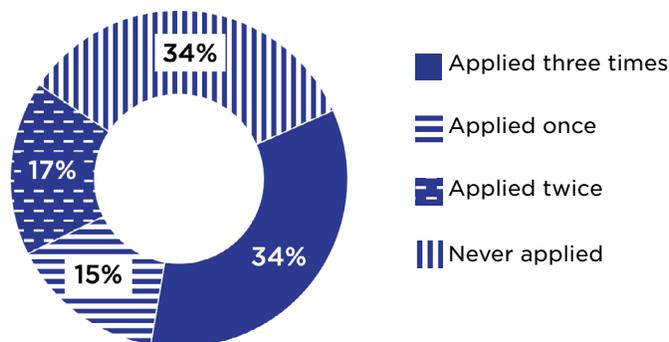
Among providers who applied at least once, Parent Aware Rated Programs applied at higher rates* than did providers who were not rated.

Source: Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020

Percent of providers that stopped applying

About one-third of licensed providers applied in all three rounds. Another one-third of licensed providers never applied. The remaining third applied either once (15%) or twice (17%).

Source: Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020

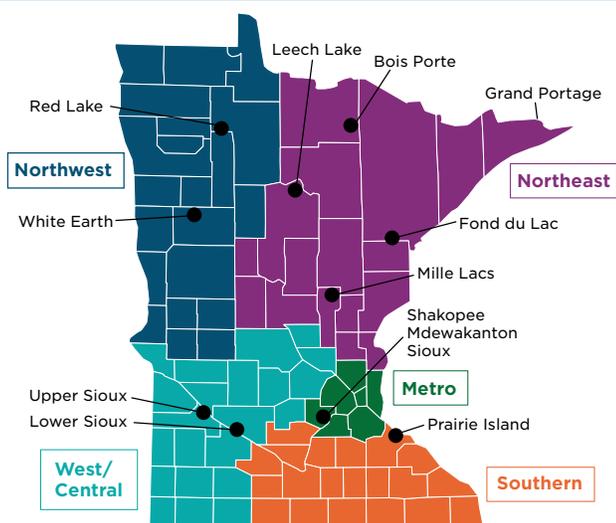


Characteristics of family child care applicants and non-applicants

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first round of funds in April through June 2020. More information about eligibility requirements and a summary of the applicants and awards by round can be found at <https://www.childcareawaremn.org/providers/emergency-child-care-grants/>. This fact sheet presents initial findings on characteristics of family child care applicants and family child care non-applicants to the Peacetime Emergency Child Care Grant.

Note: The providers invited to participate were applicants to the Peacetime Emergency Child Care Grant Program, and thus, were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.



Source: [Child Care Aware of Minnesota](#).

Among family child care providers in Minnesota, 68 percent applied for the Peacetime Emergency Grant Program (5,082 providers). **Family child care providers in greater Minnesota were more likely to apply compared to family child care providers in the metro area.***

Child Care Aware Districts	% of providers who applied
Northeast (N=803)	77%
Northwest (N=932)	77%
West/Central (N=1595)	71%
Southern (N=1476)	67%
Metro (N=2647)	62%

Family child care providers with higher license capacity were more likely to apply than those with lower license capacity.*

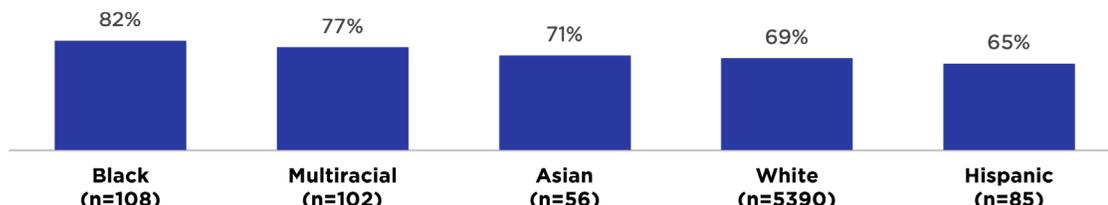
License type	Max no. of children	% of providers who applied
A	10	59%
C1	10	57%
C2	12	71%
C3	14	76%

Source: [Ratio and Group Size Standards for Licensed Child Care](#), DHS, Child Trends analysis of the Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020

Family child care providers willing to serve children enrolled in the Child Care Assistance Program (CCAP) were more likely to apply than those who were not (74 and 61 percent applied, respectively).*

Note: CCAP provides financial support to help low-income, working families pay for child care. More information can be found here: <https://mn.gov/dhs/partners-and-providers/policies-procedures/child-care-and-early-education/child-care-assistance-program/>

Black family child care providers were more likely than White family child care providers to apply for a grant.*



Note: Distribution by race is a proportion of all providers who applied. Hispanic providers could be of any race. Source: Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020

Note: * indicates a statistically significant difference (p < .05)

This is one in a series of fact sheets from a study of Minnesota's Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>



Characteristics of rural & urban family child care grant applicants

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

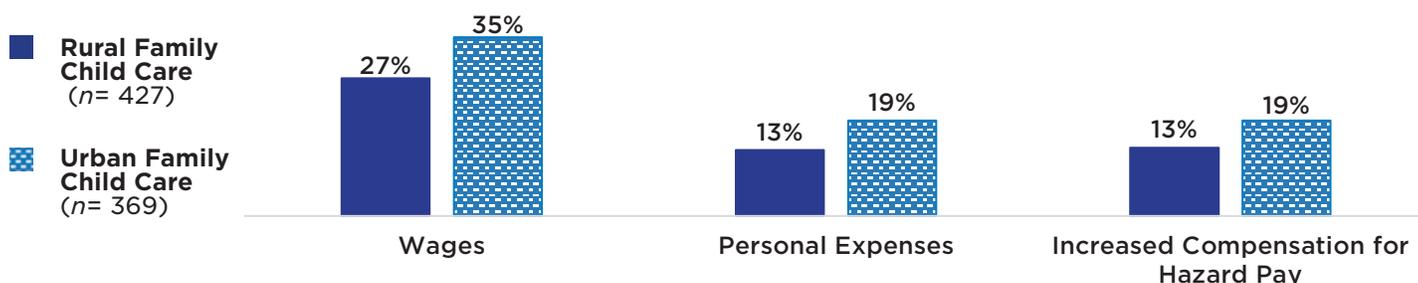
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Note: The providers invited to participate were applicants to the Peacetime Emergency Child Care Grant Program, and thus, were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.

Among rural family child care providers, 72 percent applied for the Peacetime Emergency Grant Program (3,104 providers). **Across all license types, rural family child care providers were significantly more likely to apply than urban family child care providers.***

Compared to urban family child care providers, **rural family child care providers were significantly less likely to indicate using funds for wages, personal expenses, and increased compensation for hazard pay.***

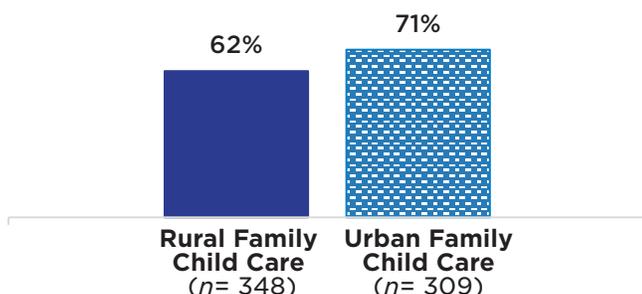
Significant Differences in Use of Funds by Provider Type



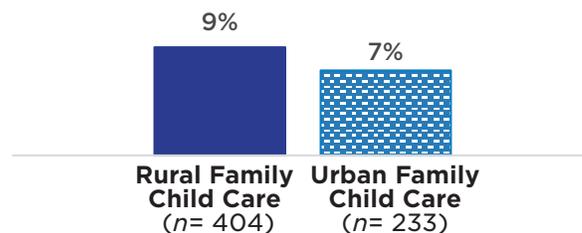
More than 3 in 5 providers said the PECC grant helped them stay open, but rural family child care providers were less likely to say so than those in urban areas.*

The percentage of family child care providers who closed their licenses in 2020 was lower than in recent years. **Rural family child care providers closed at a higher rate than urban family child care providers.***

Providers who said the Grant Helped them Stay Open



Exit Rate for Providers who Closed after March 2020



Source: Minnesota Child Care Licensing Data, 2020-2021. Note: Changes in licensing rules allowed providers to close temporarily during the pandemic. These closures are not included in the count of closed businesses.

¹ The fact sheet defines rural and urban based on Census definitions: “urban” includes providers located in Urbanized Areas (population of 50,000 or more) and “rural” includes those located in Urban Clusters (population 2,500 to 50,000 outside of Urbanized areas) and those in rural areas.

Note: * indicates a statistically significant difference ($p < .05$).

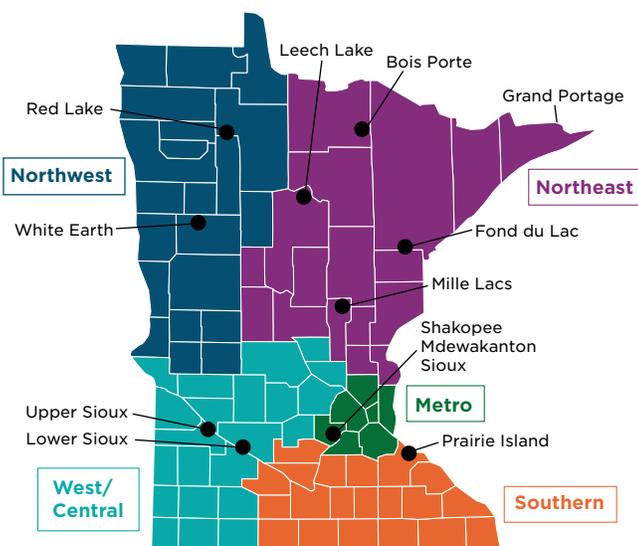
This is one in a series of fact sheets from a study of Minnesota’s Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>.

Characteristics of center-based applicants and non-applicants

Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first round of funds in April through June 2020. More information about eligibility requirements and a summary of the applicants and awards by round can be found at <https://www.childcareawaremn.org/providers/emergency-child-care-grants/>. This fact sheet presents initial findings on characteristics of center-based applicants and center-based non-applicants to the Peacetime Emergency Child Care Grant.

Note: The providers invited to participate were applicants to the Peacetime Emergency Child Care Grant Program, and thus, were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.



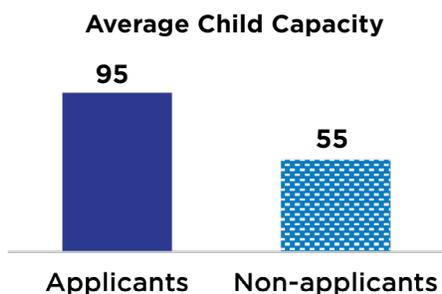
Source: [Child Care Aware of Minnesota](#).

Among Minnesota child care centers, 58 percent applied for the Peacetime Emergency Grant Program (1,036 centers). **Metro area centers were more likely to apply compared to centers in greater Minnesota.***

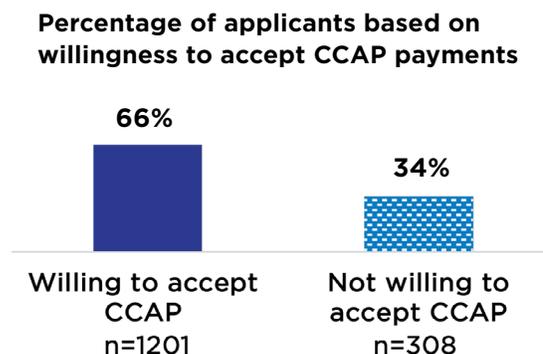
Child Care Aware Districts	% of providers who applied
Metro (N=1,113)	61%
Northwest (N=87)	55%
Southern (N=223)	54%
West/Central (N=200)	50%
Northeast (N=175)	40%

On average, applicants held a child care license for fewer years than non-applicants* (15 and 21 years respectively).

Centers with higher capacities to serve children were more likely to apply for a grant.*



Centers willing to accept children in the Child Care Assistance Program (CCAP) were more likely to apply than unwilling centers.*



Source: Analysis of Peacetime Emergency Child Care Grant Applications & Child Care Licensing, 2020
 Note: CCAP provides financial support to help low-income, working families pay for child care. More information can be found here: <https://mn.gov/dhs/partners-and-providers/policies-procedures/child-care-and-early-education/child-care-assistance-program/>

Note: * indicates a statistically significant difference (p < .05)

This is one in a series of fact sheets from a study of Minnesota's Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>

Characteristics of rural & urban child care center grant applicants

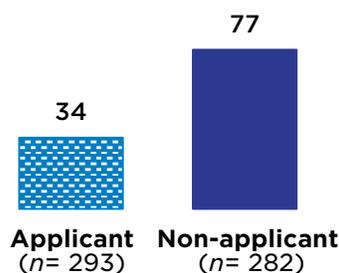
Results from a 2020 study of the Peacetime Emergency Child Care Grant Program

The COVID-19 pandemic has dramatically changed child care services in Minnesota and across the nation. To help providers withstand the financial burden caused by the pandemic, Minnesota created the Peacetime Emergency Child Care Grant program (PECC) and distributed the first round of funds in April through June 2020. More information about eligibility requirements and a summary of the applicants and awards by round can be found at <https://www.childcareawaremn.org/providers/emergency-child-care-grants/>. This fact sheet presents initial findings on characteristics of rural and urban¹ center-based applicants to the Peacetime Emergency Child Care Grant.

Note: The providers invited to participate were applicants to the Peacetime Emergency Child Care Grant Program, and thus were a subsample of licensed and certified center-based programs and family child care providers throughout Minnesota. These findings are from all providers that applied and responded to the survey, regardless of whether or not they received the grant.

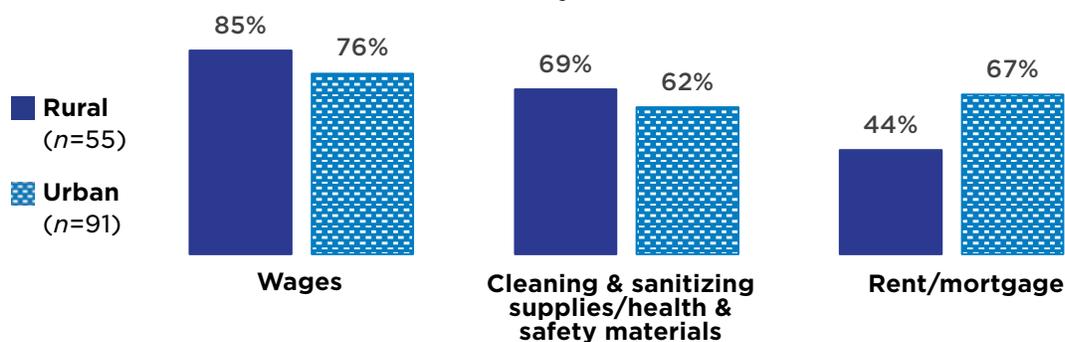
Rural center applicants' **average licensed capacity was significantly higher** compared to non-applicant rural centers.* →

Rural Centers' Average Capacity



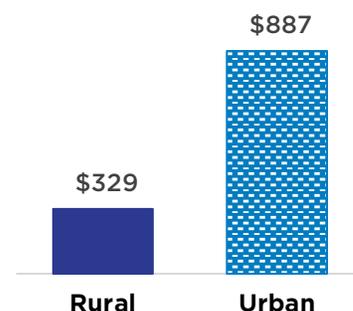
The top three categories for use of funds were similar for both urban and rural center respondents. **Urban centers were significantly more likely to indicate using funds for rent/mortgage** compared to rural centers.

Use of Funds by Rural and Urban Centers



Rural centers, on average, **experienced less financial loss** per licensed seat compared to urban centers.*

Avg. Financial Loss per Slotted Licensed Seat



However, there was **no significant difference in financial loss between rural and urban centers indicating that the grant may have helped them stay open**. More than three quarters of both rural and urban providers reported that the grant helped them stay open.

More than 6% of centers closed in 2020, a higher exit rate than in earlier years. Rural and urban centers closed at about the same rate during the pandemic.

¹ This fact sheet defines rural and urban based on Census definitions: "urban" includes providers located in Urbanized Areas (population of 50,000 or more) and "rural" includes those located in Urban Clusters (population 2,500 to 50,000 outside of Urbanized areas) and those in rural areas.

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This is one in a series of fact sheets from a study of Minnesota's Peacetime Emergency Child Care Grant program. For more information, visit: <https://www.childtrends.org/project/minnesota-child-care-policy-research-partnership>.

Discussion

The survey findings highlight that providers changed their health and safety practices and communication with families as a result of the COVID-19 pandemic and may benefit from continued guidance and communication from the state. While some providers noted that they did not have time to complete professional development trainings or preferred to attend trainings in person, over half of providers attended trainings virtually during the pandemic.

The pandemic increased providers' cost of doing business and many providers, especially center-based providers, displayed higher rates of moderate to severe anxiety than the general public in 2019 prior to the pandemic. These findings suggest that along with ongoing financial support, providers may also benefit from additional mental health and well-being resources. More details about child care provider well-being during COVID-19 can be found [here](#).

Overall, more family child care providers applied for PECC Grants than did centers, and a larger share of rural family child care providers applied than their urban counterparts. By tracking licensing data over time, we found that rural family child care providers permanently closed at a higher rate than did those in urban areas, although for both groups the exit rate was slightly lower in 2020 than in earlier years. In contrast, rural and urban child care centers closed in 2020 at similar rates that were slightly higher than in previous years. Ongoing research by the Research Partnership team is examining the trends in closures during the later pandemic period.

After the PECC competitive grant program ended, Minnesota subsequently changed the way it provides pandemic-related financial support to licensed or certified child care centers and licensed family child care providers. The Public Health Support Funds program was a non-competitive grant awarded to all eligible providers through May 2021 and, through the American Rescue Plan Act signed into law in March 2021, eligible providers will also be able to apply for the Child Care Stabilization Grant Program starting on July 1, 2021. As the state continues to financially support child care providers, it will be important to continue gathering feedback from providers to understand how these supports are helping to continue to stabilize the supply of providers, their well-being, and the overall health of the sector.

Appendix A. Characteristics of PECC Survey Respondents and Non-Respondents and Survey Methodology

The Department of Human Services, Governor’s Children’s Cabinet, and Child Care Aware of Minnesota offered Peacetime Emergency Child Care Grant funds to licensed child care providers who were serving essential workers during the COVID-19 pandemic. A total of 6,121 licensed child care providers applied for the grant. Of licensed family child care providers, 68 percent applied, and of all licensed center-based providers, 58 percent applied for the grant.³

Over a quarter of licensed family child care applicants completed the PECC Survey (27 percent), which was slightly but significantly higher than the portion of center-based applicants who completed the survey (24 percent).^{*} Additionally, recipients of the PECC Grant were significantly more likely to participate in the survey than non-recipients (30 and 22 percent, respectively).^{*} The average grant amount among survey respondents was not significantly different than the average grant amount for those who did not respond to the survey.⁴

Geographic Area

Of those who completed the survey, roughly 85 percent were family child care providers with nearly half (45 percent) operating in rural areas while the remaining 40 percent were located in urban areas of the state (see **Figure 1**). Fifteen percent of survey respondents were center-based providers—10 percent operated their centers in urban areas and the remaining 5 percent of centers were located in rural areas.

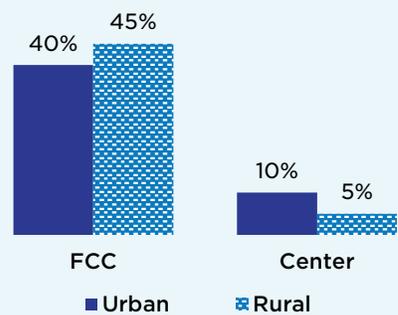
Age of Business

The average age of business for family child care providers who applied for the grant was 13.1 years, for non-applicants, the average age was higher at 14.4 years. The same was also true for center-based providers, where applicants had an average of 15 years in business and non-applicants averaged 21.1 years in business. The age of business distribution was significantly different for applicants and non-applicants for both family child care and center-based providers,^{*} meaning that family child care and center-based applicants were significantly younger than family child care and center-based non-applicants.

Methodology

Initial descriptive analyses included running frequencies, means, proportions, and standard deviations for all survey items. Survey items were cross tabulated with child care provider characteristics such as provider type, geography, and race/ethnicity (when available). We then conducted comparison tests (i.e., t-tests and ANOVAs) to determine if there were any significant differences in the proportions of providers’ characteristics across each key variable. These comparison tests flagged statistically significant differences between the various groups (which are designated with asterisks in the text) to ensure that the research team equitably reported findings.

Figure 1. PECC Survey respondents by geographic area and provider type



Source: Peacetime Emergency Child Care Grant Survey, 2020

References

1. Tout, K. (2021). *Child Care and COVID-19: Support children by investing in early educators and program sustainability*. Child Trends. <https://www.srcd.org/research/child-care-and-covid-19-support-children-investing-early-educators-and-program>
2. Weiland, C., Greenberb, E., Bassok, D., Markowitz, A., Guerrero Rosada, P., Luetmer, Abenavoli, R., Gomez, C., Johnson, A., Jones-Harden, B., Maier, M., McCormick, M., Morris, P., Nores, M., Philips, D., & Snow, C. (2021). *Historic crisis, historic opportunity: Using evidence to mitigate the effects of the COVID-19 crisis on young children and early care and education programs*. University of Michigan and Urban Institute. <https://edpolicy.umich.edu/files/EPI-UI-Covid%20Synthesis%20Brief%20June%202021.pdf>
3. Minnesota Child Care Policy Research Partnership (2020). *Peacetime Emergency Child Care Grant Survey findings: Summary of applicants and non-applicants* [HTML File]. Child Trends and University of Minnesota.
4. Minnesota Child Care Policy Research Partnership (2020). *Peacetime Emergency Child Care Grant Survey findings: Summary of applicants and non-applicants* [HTML File]. Child Trends and University of Minnesota.