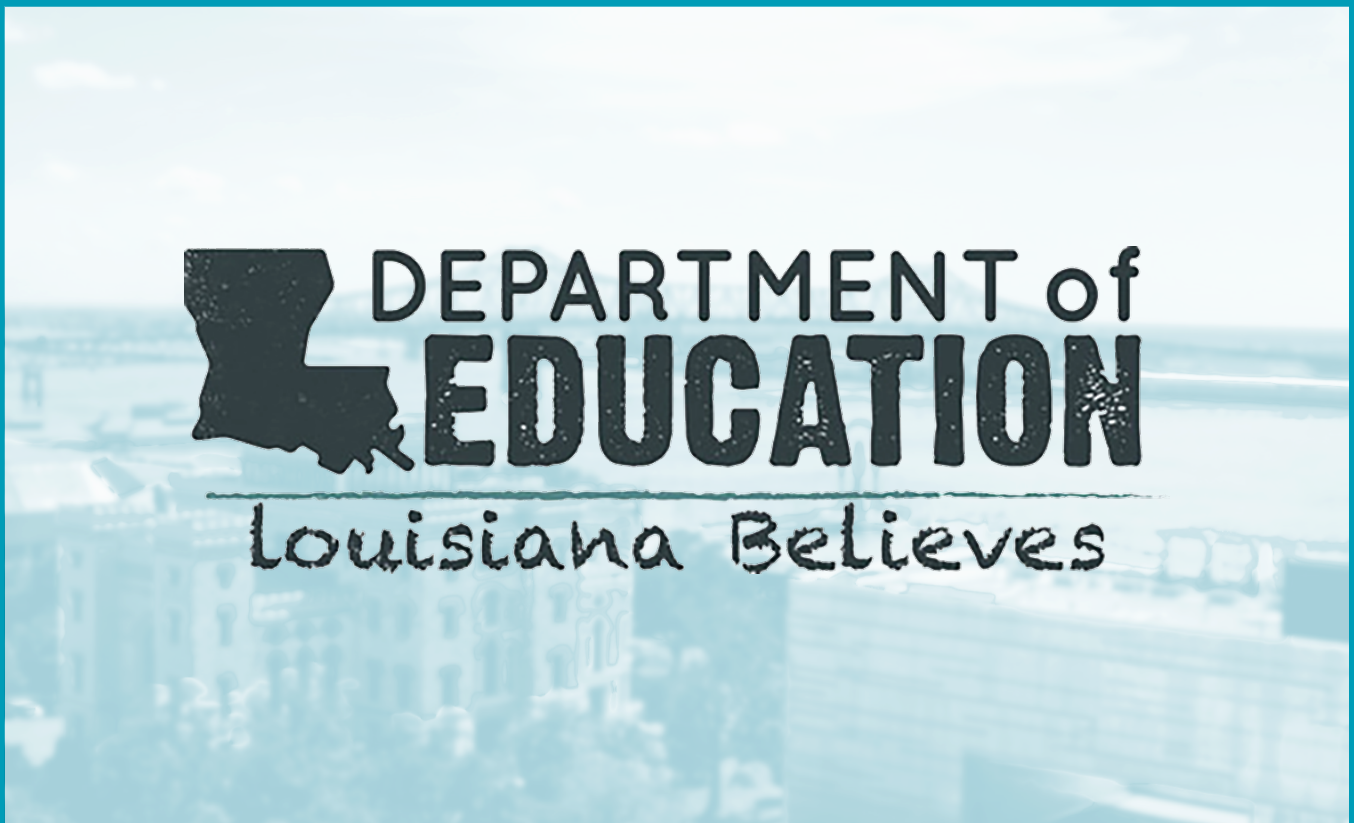


2021 ARP ACT GRANT

# LOUISIANA EARLY CHILDHOOD SUBSIDY COST ANALYSIS





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# ACKNOWLEDGEMENTS

An important note of appreciation and acknowledgement for the child care providers across the state who participated in the stakeholder conversations and provided critical feedback that informs this report, as well as all child care providers who continue to serve children in their communities amid an ongoing pandemic.



# GLOSSARY

**CCAP:** Child Care Assistance Program, which provides subsidized child care to low-income families who are working, looking for employment, in training, and/or in school.

**Family Child Care Provider:** one or more individuals who provides child care services for fewer than 24 hours per day per child, unless care in excess of 24 hours is due to the nature of the parents work, for six or fewer children, in a private residence other than the child's residence.

**In-home Child Care Provider:** an individual who provides child care services in the child or children's own home.

**Type I Center:** an early learning center owned or operated by a church or religious organization that is qualified as tax exempt organizations under §501(c) of the Internal Revenue Code and receive no state or federal funds directly or indirectly from any source.

**Type II Center:** an early learning center that either receives no state or federal funds directly or indirectly from any source or whose only source of state or federal funds is from U.S. Department of Agriculture's food and nutrition programs.

**Type III Center:** an early learning center that directly or indirectly receives state or federal funds from any source other than the federal food and nutrition programs.



# EXECUTIVE SUMMARY

The Louisiana Department of Education (LDOE) contracted with Emergent Method, a Louisiana-based management consulting firm, to assist in the development of a grant application and methodology for distributing American Rescue Plan (ARP) Act funds through subgrants to child care providers throughout the state.

In addition to the methodology for equitably distributing these funds, research was conducted on grant applications by child care providers to better understand the true cost to providers of providing quality child care, particularly in light of the ongoing COVID-19 pandemic. This research was intended to complement and build upon the previous research conducted through the 2020 Louisiana Market Rate Survey.

In total, over 1,100 child care professionals, or 70.6% of active, operating providers statewide, submitted an application for an ARP Act grant, providing an even more representative sample by which to understand baseline costs and the economics associated with operating as a child care provider.

While the purpose of the grant application was for providers to submit information that was ultimately used to calculate their grant award amount, providers were also asked to provide insight into a few additional factors related to their site operations. These questions gathered information related to providers' identified capacity versus desired enrollment, staffing, offered benefits, and wage information for lead teachers. Responses were used to understand the broader internal and external factors that impact a site's overall quality and the hard costs related to operations.

Notable findings include:

- Type III, Family, and In-home providers, owners, and directors are the most diverse among provider types: they also offer the most diverse types of care, including non-traditional hours of care, non-field trip transportation, and are most likely to serve infants, toddlers, children with an Individualized Education Plan (IEP) and Individual Family Service Plan (IFSP), and children who speak a language other than English at home.
- All provider types have a desire to serve more children than they currently have enrolled; the desired enrollment number also exceeds the current statewide license capacity, indicating an interest in general programmatic expansion. The average number of staff members across position types has decreased in the last year, reflective of the many economic challenges and decreases in enrollment.
- The number of providers who offer a variety of ancillary employment benefits has increased, while the number who say they offer no benefits has also increased by over 20%. This highlights the stark differences between the market factors driving more competitive employee recruitment and retention efforts, as well as the minimal margins related to operating a child care business.
- The cost of caring for an infant is as much as three times the cost of caring for children that are 5-year-olds and older, while the cost of caring for toddlers is nearly double the 5-year-old and older care cost. This cost differential has never been captured in previous Louisiana-based rate estimates, nor in the maximum Child Care Assistance Program (CCAP) subsidy rates, which has assumed that the gap is closer to a few dollars difference.
- The rates charged by most providers across the state do not cover the average cost of caring for children; this gap is exacerbated when considering the cost of care for all children four and younger, though particularly wide when considering care for toddlers and infants.

Based on the gathered data and analysis related to the real cost of operating a child care site compared to previously identified charged costs, LDOE recommends increasing the current CCAP subsidy rates. Increasing rates will allow for simultaneous, increased access to quality child care for low-income families across the state, as well as better support and investment in quality for providers who serve Louisiana's children. Ultimately, these grants are issued in an effort to stabilize the child care market across Louisiana, ensuring that individual providers can continue their work of serving and supporting the children across the state.



# INTRODUCTION

## BACKGROUND

In early 2020, parents across Louisiana, and across the country, were faced with an eye-opening reality: their current child care facilities, systems, and trusted providers would no longer be able to care for their children in the same routine fashion they had previously. As did nearly every industry in the country, child care operations were turned upside down. As parents shifted to working from home, faced furloughs, or job loss, the child care sector also experienced increased stress, strain, and disruption.

The COVID-19 pandemic exposed how dependent communities as a whole are on child care systems – reaching far beyond parents and children into the business industry and sustainability of a community's economy. And with child care providers already facing financial turmoil and uncertainty before the COVID-19 public health crisis, the financial instability of many of these facilities was drastically exacerbated and radically accelerated.

Through immediate response, long-term shifts in operations, and beginning recovery and resiliency measures, one thing has remained clear: child care systems are critical pillars of communities that must be adequately funded to support the overall wellbeing of its families and economy. Child care continues to be an essential function of every community in the country and will be critical in our ability to recover and make progress in the future. However, the sector cannot continue forward without increased support and financial relief. Without it, American communities can expect rising financial burden and cost of child care out of families' pockets, decreased access for low-income parents, and limited supply mixed with oversaturated need.

## GOALS AND OBJECTIVES

In response to the urgent need to stabilize the child care sector, the ARP Act includes significant funding for designated agencies to distribute child care stabilization grants to individual providers. This funding is an opportunity to invest in the needs of children, parents, and families in a time when relief and opportunity could not be of greater importance.

These grants will be used to stabilize operating sites that have navigated disruptions for nearly two years. Using these grants to fund child care facilities in Louisiana, the following objectives will be supported:

- Equal access to quality child care for low-income families
- Increased, competitive salaries for child care workers resulting in reduced turnover rates and retention of valuable institutional knowledge
- Stabilization and sustainability to child care facilities
- Reliable child care options for all families throughout Louisiana

As the designated Lead Agency of CCDF funds, the LDOE Office of Early Childhood Operations received \$3,427,688,673 in federal funds through the ARP Act. Of these funds, \$475 million have been designated for child care stabilization grants to be distributed to qualified child care providers through grants. These grants are intended to provide direct financial stabilization to the child care sector and workforce.

The Office of Child Care (within the U.S. Department of Health and Human Services), which is the granting agency of the funding, provided specific guidance on potential uses and eligibility requirements related to the grants, emphasizing the need to make these grants available to all providers. Recognizing that child care is an essential service, pillar of successful communities, and will be a critical driver of economic revitalization post-pandemic, the funding is available to all child care facilities, regardless of if they participate in the Child Care Assistance Program (CCAP). As such, existing, licensed Type I, Type II, and Type III early learning centers and CCAP-certified providers (Family and In-home care providers) are eligible for grant funding. Applicants are required to be licensed or CCAP certified with the Lead Agency as of March 11, 2021.



In order to provide multiple opportunities to receive funding, LDOE chose to divide the available funds into two distinct distribution periods: one distributed in late summer 2021, with the second round of funding will be distributed in spring 2022.

## APPLICATION PROCESS & DATA COLLECTION

In July 2021, LDOE engaged Emergent Method, a Louisiana-based management consulting firm, to advise on the development of the ARP Act stabilization grant application and analyze data gathered through the application process. LDOE utilized this application process as an opportunity to better understand the cost to providers of providing quality child care. Goals also included evaluating the current CCAP subsidy rates and modifying them, as necessary, to support greater access throughout the state to quality child care and ensuring child care providers across the state are able to continue serving within their communities and reach greater financial sustainability.

The ARP Act stabilization grant application was distributed by email to all active, licensed Type I, Type II, and Type III early learning centers and Child Care Assistance Program (CCAP) certified providers throughout Louisiana on August 5, 2021, with an application deadline of August 19, 2021. A full copy of the grant application is provided in Appendix A.

To ensure that all active providers across the state were provided equal opportunity to complete the application and benefit from the stabilization grants, LDOE staff held biweekly virtual office hour sessions during which providers were welcome to attend and receive direct support in completing their ARP Act grant application.

The grant application included questions, aligned with federal guidance, related to enrollment, capacity, demographic information related to the child care site owner or director, information about the current services offered and types of children served, staffing, and the provider's monthly financials. This information was used as inputs for calculating the applicant's grant amount. Also based on federal guidance, the application and methodology were constructed to reward and incentivize expanded services that are not widely available throughout the state but are related to expanding access to care. This includes, but is not limited to, programming for caring for infants, providing transportation outside of field trips, and offering non-traditional hours of care. These factors were weighted and used as a multiplier for calculating grant funding, in addition to a set base amount per enrolled child. A full explanation of the methodology for calculating the grant amounts is provided in Appendix B.

The application and related methodology were constructed to reduce as much of the reporting burden as possible from applicants and to reduce the overall administrative burden that could otherwise have dissuaded applicants from participating in the program.

LDOE Office of Early Childhood Operations used the information gathered through the ARP Act grant application to both distribute the first round of stabilization grants and as a basis for the recommended CCAP rate increases included within this report.



# RESULTS

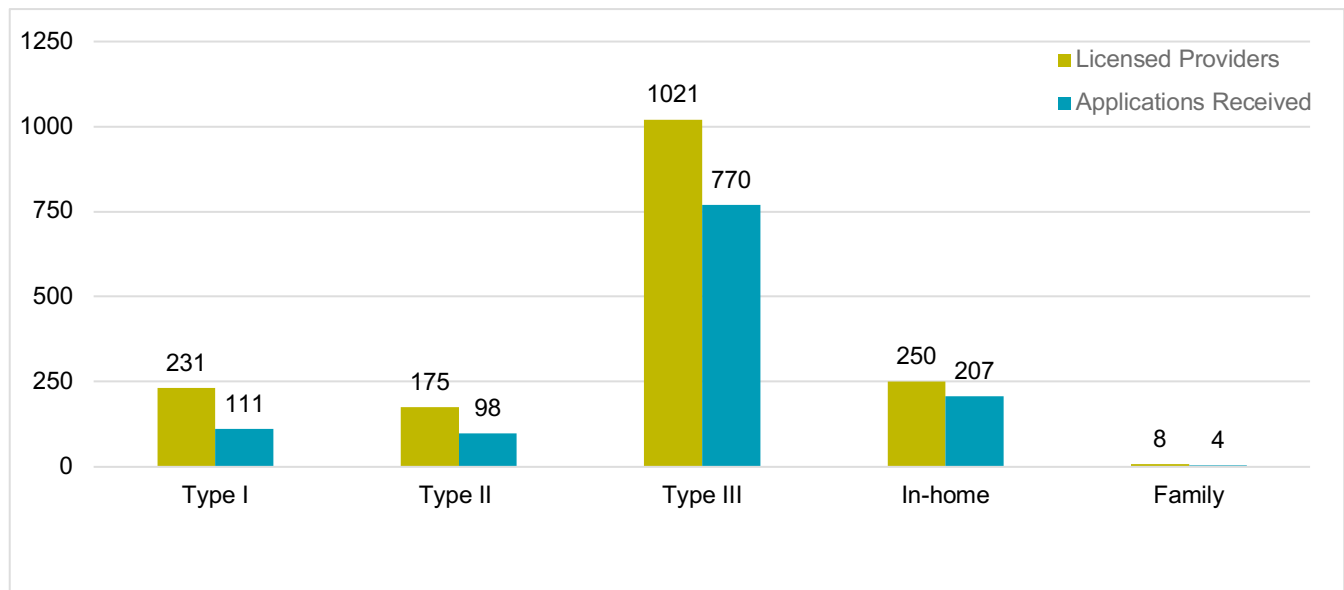
In total, 1,233 grant applications were received, representing 73.2% of total providers in the state (1,685 total providers). After removing duplicate submissions, 1,190 applications matched back to an active provider, a 70.6% participation rate statewide.

## APPLICANT DEMOGRAPHICS

The universe of licensed child care providers was provided by LDOE, as of July 21, 2021. The table below contains the breakdown of applicants by category, along with the total number of applications received and the calculated participation rate. A full list of applicants by parish and region is provided in Appendix C.

	APPLICATIONS RECEIVED	LICENSED PROVIDERS	PARTICIPATION RATE
Type I	111	231	48.1%
Type II	98	175	56.0%
Type III	770	1,021	75.4%
Family Child Care	207	250	82.8%
In-home Child Care	4	8	50.0%
<b>TOTAL:</b>	<b>1,190</b>	<b>1,685</b>	<b>70.6%</b>

## APPLICATIONS BY PROVIDER TYPE



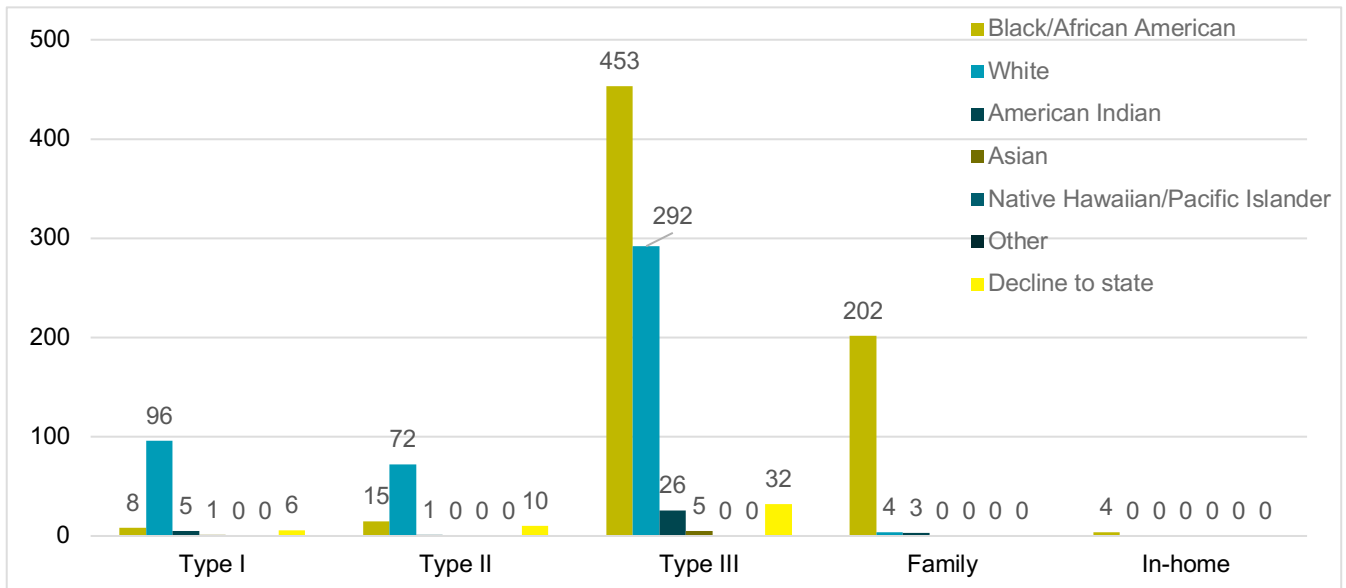
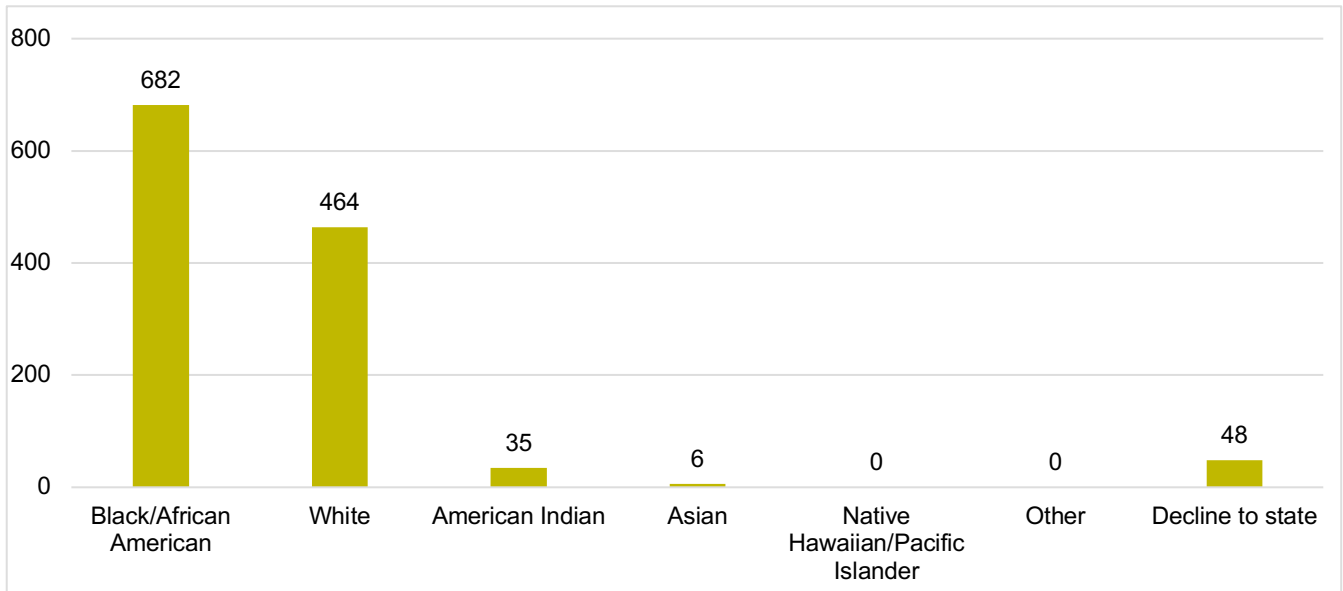
In line with the recommendations from the federal Office of Child Care, Department of Health and Human Services, applicants were asked to respond to a variety of demographic questions about their owner or director.





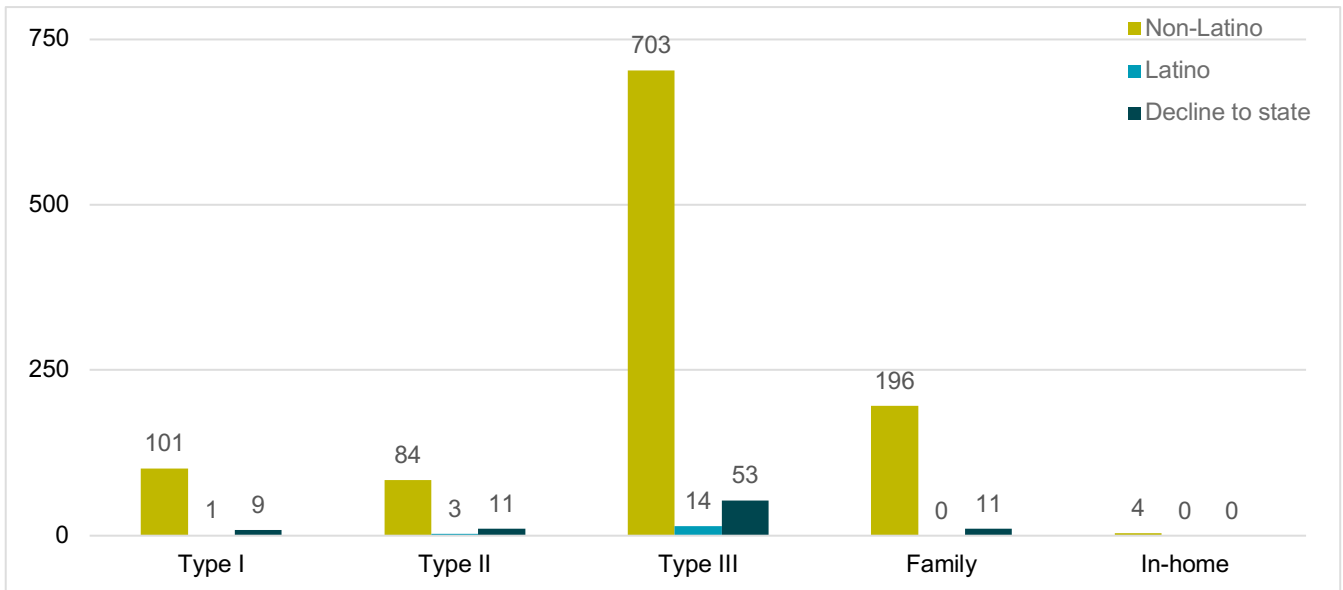
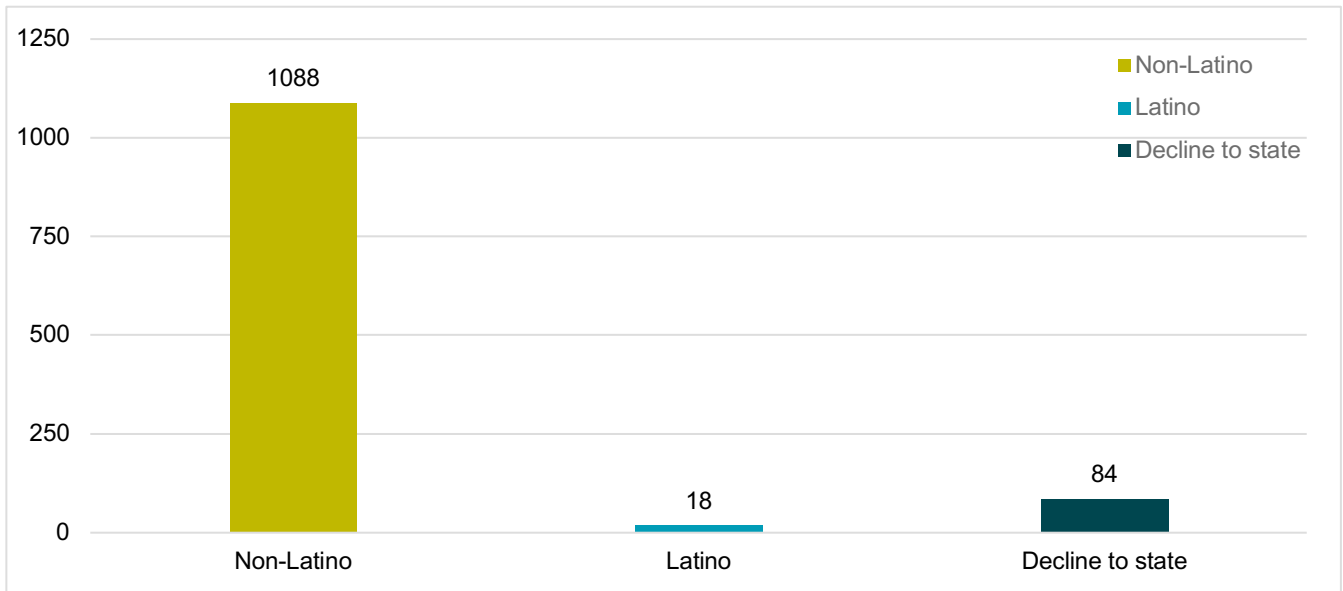
## APPLICANT RACE AND ETHNICITY

Across all provider types, the majority of grant seekers are African American, followed by white directors or site owners. However, this snapshot of director and site owner demographics shifts drastically when the results are disaggregated by site type. The majority of Type I (96 respondents, 82.8%) and Type II (72 applicants, 73.5%) directors or owners are white, while just over half of Type III directors or owners (453 applicants, 56.1%) are African American. Virtually all Family provider directors or owners are African American (202 applicants, 96.7%), as are all In-home provider applicants (4 applicants, 100%).



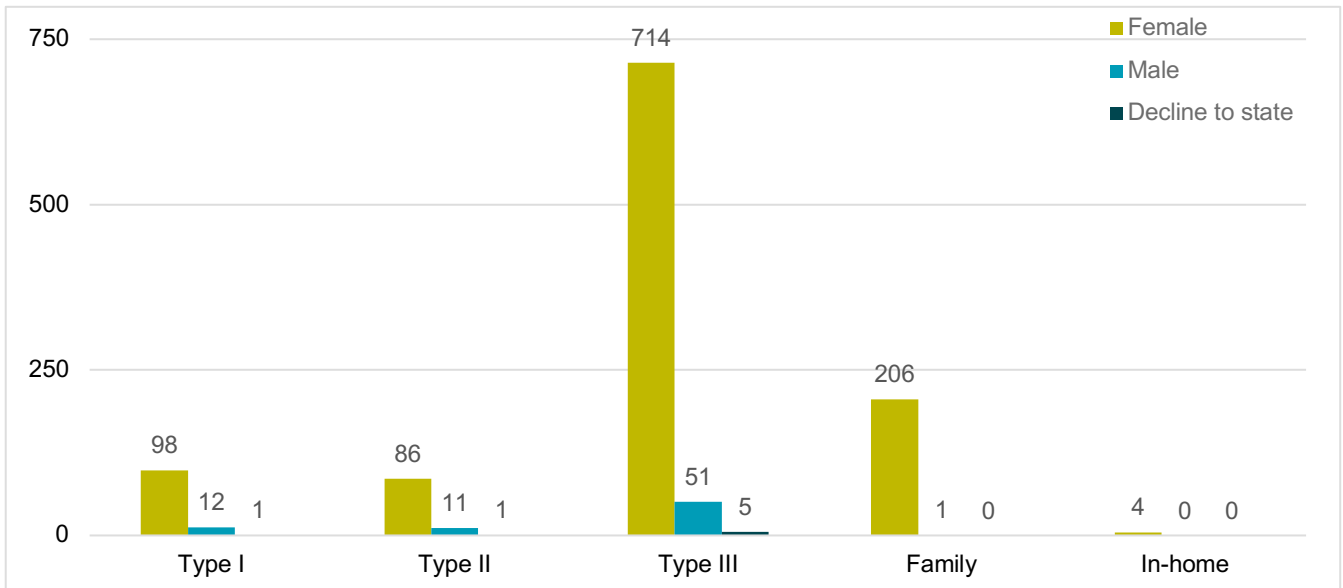
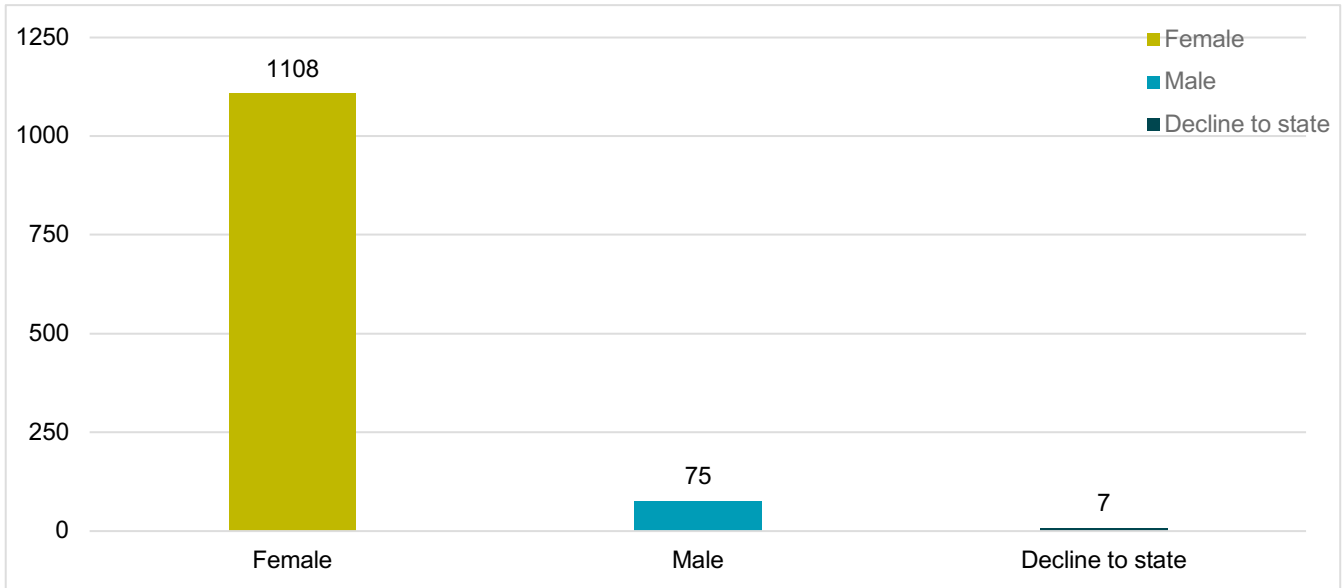


Just 1.5% of overall applicants (18) are Latino, though notably this percentage is much higher among Type II applicants, 3.1% (3) of whom identify as Latino.



## APPLICANT GENDER

The vast majority of total applicants are female (1,108 applicants, 93.1%), but there are proportionately more male directors or owners among Type II (11 applicants, 11.2%) and Type I center types (12 applicants, 10.8%).



## OPERATING INFORMATION

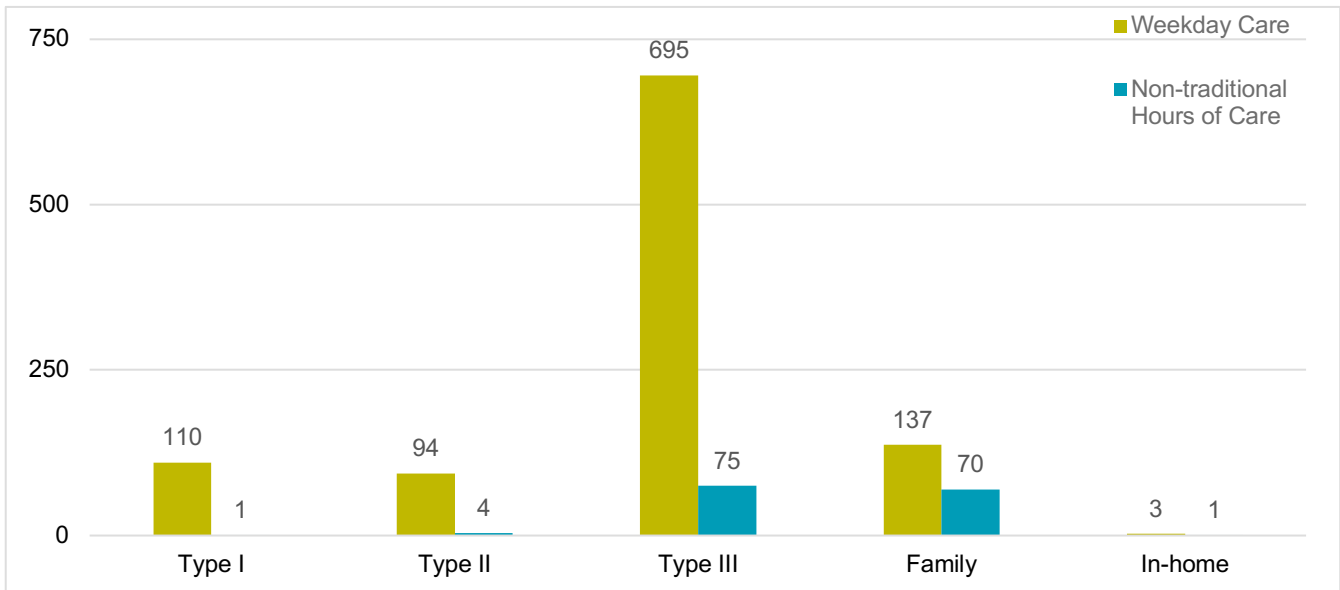
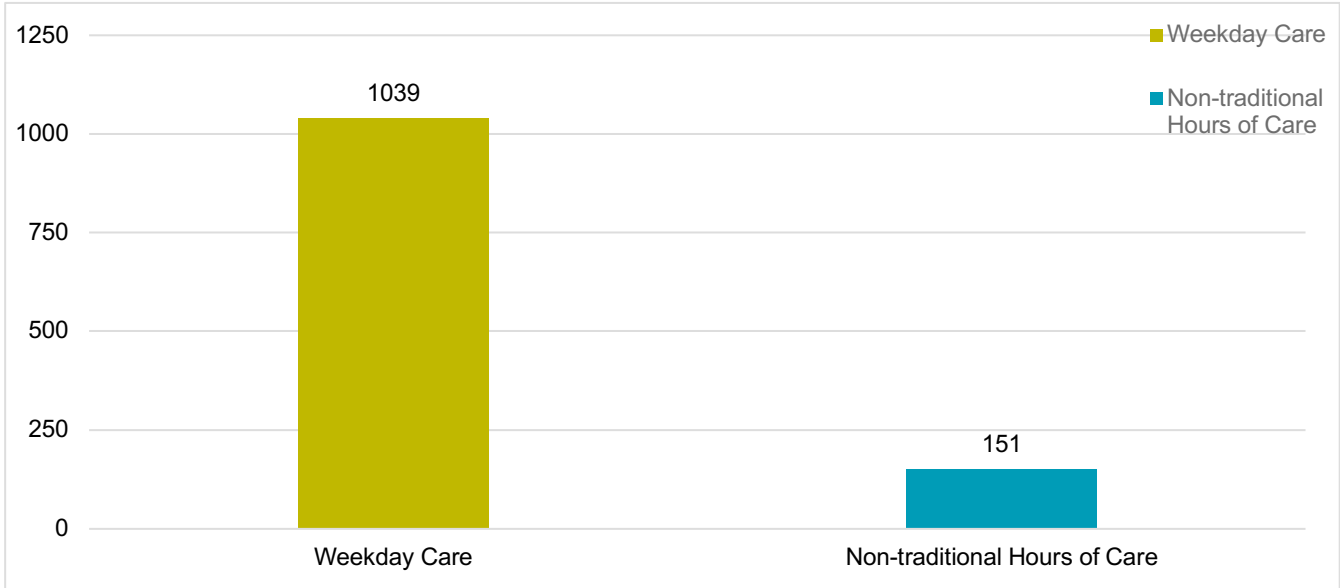
To better understand the current availability of child care across the state, applicants were asked a series of questions related to their current operating hours, services provided, and types of children served.

### HOURS OF OPERATION

Applicants were asked to identify their typical hours of operation, indicating whether they typically provided care on weekdays (e.g., 6 a.m. – 5 p.m.), or offered non-traditional hours of care (e.g., before 6 a.m. or after 7 p.m. Monday – Friday, overnight



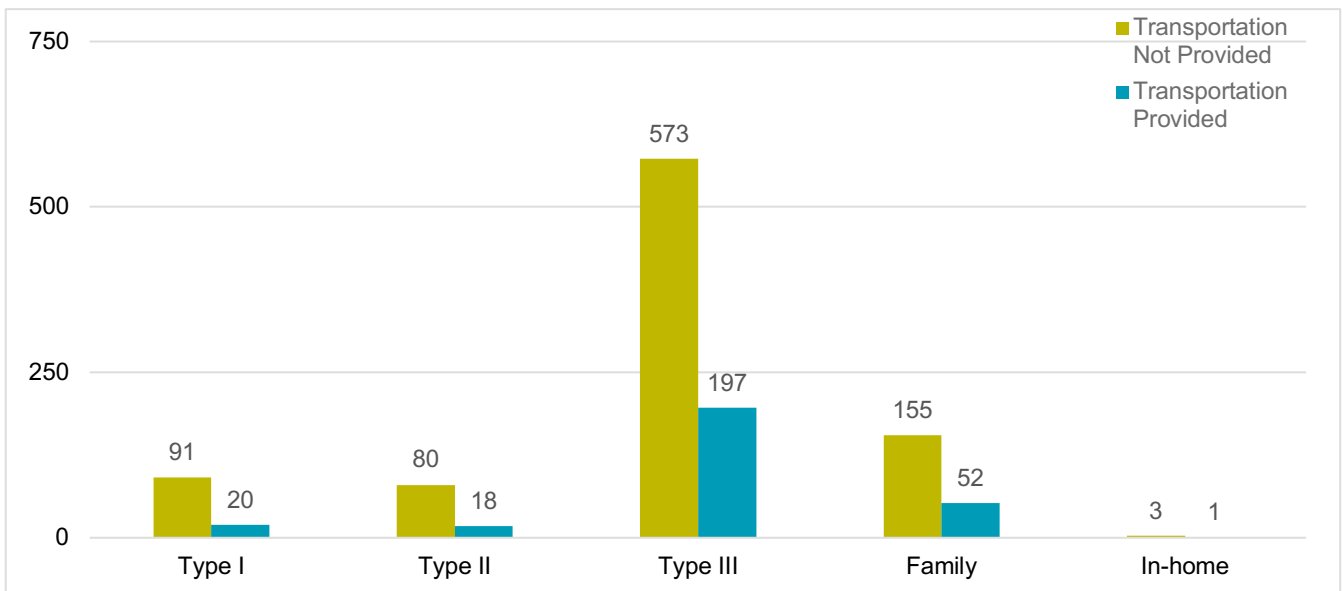
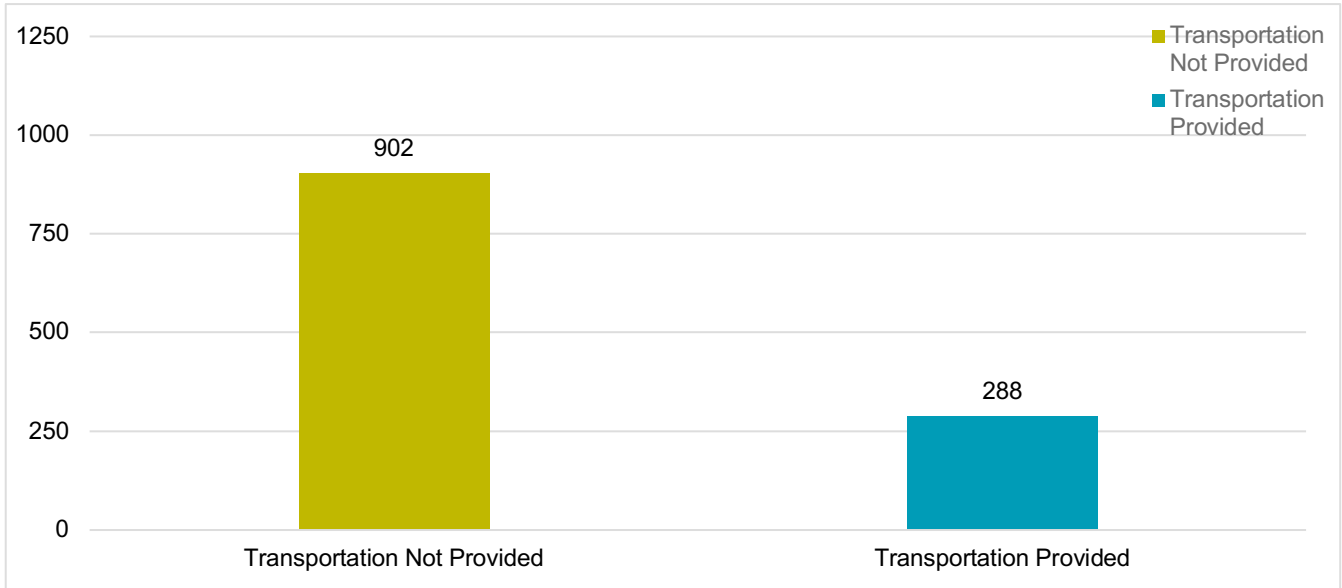
care, weekend care, or 24-hour care). Overwhelmingly, most sites (1,039 applicants, 87.3%) only typically provide care during traditional hours of operation on weekdays. Family providers (70 applicants, 33.8%) are most likely to offer non-traditional hours of care, followed by In-home providers (3 applicants, 25%), and Type III providers (75 applicants, 9.7%). 4.1% (4 applicants) of Type II providers are open during non-traditional hours of care, and virtually all Type I providers (110 applicants, 99.1%) offer only standard hours of care.





## AVAILABLE TRANSPORTATION

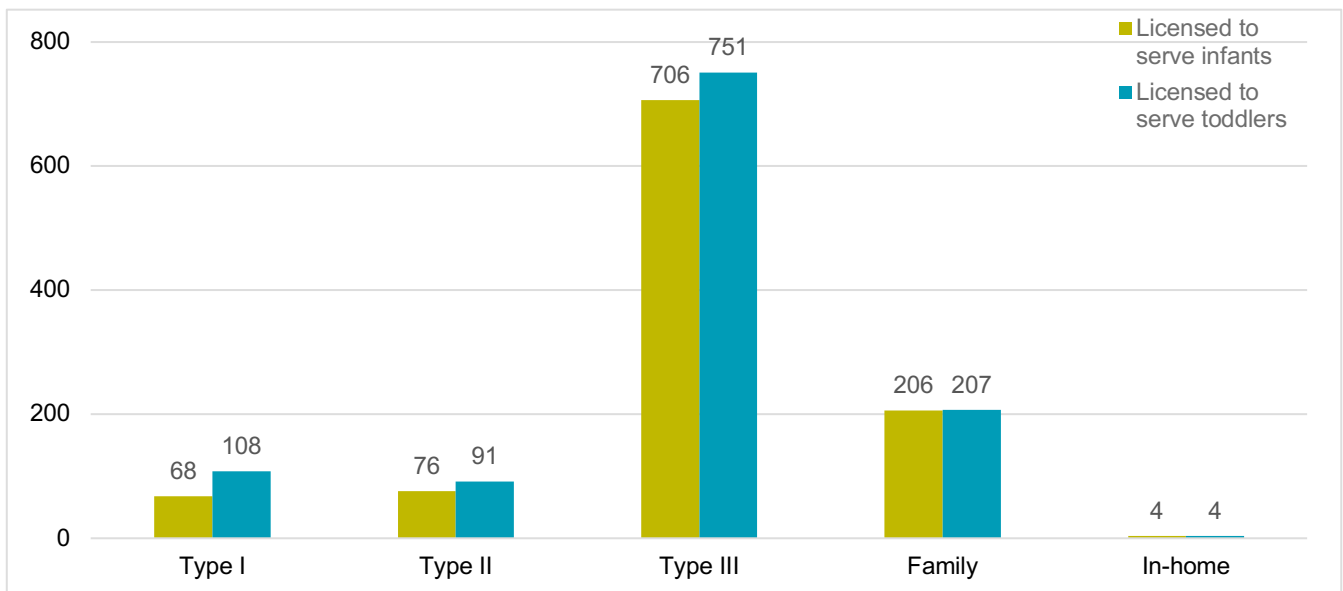
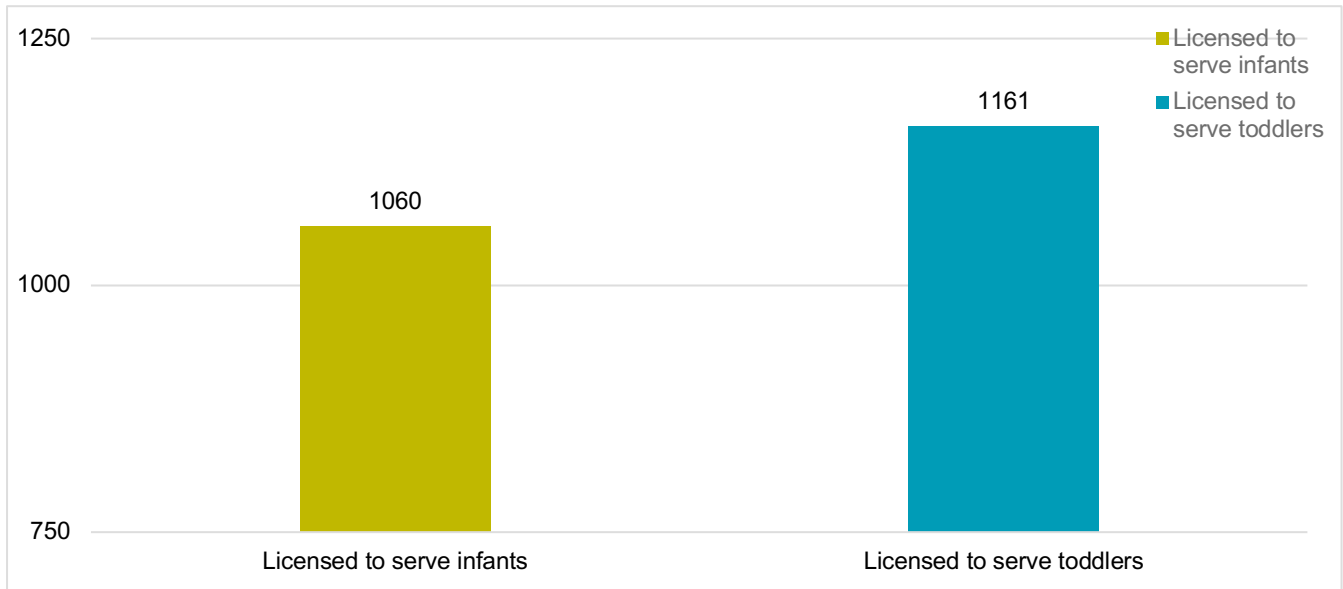
The vast majority of providers (902 applicants, 75.8%) do not provide transportation outside of field trip-only transportation. Just as with the non-traditional hour offerings, Type III (197 applicants, 25.6%), Family providers (52 applicants, 25.1%), and In-home providers (1 applicant, 25.0%) were more likely to offer transportation than Type II (18 applicants, 18.4%) and Type I providers (20 applicants, 18%). This can be a particularly difficult gap in services for families without access to consistent transportation, including those who do not own a vehicle or live in rural areas throughout the state that cannot access public transportation. This can severely limit the ability of less resourced families to ensure that their child or children regularly attend a child care provider.





## AGE GROUPS SERVED

Overall, providers are more likely to be licensed to serve toddlers (1,161 applicants, 97.6%) than infants (1,060 applicants, 89.1%). In-home providers (4 applicants, 100%) are most likely to serve toddlers, followed by Family providers (206 applicants, 99.5%), and Type III providers (706 applicants, 91.7%). 77.6% (76 applicants) of Type II providers are licensed to care for infants, but only three-fifths of Type I providers (68 applicants, 61.3%) are licensed to offer infant care. All providers are more likely to be licensed to serve toddlers than infants, with the exception of In-home providers who are equally likely. Type II providers are the least likely to be licensed to offer toddler care (91 applicants, 92.9%). These trends also impact the number of available seats for infants versus toddler age groups, as seen below.





## ENROLLMENT

Applicants were asked to provide information about their current enrollment (number of children currently enrolled at the time of survey completion), current identified capacity (assigned capacity at the time of survey completion), and desired enrollment (the maximum number of children they prefer to serve).

The majority of children served by child care providers are toddlers, followed by three-year-olds. Overwhelmingly, infants represented the age group with the fewest enrollment numbers, in addition to sites reporting the least number of available spots for infants (current capacity). This information reinforces previous findings from the 2020 Market Rate Survey and anecdotal evidence gathered through conversations with providers.

Notably, this data exposes the limited number of providers who are licensed to serve infants and toddlers in Louisiana and the real strains on the child care system and implications on the availability of child care for all families, but in particular, those who participate in CCAP.

## STATEWIDE ENROLLMENT, CAPACITY, AND DESIRED ENROLLMENT

	CURRENT ENROLLMENT	CURRENT CAPACITY	DESIRED ENROLLMENT
Infant	6,386	8,406	9,148
Toddler	19,661	22,817	24,306
Three-Year-Old	11,480	15,053	16,828
Four-Year-Old	8,368	11,815	13,564
Five-Year-Old and Older	10,858	13,572	13,660
<b>TOTAL:</b>	<b>56,753</b>	<b>71,663</b>	<b>77,506</b>

## REGIONAL ENROLLMENT

	CURRENT ENROLLMENT	CURRENT CAPACITY	DESIRED ENROLLMENT
New Orleans	10,120	14,255	15,081
Baton Rouge	7,953	11,781	12,208
Covington	7,804	9,395	10,090
Thibodaux	5,602	6,274	7,086
Lafayette	8,177	9,420	10,490
Lake Charles	2,640	3,207	3,486
Alexandria	3,418	3,773	4,393
Shreveport	7,656	9,061	9,477
Monroe	3,383	4,497	5,195
<b>TOTAL:</b>	<b>56,753</b>	<b>71,663</b>	<b>77,506</b>



The self-reported enrollment, capacity, and desired enrollment numbers aggregated across the state and then by region highlight a few trends:

- All types of providers would like to enroll a higher number of children than are currently enrolled.
- The desired enrollment numbers both by age group and by region exceed the current licensed capacity of these providers across the board.
- Current enrollment for providers is well below the maximum number of children that could be served.
- Desired enrollment is up to 1.5 times the current enrollment, with the highest proportionate desired enrollments in the New Orleans, Baton Rouge, and Monroe regions.

## CURRENT ENROLLMENT BY PROVIDER TYPE

		CURRENT ENROLLMENT	CURRENT CAPACITY	DESIRED ENROLLMENT
Type I	Infant	801	1,027	1,004
	Toddler	2,993	3,731	3,602
	3-Year-Old	1,689	2,068	2,122
	4-Year-Old	1,255	1,530	1,660
	5-Year-Old and Older	1,357	2,126	2,006
	<b>TOTAL:</b>	<b>8,095</b>	<b>10,482</b>	<b>10,394</b>
Type II	Infant	620	897	803
	Toddler	2,001	2,423	2,352
	3-Year-Old	1,093	1,567	1,533
	4-Year-Old	850	1,241	1,264
	5-Year-Old and Older	1,157	1,441	1,335
	<b>TOTAL:</b>	<b>5,721</b>	<b>7,569</b>	<b>7,287</b>
Type III	Infant	4,800	6,233	6,860
	Toddler	14,344	16,310	17,813
	3-Year-Old	8,509	11,145	12,695
	4-Year-Old	6,163	8,838	10,264
	5-Year-Old and Older	8,065	9,669	9,887
	<b>TOTAL:</b>	<b>41,881</b>	<b>52,195</b>	<b>57,519</b>
Family	Infant	163	248	478
	Toddler	320	351	535
	3-Year-Old	188	272	475
	4-Year-Old	98	206	374
	5-Year-Old and Older	268	330	425
	<b>TOTAL:</b>	<b>1,037</b>	<b>1,407</b>	<b>2,287</b>
In-home	Infant	2	1	3
	Toddler	3	2	4

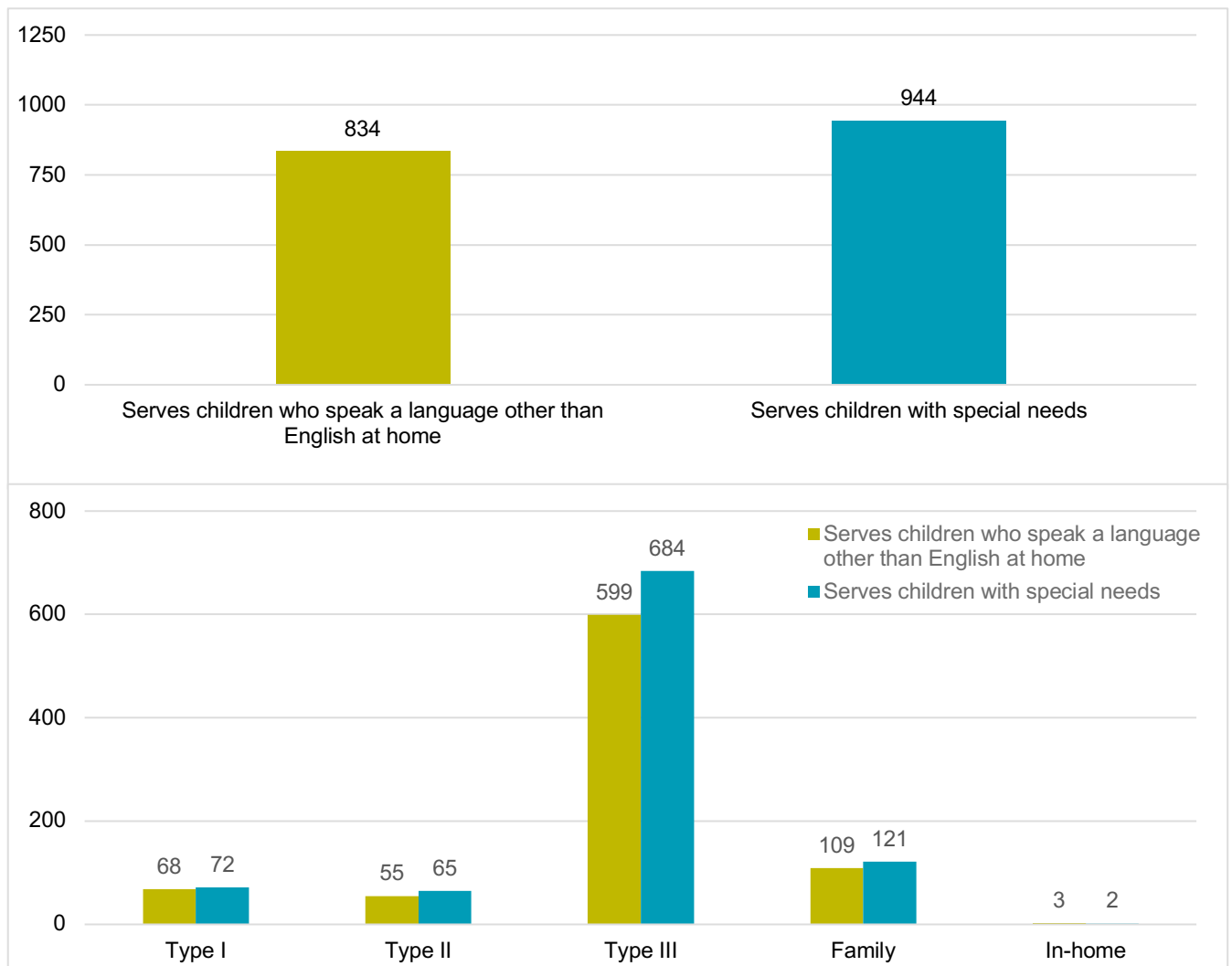




3-Year-Old	1	1	3
4-Year-Old	2	0	2
5-Year-Old and Older	11	6	7
<b>TOTAL:</b>	<b>19</b>	<b>10</b>	<b>19</b>

The proportionate desired enrollment numbers compared to current enrollment are also notable by provider type. Type III and Family providers are more likely to state that they would like more children than Type I. The largest gaps between desired enrollment and current enrollment were among Family providers, who on average state they would like 3.8 times the number of four-year-olds than are currently enrolled, 2.9 times the number of infants, and 2.5 times the number of three-year-olds.

Applicants were also asked whether they currently serve children with special needs (i.e., children with an individualized education program (IEP) or individualized family service plan (IFSP)), or those who speak a language other than English in the home. These questions were asked based on the guidance from the federal authorities to better understand and incentivize the provision of services to children who meet one or both of these criteria. More applicants serve children with special needs (944 applicants, 79.3%) than children who speak a language other than English in their homes (834 applicants, 70.1%). Type III providers are most likely to serve children with special needs (684 applicants, 88.8%) and those who speak other languages in their homes (599 applicants, 77.8%),





## STAFF INVESTMENTS AND COSTS

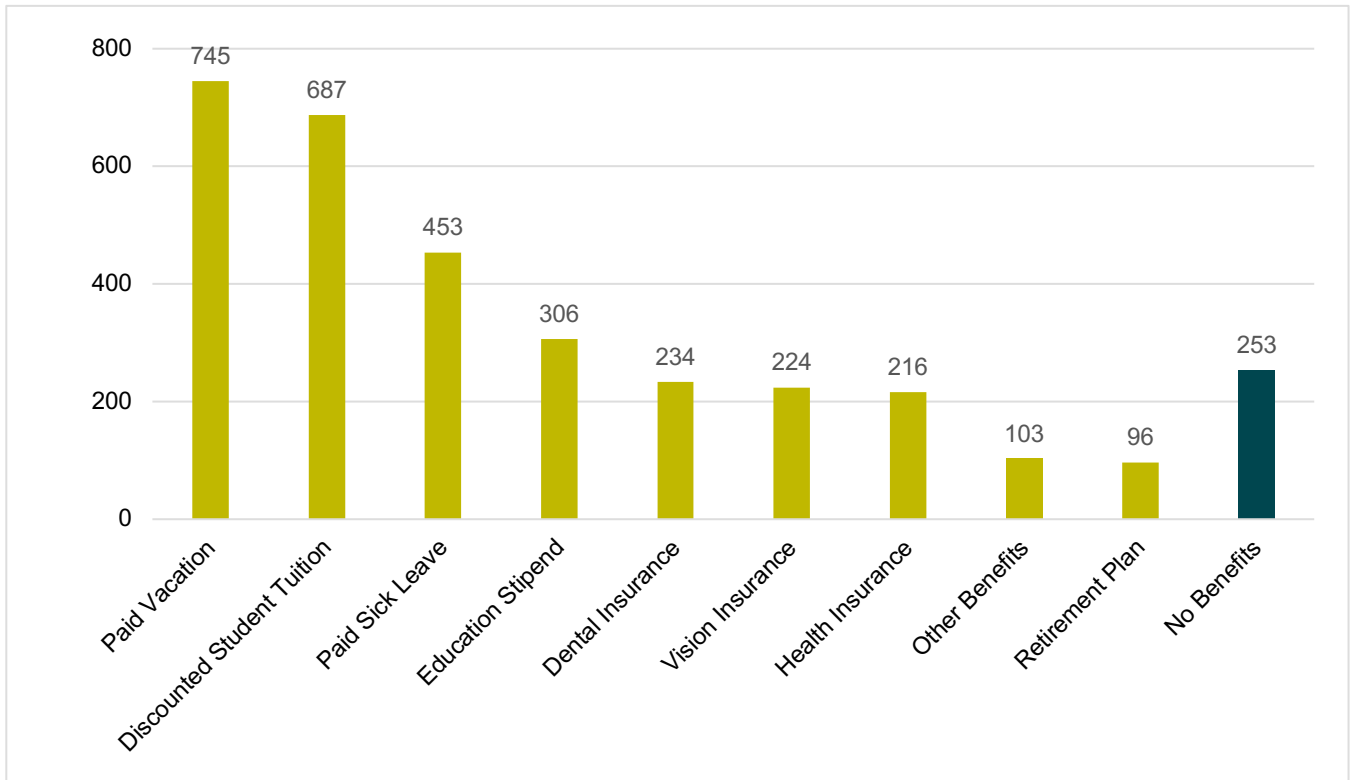
To better understand the cost to providers of providing care, the survey included questions about staffing, salaries, and associated human resource investments.

Applicants were asked to provide information about the number of positions they have staffed in their sites, as well as the average wages for lead teachers. Overall, lead teachers represent the largest number of employed staff, followed by assistant teachers (full-time), and teacher (part-time). Across the board, sites have reduced the average number of individuals in all positions, compared to staffing rates gathered in mid-2020 through the Market Rate Survey.

POSITION	2020 AVERAGE NUMBER OF INDIVIDUALS IN POSITION (MARKET RATE SURVEY)	CURRENT AVERAGE NUMBER OF INDIVIDUALS IN POSITION
Director	1.1	1.1
Assistant Director (Director Designee)	1.1	0.6
Administrative Assistant	1.3	0.4
Lead Teacher (Full-time)	5.1	4.3
Assistant Teacher (Full-time)	3.4	1.9
Teacher (Part-time)	1.9	1.5
All Other Staff (Full-time)	2.1	N/A
All Other Staff (Part-time)	2.5	1.3

Another significant investment in human capital comes in the form of employee benefits. The most frequently reported employee benefit is paid vacation. Compared to the 2020 Market Rate Survey, the number of providers who offer the variety of employee benefit types listed below has increased for all benefits except paid vacation (which dropped from 69.3% in 2020 to 62.6%, or 745 applicants) and health insurance (dropped from 20.4% of providers in 2020 to 18.2%).

This is likely the result of many broader market influences. The ongoing labor shortage caused by the COVID-19 pandemic has made it more difficult for all employers to attract and retain employees, making it more essential for them to offer ancillary benefits and/or increased pay in order to retain their existing employees. Notably, though, the proportion of respondents who state that they do not offer any benefits (0.1% in 2020) has increased significantly to one-fifth of all respondents (253 applicants, 21.3%). This significant increase reflects an additional factor: while all employers operate in an even more competitive job market, the margins in which child care providers operate in a non-pandemic environment are slim. Reductions to enrollment and attendance numbers throughout the pandemic have pushed operating budgets to the brink, leaving many providers unable to continue offering benefits altogether, let alone expand offerings.



## LEAD TEACHER PAY

Applicants were also asked to identify their current hourly wages for lead teachers, as well as the hourly wage they would prefer to pay to better attract and retain qualified staff. Across the lowest, average, and highest hourly wages, the average increase would be \$3.07 per hour. Assuming a 10-hour workday with 22 days per month, this would equate to an additional cost of \$675.40 per month per lead teacher.

	LOWEST HOURLY WAGE	AVERAGE HOURLY WAGE	HIGHEST HOURLY WAGE
<b>Current Hourly Wage</b>	\$9.90	\$11.45	\$13.44
<b>Ideal Hourly Wage</b>	\$12.71	\$14.48	\$16.80
<b>Difference</b>	<b>\$2.81</b>	<b>\$3.03</b>	<b>\$3.36</b>

## MONTHLY OPERATING COSTS

Per federal guidelines, applicants were required to submit a summary of their current major expenses and operating costs. Across all provider types, applicants spend the bulk of their monthly operating costs on personnel (63.1% across personnel payroll and other assorted personnel costs), while facility costs make up just 18.6% of their total expenditures. Surprisingly, COVID-19 related supplies and PPE make up only 5.2% of total monthly expenditures, though this may be a function of the fielding period (Q3 2021 versus toward the beginning of the pandemic) and the efforts of statewide organizations to make PPE available to child care providers.



LINE ITEM	DESCRIPTION	AVERAGE PERCENTAGE OF MONTHLY BUDGET
<b>Personnel Costs: Payroll</b>	Includes all full-time and part-time staff wages.	55.3%
<b>Other Personnel Costs</b>	Includes employee benefits (benefits, retirement contributions, staff bonuses, stipends, premium or hazard pay, overtime), paid vacation, leave, training and professional development for new and existing staff, employee transportation to/from work (if applicable).	7.8%
<b>Facility Costs</b>	Includes rent or mortgage payments, utilities, property insurance, property taxes, maintenance, late fees related to late payment for rent, mortgage, utilities, and/or insurance, minor facility construction or renovation costs, facility maintenance.	18.6%
<b>COVID-19 Personal Protective Equipment</b>	PPE, including masks, cleaning and sanitation supplies and services, cleaning crew costs, or the cost of tests purchased in response to the COVID-19 pandemic.	2.9%
<b>COVID-19 Equipment and Supplies</b>	Any indoor or outdoor equipment or technology purchased in response to the COVID-19 pandemic.	2.3%
<b>Operating Materials and Services</b>	Any other materials good or services necessary for operating your center. Includes food and equipment, food service, business operating costs; books, curricula, and any other materials used for education or in classrooms; licensing or business operating fees, including background checks and business licenses.  This may also include the offset of out-of-pocket child care balances incurred by CCAP families after March 16, 2020.	12.5%
<b>Mental Health Supports</b>	Any costs of providing mental health counseling or support services to child care staff or children to ensure mental wellbeing.	0.7%
		<b>100%</b>

Ultimately while the costs of hard goods and salaries can fluctuate based on the region within the state, the cost of quality-related expenditures for care is stable across regions. The greater challenge is not a fluctuation in the price of goods but instead the ability to scale costs (i.e., bulk buying and other economies of scale). To account for the disparity in site sizes and capacities, the monthly expenses data was broken down by site type.

While the expenditures of Type I, Type II, and Type III centers are relatively comparable, Type I centers spend the highest percentage of their monthly expenditures on payroll (64.3%), while Type II and Type III centers spend slightly more on facility costs (19.4% and 18.4%). The real disparities, though, are between the centers and Family and In-home providers, who spend only 18% of their total expenditures on personnel costs, with the bulk of their expenses attributed to facility costs (32.8% and 52.1%). Among In-home providers this is particularly puzzling as these providers care for children in the children's home and should have, if any, minimal facility costs. This disparity can be attributed to the exceedingly low number of In-home providers within this sample (4 applicants), making it less than representative. Notably, all provider types spent less than 1% of their monthly expenditures on mental health supports.



<b>LINE ITEM</b>	<b>TYPE I PERCENTAGE OF MONTHLY BUDGET</b>	<b>TYPE II PERCENTAGE OF MONTHLY BUDGET</b>	<b>TYPE III PERCENTAGE OF MONTHLY BUDGET</b>	<b>FAMILY PERCENTAGE OF MONTHLY BUDGET</b>	<b>IN-HOME PERCENTAGE OF MONTHLY BUDGET</b>
<b>Personnel Costs: Payroll</b>	64.3%	55.7%	55.4%	18.5%	18.1%
<b>Other Personnel Costs</b>	6.6%	6.7%	7.6%	18.8%	7.3%
<b>Facility Costs</b>	15.3%	19.4%	18.4%	32.8%	52.1%
<b>COVID-19 Personal Protective Equipment</b>	2.7%	2.5%	2.9%	6.0%	10.4%
<b>COVID-19 Equipment and Supplies</b>	0.9%	2.0%	2.3%	6.3%	4.3%
<b>Operating Materials and Services</b>	9.2%	13.3%	12.8%	16.9%	7.8%
<b>Mental Health Supports</b>	0.9%	0.4%	0.6%	0.6%	0.0%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# COST ESTIMATES

The average rates charged by providers for care were previously calculated using the 2020 Market Rate Survey. However, in all conversations and focus groups with providers, it was frequently stated that the charged rates were not entirely representative of the true cost to providers of offering quality child care. In particular, many providers noted that the child care markets in which they offered services could not afford the rates necessary to fully cover a provider's costs.

To better understand the true cost of providing care, rather than the rate charged within child care markets, the data gathered through the ARP Act stabilization grant applications were analyzed to calculate the per-child overall cost to providers and the costs by provider type. It is apparent that different provider types have varied access to resources and the age of the child all impact the cost to provide care, taking into account the widely held understanding that younger children require more resources, supplies, and staff than older children.

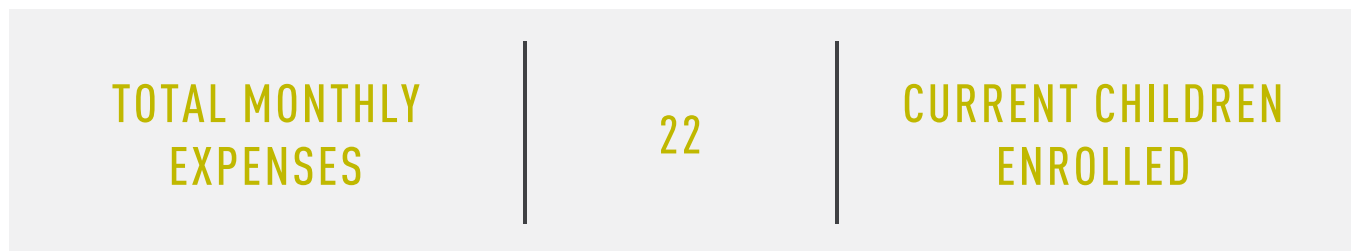
The data were examined multiple ways in order to account for a variety of factors that can influence cost, including but not limited to: the size of the site, which can influence the provider's ability to appropriately scale their businesses and more widely distribute the standard costs related to business operations, provider perspectives on cost and allocation, allowing us to more accurately identify loss leaders and how they think and budget for operational costs, and a purely statistical analysis that modeled the distribution of fixed operational costs across children by age.

Within each analysis method, there were significant outliers (or data points that varied significantly from the rest of the data). Therefore, it was impossible to find one well-defined and definitive way to use the data. Our final analyses aggregated the three distinct approaches to cost modeling and then checked them against the national cost of care estimates and models.

- Model 1: Provider Weighting
- Model 2: Provider Weighting and Site Size
- Model 3: Regression Analysis

## MODEL 1: PROVIDER WEIGHTING

The ARP Act stabilization grant application required applicants to submit a breakdown of their typical monthly operating expenses, by category. To calculate a basic average cost of care estimate, by child, the total monthly expense amount was divided by 22 (representing a standard number of workdays per month, consistent with other LDOE analyses and models), and then divided by the current number of children enrolled.



PROVIDER TYPE	AVERAGE
Type III	\$37.42
Family	\$54.34
In-home	\$35.07



This initial, simple average was calculated by provider type, but does not take into account cost differentials driven by differences in children’s ages.

To leverage the experience of providers, we facilitated seven in-depth conversations with Louisiana-based providers and used their feedback to better understand local provider experiences within the context of the Louisiana child care markets. During these conversations, providers were asked to think about their total monthly expenses and how they were allocated by age of the child. They were prompted to consider staffing ratio requirements, fixed versus variable operating costs, the categorization of some child ages as “loss leaders” for their sites, and other cost- and quality-related factors.

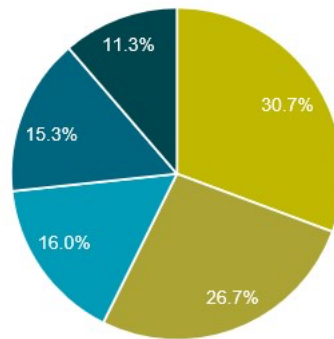
Providers were asked to allocate their total expenses by child age, assuming that they were serving a standard number of children per age group. We then aggregated the responses from all facilitated provider conversations, resulting in the totals presented in the chart on the right.

On average, 30.7% of total costs are allocated to infant care, 26.7% is allocated to toddler care, 3-year-olds represent 16.0% of total expenses, 4-year-olds are slightly more economical at 15.3%, and 5-year-olds and older are by far the least expensive child group to serve, at just 11.3% of total operating costs.

Though this hypothetical situation is unlikely to be experienced in real life operations of a child care site, the exercise served to reinforce what we previously heard both through the Market Rate Survey and facilitated conversations: as the age of the child increases, the associated cost of caring for the child decreases.

These weightings were then applied to the simple average cost, which was calculated by provider type, resulting in the following weighted provider cost estimates.

**AVERAGE ALLOCATION OF COST FOR CHILD CARE**  
(PER CHILD BY AGE GROUP)



■ Infant ■ Toddler ■ 3 year old ■ 4 year old ■ 5 year old

Provider Type	Age Group	Weighted Cost Estimate
Type III	Infant	\$57.38
	Toddler	\$61.17
	3-Year-Old	\$29.94
	4-Year-Old	\$28.69
	5-Year-Old and Older	\$21.20
Family	Infant	\$83.32
	Toddler	\$61.17
	3-Year-Old	\$43.47
	4-Year-Old	\$41.66
	5-Year-Old and Older	\$30.79
In-home	Infant	\$53.77
	Toddler	\$46.76
	3-Year-Old	\$28.06
	4-Year-Old	\$26.89
	5-Year-Old and Older	\$19.87



This model's per-child costs by provider type yields some distinctive trends. Among Type III providers, the toddler cost (\$61.17) unexpectedly exceeds the infant cost (\$57.38), a departure from previously charged rate calculations. The initial assumption was that Type III providers would have the highest costs, compared to Family and In-home providers, due to the higher overhead costs (larger facilities, additional staff, and curriculum requirements). However, the Family provider infant cost (\$83.32) was the most expensive per-day cost, exceeding even the per-child infant cost of Type III providers (\$57.38). All other calculations are in-line with expectations, with the per-day cost per child decreasing as the age of the child increases.

While these estimates leveraged the experience of child care providers in Louisiana through the use of the assigned weightings by child age, these weightings were self-reported and there was no significant way to control for accidental biases. For instance, even for the most adept and active provider, it was difficult to consider how hard operational costs like facility costs, employee benefits, and insurance, among others, might be most appropriately distributed across children by age. It also failed to take into account scale: as the number of children enrolled increases, the allocated hard operational cost per child decreases, eventually dropping the daily cost of providing care for an individual child.

## MODEL 2: PROVIDER WEIGHTING AND SITE SIZE

The second model was utilized to account for the variation in site size, which should impact the provider's ability to scale their work. This average used the total monthly expenses used in the previous calculation, multiplied by the same provider input weighting (infant, 30.7%; toddler, 26.7%; 3-year-olds, 16.0%; 4-year-olds, 15.3%; 5-year-olds and older 11.3%). This calculates the total monthly expense for each age group.

The monthly per-age cost was divided by the number of children enrolled by age, yielding the provider weighted and site factor monthly cost. In this model, the number of children enrolled by age serves as a measure for the size of the site.

This number was then divided by 22 to identify the daily per-child cost by child age.

Total Monthly Expenses	*	Provider Weighting for Each Age Group	=	<b>Total Monthly Expenses for Each Age Group</b>
Total Monthly Expenses for Each Age Group	/	Children Enrolled by Age (Size of Center)	=	<b>Provider Weighted and Center Factor Monthly Cost</b>
Provider Weighted and Center Factor Monthly Cost	/	22 Days	=	<b>Provider Weighted and Center Factor Daily Cost</b>

This analysis was conducted for each child's age group and then aggregated by provider type. By far, this model yielded the noisiest results. While all infant costs should be significantly higher than toddler costs due to the lower provider-to-child ratios, the lack of Type III infant seats proportionate to the number of Type III toddler seats compounds the infant to toddler cost differences. More simply put, the availability of toddler seats means that all providers (Type III, Family, In-home) are able to more easily scale their toddler numbers.

Based on these results, infants are not only significantly more expensive to take care of, but the lower provider-to-child ratios and scarcity of spots for this age group all compound the already high daily cost.





Type III	Infant	\$101.67
	Toddler	\$35.11
	3-Year-Old	\$31.79
	4-Year-Old	\$45.60
	5-Year-Old and Older	\$28.82
Family	Infant	\$53.97
	Toddler	\$35.11
	3-Year-Old	\$26.76
	4-Year-Old	\$30.82
	5-Year-Old and Older	\$16.15
In-home	Infant	\$40.47
	Toddler	\$17.60
	3-Year-Old	\$15.17
	4-Year-Old	n/a
	5-Year-Old and Older	\$3.64

## MODEL 3: REGRESSION ANALYSIS

The third model used a statistical regression to calculate the by-age cost and spreads the fixed operational costs across age groups. This model was used in an attempt to account for the subjectivity of the first model and the noisiness of the second, smoothing the patterns seen in the other two approaches. In this model, each by-age coefficient provides an estimate of how much the total cost increases for an additional child in that age group.

For instance, for every infant-aged child enrolled at a particular site, the total daily cost of operating the site will increase by a set amount.

$$\text{TotalCost}_i = c + b_1 \cdot \text{Infants}_i + b_2 \cdot \text{Toddler}_i + b_3 \cdot \text{3YO}_i + b_4 \cdot \text{4YO}_i + b_5 \cdot \text{5YO}_i + \epsilon_i$$

These results are the most consistent with both previous expectations and the charged cost of care. However, it also has a few anomalies. For instance, the cost for caring for 3-year-olds is higher than toddler care for both Type III and Family (\$48.73 compared to \$28.30) and exceeds even the infant cost (\$44.67).

Note: Regression results were calculated using a combined population of all Type III and Family providers to take into account the significant disparity in number of children served by each type (41,881 by Type III, 1,037 by Family providers).

Regression requires a minimum number of data entries in order to be used effectively. Given the small number of In-home providers across the state, there was insufficient data to calculate the cost for In-home providers.



Type III	Infant	\$44.67
	Toddler	\$28.30
	3-Year-Old	\$48.73
	4-Year-Old	\$29.83
	5-Year-Old and Older	\$16.98
Family	Infant	\$44.67
	Toddler	\$28.30
	3-Year-Old	\$48.73
	4-Year-Old	\$29.83
	5-Year-Old and Older	\$16.98
In-home: Insufficient data to calculate		

## COMBINING THE MODELS

All three models include different, salient factors that impact per-child cost, but each also has related drawbacks or anomalies described above. In an effort to ensure that provider input, scalability, size of the site, statistical modeling, and assignment of fixed costs were all taken into account, the cost estimates from all three models were combined and averaged, yielding the following average costs per child, by provider type.

Notably, the infant rates for each provider type are three times as much as the cost of caring for 5-year-olds and older, while the cost of caring for toddlers is nearly double the 5-year-old and older cost.

Additionally, aside from infant care costs, in which the Type III provider costs (\$67.91) are notably higher than that of Family providers (\$60.65), all other per-age child costs are fairly consistent across these two provider types. This is a departure from our previous understanding of cost, in which Family providers were assumed to have costs more similar to In-home providers, rather than Type III providers.

These findings were further supported by conversations with national subject matter experts in family care, who confirmed that the costs carried by Family providers is more akin to a center-based cost structure than to In-home care, though the rates charged normally fall between the two. These findings are also aligned with findings from national cost of care estimates<sup>1</sup>, which estimated that the cost to Family providers of caring for children was in-line with Type I, Type II and Type III providers, though Family providers were unable to take advantage of opportunities to scale, based on their limited license capacity.<sup>2</sup>

<sup>1</sup> Center for American Progress. 2021. "The True Cost of High-Quality Child Care Across the United States."

<sup>2</sup> Center for American Progress. 2020. "The True Cost of Providing Safe Child Care During the Coronavirus Pandemic."



Type III	Infant	\$67.91
	Toddler	\$41.53
	3-Year-Old	\$36.82
	4-Year-Old	\$34.71
	5-Year-Old and Older	\$22.33
Family	Infant	\$60.65
	Toddler	\$41.53
	3-Year-Old	\$39.65
	4-Year-Old	\$34.10
	5-Year-Old and Older	\$21.31
In-home	Infant	\$47.12
	Toddler	\$32.18
	3-Year-Old	\$21.61
	4-Year-Old	\$26.89
	5-Year-Old and Older	\$11.76

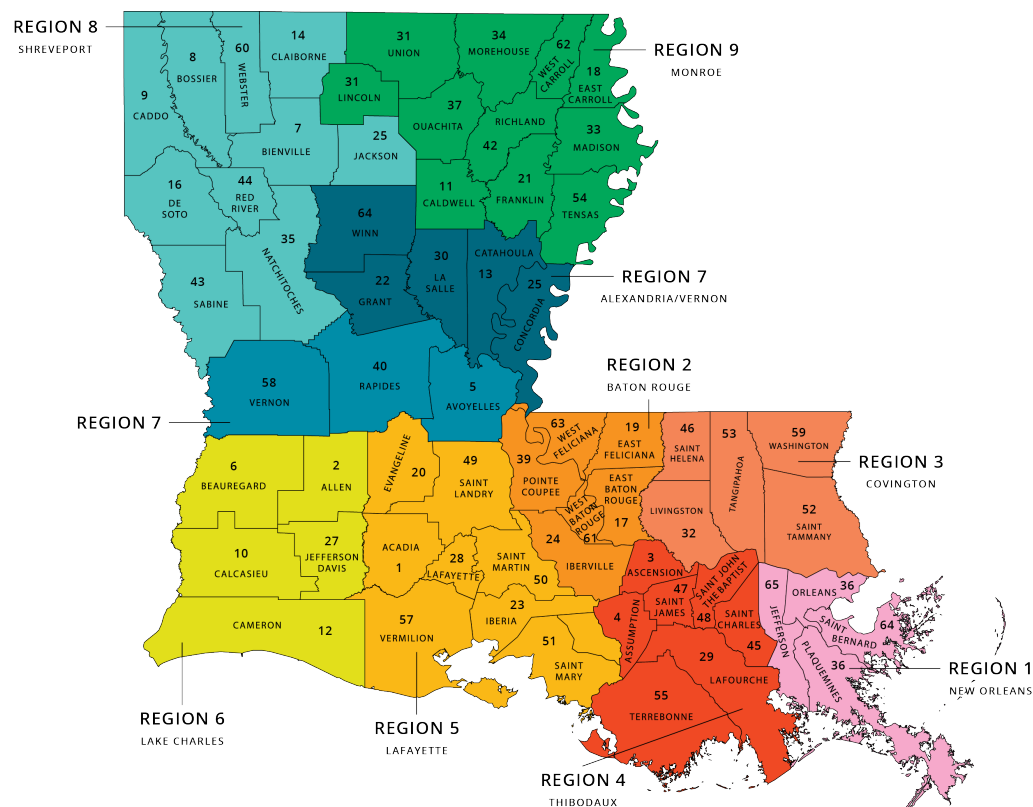
## COST BY REGION

In addition to variation among site types, there are also significant differences in the cost of care by region. To better understand these differences, Type III rates, which are used to set CCAP subsidy rates, were calculated by region.

Unsurprisingly, New Orleans had the highest average cost across age groups (\$52.40), followed by Shreveport (\$40.62), Monroe (\$39.07), Baton Rouge (\$38.93), and Thibodaux (\$37.02).

The lowest average rates in the state were in Lake Charles (\$34.98), followed by Lafayette (\$32.15), Covington (\$31.72), and Alexandria (\$30.61).

These comparative rankings significantly change by child age, though. For instance, while New Orleans has the most expensive infant care in the state (\$92.02), followed by Shreveport (\$67.21), Baton Rouge





(\$64.47), and Lake Charles (\$61.30) have higher charged rates than Monroe (\$60.23).

## AVERAGE DAILY COST BY CHILD'S AGE AND REGION

Infant		Rate
	<b>Maximum CCAP Rate</b>	<b>\$35.65</b>
	<b>Statewide</b>	<b>\$67.91</b>
	New Orleans	\$92.02
	Baton Rouge	\$64.47
	Covington	\$47.28
	Thibodaux	\$56.84
	Lafayette	\$52.57
	Lake Charles	\$61.30
	Alexandria	\$52.62
	Shreveport	\$67.21
	Monroe	\$60.23

Four-Year-Old		Rate
	<b>Maximum CCAP Rate</b>	<b>\$30.00</b>
	<b>Statewide</b>	<b>\$34.71</b>
	New Orleans	\$44.27
	Baton Rouge	\$36.65
	Covington	\$17.27
	Thibodaux	\$48.68
	Lafayette	\$23.42
	Lake Charles	\$31.79
	Alexandria	\$41.79
	Shreveport	\$49.70
	Monroe	\$38.05

Two-Year-Old		Rate
	<b>Maximum CCAP Rate</b>	<b>\$31.05</b>
	<b>Statewide</b>	<b>\$41.53</b>
	New Orleans	\$48.94
	Baton Rouge	\$37.91
	Covington	\$29.93
	Thibodaux	\$35.58
	Lafayette	\$32.51
	Lake Charles	\$27.12
	Alexandria	\$36.04
	Shreveport	\$48.95
	Monroe	\$43.37

Five-Year-Old and Older		Rate
	<b>Maximum CCAP Rate</b>	<b>\$30.00</b>
	<b>Statewide</b>	<b>\$22.33</b>
	New Orleans	\$31.52
	Baton Rouge	\$21.92
	Covington	\$18.01
	Thibodaux	\$18.43
	Lafayette	\$20.83
	Lake Charles	\$23.83
	Alexandria	\$13.99
	Shreveport	\$23.84
	Monroe	\$24.90

Three-Year-Old		Rate
	<b>Maximum CCAP Rate</b>	<b>\$30.00</b>
	<b>Statewide</b>	<b>\$36.82</b>
	New Orleans	\$45.21
	Baton Rouge	\$33.71
	Covington	\$46.06
	Thibodaux	\$25.59
	Lafayette	\$31.43
	Lake Charles	\$30.87
	Alexandria	\$8.61
	Shreveport	\$13.40
	Monroe	\$28.80



# CCAP RATES

LDOE is required to conduct a market rate survey every three years to analyze the prices and fees charge by child care providers for services in their priced markets. These results are then used to re-evaluate the state's CCAP subsidy rates. The rates were last updated in fall 2020 in response to the findings from the 2020 Market Rate Survey and are set at the state level and vary by child age and provider type. As a note, based on the limitations of the current LDOE data systems, three-year-old, four-year-old, and five-year-old and older subsidies are paid out at the same rate.

In 2020, the rates were increased significantly, going from the 13<sup>th</sup> to the 35<sup>th</sup> percentiles to the 75<sup>th</sup> to the 88<sup>th</sup> percentiles. These increases were passed to better increase access to high quality child care for families and to encourage and incentivize additional providers to participate in CCAP by providing funding that covered a greater proportion of the cost of caring for each child.

## CURRENT MAXIMUM CCAP RATES

Type III	Infant	\$35.65
	Toddler	\$31.05
	3-Year-Old	\$30.00
	4-Year-Old	\$30.00
	5-Year-Old and Older	\$30.00
	<b>AVERAGE:</b>	<b>\$30.82</b>
Family	Infant	\$29.65
	Toddler	\$25.75
	3-Year-Old	\$25.00
	4-Year-Old	\$25.00
	5-Year-Old and Older	\$25.00
	<b>AVERAGE:</b>	<b>\$25.73</b>
In-home	Infant	\$26.65
	Toddler	\$25.25
	3-Year-Old	\$25.00
	4-Year-Old	\$25.00
	5-Year-Old and Older	\$25.00
	<b>AVERAGE:</b>	<b>\$25.11</b>



## CURRENT CCAP RATES BY PERCENTILE

	CURRENT TYPE III SUBSIDY	2020 TYPE III PERCENTILE
Infant	\$35.65	86 <sup>th</sup>
Toddler	\$31.05	75 <sup>th</sup>
Three-Year-Old	\$30.00	80 <sup>th</sup>
Four-Year-Old	\$30.00	82 <sup>nd</sup>
Five-Year-Old and Older	\$30.00	88 <sup>th</sup>

Notably, the average cost charged by providers is still drastically different than the actual cost to providers of providing care. Counterintuitively, the rates charged by the majority of providers (as calculated from the 2020 Market Rate Survey) do not appear to cover the actual cost associated with caring for children (based on the ARP Act Stabilization Grant applications), with an average shortfall of -\$66.00 across all age groups.

	AVERAGE RATE CHARGED (2020 MRS)	AVERAGE COST OF CARE (ARP ACT)	DIFFERENCE
Infant	\$29.68	\$67.91	(\$38.23)
Toddler	\$28.85	\$41.53	(\$12.68)
Three-Year-Old	\$27.45	\$36.82	(\$9.37)
Four-Year-Old	\$27.13	\$34.71	(\$7.58)
Five-Year-Old and Older	\$24.19	\$22.33	\$1.86

The 2020 maximum CCAP rates were raised above the average charged market rate of child care to take into account future increases to pricing, with a particular focus in raising infant and toddler rates to incentivize more providers to offer care for these age groups.

Even these aspirational rates, though, fall short of covering the actual cost of care for all age groups except the five-year-old and older category. On average, this still results in an overall shortfall of -\$46.60 across all age groups.

	CURRENT TYPE III CCAP SUBSIDY	AVERAGE COST OF CARE (ARP ACT)	DIFFERENCE
Infant	\$35.65	\$67.91	(\$32.26)
Toddler	\$31.05	\$41.53	(\$10.48)
Three-Year-Old	\$30.00	\$36.82	(\$6.82)
Four-Year-Old	\$30.00	\$34.71	(\$4.71)
Five-Year-Old and Older	\$30.00	\$22.33	\$7.67

## PROPOSED RATE INCREASES

In order to more appropriately match the cost to providers of caring for children rather than just the market rates charged for child care, LDOE proposes increasing their CCAP maximum subsidy rates to be in line with the true cost of care.

The table below identifies the current CCAP maximum subsidy rates, by provider type, and the new proposed rates.



Each rate was drafted by taking the average cost, by provider type, and rounding up to the nearest dollar amount. Because the current data systems used are unable to set different rates for three-year-old, four-year old, and five-year old and older categories, the costs for these groups were averaged by provider type and applied equally to ensure the greatest amount of equity across these age groups.

Because of the very low participation from In-home providers, there was insufficient data to inform a changing of rates for this provider type. However, these providers, by nature of their license, are not responsible for the significant facility-related costs carried by Type III and Family providers.

		CURRENT CCAP MAXIMUM SUBSIDY	PROPOSED INCREASE	PROPOSED CCAP MAXIMUM SUBSIDY
Type III	Infant	\$35.65	\$32.35	\$68.00
	Toddler	\$31.05	\$10.95	\$42.00
	3-Year-Old	\$30.00	\$1.50	\$31.50
	4-Year-Old	\$30.00	\$1.50	\$31.50
	5-Year-Old and Older	\$30.00	\$1.50	\$31.50
Family	Infant	\$29.65	\$31.35	\$61.00
	Toddler	\$25.75	\$16.25	\$42.00
	3-Year-Old	\$25.00	\$4.00	\$29.00
	4-Year-Old	\$25.00	\$4.00	\$29.00
	5-Year-Old and Older	\$25.00	\$4.00	\$29.00
In-home	Infant	\$26.65	--	\$26.65
	Toddler	\$25.75	--	\$25.75
	3-Year-Old	\$25.00	--	\$25.00
	4-Year-Old	\$25.00	--	\$25.00
	5-Year-Old and Older	\$25.00	--	\$25.00

## COMPARATIVE RATES BY PERCENTILES

When comparing the new proposed rates against the benchmark data from the 2020 Market Rate Survey, the new rates will pay out at the 84<sup>th</sup> percentile (three-year-olds) or higher (all others), based on Type III percentiles. For the infant age group, the subsidy rate exceeds the 100<sup>th</sup> percentile.

The decision to raise the subsidy rates this drastically after only one year is reflective of both the rapidly shifting environment in which child care providers operate and the fact that so much of our economy depends on available and affordable child care, particularly in post-pandemic recovery and return to work and operations among other industries. To ensure that parents are able to return and stay at work, it is imperative that ample, accessible, and quality child care options are available to families throughout Louisiana.

The proposed increases to infant and toddler rates, in particular, are reflective of the reality that providers have operated within for years: it is drastically more expensive to provide care for younger children. Because the cost of caring for infants and toddlers is so much higher than the cost of caring for older children, some providers have made the strategic decision not to offer infant care in order to reduce their financial burden. Though this fact has been less visible to consumers and policy makers, it has had real effects on the availability of spots for infants and toddlers across the state. For example: the current identified capacity for toddlers is 2.7 times that of infants.

By increasing all rates, with special attention to the infant and toddler age groups, LDOE hopes to incentivize and attract more providers to participate in the CCAP program. This will allow for expansion and capacity building in providing child care to the infant and toddler age groups, which has been identified as an area of urgent need through this exercise.



	CURRENT TYPE III SUBSIDY		PROPOSED TYPE III SUBSIDY	
	CURRENT RATE	2020 PERCENTILE	NEW RATE	2020 PERCENTILE
Infant	\$35.65	86 <sup>th</sup>	\$68.00	Exceeds 100 <sup>th</sup>
Toddler	\$31.05	75 <sup>th</sup>	\$42.00	92 <sup>nd</sup>
Three-Year-Old	\$30.00	80 <sup>th</sup>	\$31.50	84 <sup>th</sup>
Four-Year-Old	\$30.00	82 <sup>nd</sup>	\$31.50	85 <sup>th</sup>
Five-Year-Old and Older	\$30.00	88 <sup>th</sup>	\$31.50	89 <sup>th</sup>

# GRANT PAYMENTS

As of November 15, 2021, LDOE had issued 1,191 grants to child care providers across the state, totaling over \$138 million in ARP stabilization funding disbursements. A breakdown of the allotment of funding by provider type and the associated number of children served by each provider type is included below.

PROVIDER TYPE	TOTAL CHILD CAPACITY	TOTAL COUNT PROVIDERS	TOTAL GRANT PAID CAPS/FINANCE
Early Learning Center I	11,901	110	\$16,570,738.52
Early Learning Center II	8,284	100	\$12,197,549.80
Early Learning Center III	61,518	769	\$107,200,001.92
Family Child Care Provider	1,248	208	\$2,109,175.68
In-home Provider	24	4	\$42,163.92
Grand Total	82,975	1,191	\$138,119,629.84





# APPENDIX A: ARP ACT STABILIZATION GRANT APPLICATION

The Louisiana Department of Education is funding a grant opportunity funded by the American Rescue Plan (ARP) Act for open Type I, II and III licensed early learning centers and Child Care Assistance Program (CCAP) certified providers. In order to ensure that families who are returning to work and/or school are able to find child care options for their child(ren), it is critical to provide financial support to child care providers.

To be eligible for this grant, you must be operational and serving children by August 31, 2021. Please notify licensing at [ldelicensing@la.gov](mailto:ldelicensing@la.gov) of your open/close status and contact provider certification to become a certified CCAP Provider, and then reapply for this grant when complete.

## GENERAL APPLICANT INFORMATION

<b>License or Provider Certification Number:</b>		
<b>Child Care Center or Provider Name:</b>		
<b>Center Address:</b>		
<b>Center City:</b>	<b>Center Zip Code:</b>	
<b>Type of Child Care Provider:</b> <input type="checkbox"/> Type I <input type="checkbox"/> Type II <input type="checkbox"/> Type III <input type="checkbox"/> CCAP Certified Family Child Care (License-exempt providers who provide child care services for six or fewer children in a private residence) <input type="checkbox"/> CCAP Certified In-home Child Care (License-exempt providers who provide child care for children in the children's home)		
<b>Legal Business Name or DBA (Doing Business As name):</b>		
<b>Owner or Director Name:</b>		
<b>Owner or Director Email:</b>	<b>Owner or Director Phone Number:</b>	
<b>Owner or Director Race (select all that apply):</b> <input type="checkbox"/> American Indian/Alaska Native	<b>Owner or Director Ethnicity:</b> <input type="checkbox"/> Latino	<b>Owner or Director Gender:</b> <input type="checkbox"/> Female



<input type="checkbox"/> Asian <input type="checkbox"/> Black/African American <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Other _____ <input type="checkbox"/> Decline to state	<input type="checkbox"/> Not Latino <input type="checkbox"/> Decline to state	<input type="checkbox"/> Male <input type="checkbox"/> Other _____ <input type="checkbox"/> Decline to state
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## OPERATING INFORMATION

<b>Current program or center licensed capacity:</b>			
<b>Type of care provided by program or center (select all that apply):</b> <input type="checkbox"/> Weekday Care (e.g., 6 a.m. – 5 p.m.) <input type="checkbox"/> Non-traditional hours of care (e.g., before 6 a.m. or after 7 p.m. M – F, overnight care, weekend care, 24-hour care)		<b>Do you provide transportation (excludes transportation for only field trips)?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Are you currently licensed to serve children in the following age groups? (Select all that apply)</b> <input type="checkbox"/> Infants (6 weeks–12 months) <input type="checkbox"/> Toddlers (13–36 months)			
<b>Please provide the number of children currently enrolled, by age, as well as your identified capacity by age and how many children you prefer to serve, by age.</b>  <b>Current Enrollment, Identified Capacity, and Desired Maximum Enrollment:</b>			
Age	Current Enrollment <i>Number of children currently enrolled at the time of survey completion</i>	Current Identified Capacity <i>at the time of survey completion</i>	Desired Enrollment <i>Maximum number of children you prefer to serve</i>
Infant (6 weeks–12 months)			
Toddler (13–36 months)			
3 Year Old			
4 Year Old			
5 Year Old and Older <i>(school age children)</i>			
<b>TOTAL:</b>			
<b>How many CCAP-certified children currently attend your center?</b> _____			
<b>Do you currently serve any children who meet the following characteristics? (Select all that apply)</b> <input type="checkbox"/> Children with special needs (i.e., children with IEP or IFSP) <input type="checkbox"/> Children who speak a language other than English at home			



**Current Staffing (as of time of survey completion):**

<b>Position</b>	<b>Number of Individuals in Position</b>
Director/Owner	
Assistant Director ( <i>Director Designee</i> )	
Administrative Assistant	
Lead Teacher ( <i>Full-time</i> )	
Assistant Teacher ( <i>Full-time</i> )	
Teacher ( <i>Part-time</i> )	
All Other Staff ( <i>Part-time</i> )	

**Benefits currently offered to employees  
(select all that apply):**

- |   |   |
|---|---|
| <input type="checkbox"/> Paid sick leave  | <input type="checkbox"/> Retirement Plan  |
| <input type="checkbox"/> Paid vacation    | <input type="checkbox"/> Education stipend (i.e., tuition payments or assistance) |
| <input type="checkbox"/> Health insurance | <input type="checkbox"/> Discounted tuition for employees' children               |
| <input type="checkbox"/> Dental insurance | <input type="checkbox"/> Other: _____   |
| <input type="checkbox"/> Vision insurance | <input type="checkbox"/> My program does not offer any benefits                   |

The following questions are asked to identify your **current major expenses and general operating costs, also known as the money you spend each month to operate**. This information will be kept confidential and used by LDOE to calculate your potential grant amount. Please try to be as precise as possible. You will be required to certify your answers prior to submitting this application.



EXPENSE	DESCRIPTION	AVERAGE MONTHLY AMOUNT
<b>Personnel Costs: Payroll</b>	Includes all full-time and part-time staff wages	\$ _____
<b>Other Personnel Costs</b>	Includes employee benefits (benefits, retirement contributions, staff bonuses, stipends, premium or hazard pay, overtime), paid vacation, leave, training and professional development for new and existing staff, employee transportation to/from work (if applicable).	\$ _____
<b>Facility Costs</b>	Includes rent or mortgage payments, utilities, property insurance, property taxes, maintenance, late fees related to late payment for rent, mortgage, utilities, and/or insurance, minor facility construction or renovation costs, facility maintenance.	\$ _____
<b>COVID-19 Personal Protective Equipment</b>	PPE, including masks, cleaning and sanitation supplies and services, cleaning crew costs, or the cost of tests purchased in response to the COVID-19 pandemic.	\$ _____
<b>COVID-19 Equipment and Supplies</b>	Any indoor or outdoor equipment or technology purchased in response to the COVID-19 pandemic.	\$ _____
<b>Operating Materials and Services</b>	Any other materials good or services necessary for operating your center. Includes food and equipment, food service, business operating costs; books, curricula, and any other materials used for education or in classrooms; licensing or business operating fees, including background checks and business licenses.  This may also include the offset of out-of-pocket child care balances incurred by CCAP families after March 16, 2020.	\$ _____
<b>Mental Health Supports</b>	Any costs of providing mental health counseling or support services to child care staff or children to ensure mental wellbeing.	\$ _____
	<b>TOTAL:</b>	\$ _____

	LOWEST HOURLY WAGE	AVERAGE HOURLY WAGE	HIGHEST HOURLY WAGE
<b>What is the current hourly wage for lead teachers?.</b>	\$ _____	\$ _____	\$ _____
<b>How much would you ideally like your hourly wage for lead teachers to be to ensure that you are attracting and retaining qualified staff?</b>	\$ _____	\$ _____	\$ _____



## OPTIONS FOR USE OF FUNDS

Grant funds may only be used for the following categories. The following questions are about **how you plan to spend received grant funds**. Because this is an estimate, you will be able to move funds between categories without prior approval, but this helps us better understand your greatest funding needs. You may choose to use funds for one or more of the following:

APPROVED USES	DESCRIPTION	ESTIMATED AMOUNT
<b>Personnel Costs: Payroll</b>	Includes all full-time and part-time staff wages	\$ _____
<b>Other Personnel Costs</b>	Includes employee benefits (benefits, retirement contributions, staff bonuses, stipends, premium or hazard pay, overtime), paid vacation, leave, training and professional development for new and existing staff, employee transportation to/from work (if applicable).	\$ _____
<b>Facility Costs</b>	Includes rent or mortgage payments, utilities, property insurance, property taxes, maintenance, late fees related to late payment for rent, mortgage, utilities, and/or insurance, minor facility construction or renovation costs, facility maintenance.	\$ _____
<b>COVID-19 Personal Protective Equipment</b>	PPE, including masks, cleaning and sanitation supplies and services, cleaning crew costs, or the cost of tests purchased in response to the COVID-19 pandemic.	\$ _____
<b>COVID-19 Equipment and Supplies</b>	Any indoor or outdoor equipment or technology purchased in response to the COVID-19 pandemic.	\$ _____
<b>Operating Materials and Services</b>	Any other materials good or services necessary for operating your center. Includes food and equipment, food service, business operating costs; books, curricula, and any other materials used for education or in classrooms; licensing or business operating fees, including background checks and business licenses.	\$ _____



	This may also include the offset of out-of-pocket child care balances incurred by CCAP families after March 16, 2020.	
<b>Mental Health Supports</b>	Any costs of providing mental health counseling or support services to child care staff or children to ensure mental wellbeing.	\$ _____
	<b>TOTAL:</b>	\$ _____



## CERTIFICATION

To receive a stabilization grant, I agree to use the funds only for the categories and purposes indicated on this application and I have marked above which categories I plan to fund. Note: You can move funds between categories without prior approval.

I also understand that it is my responsibility to maintain records and other documentation to support the use of funds I receive, as well as to document my compliance with the requirements described in A through I.

By signing this application, I am certifying that I will meet requirements throughout the period of the subgrant, including the following:

- A. For each employee (including lead teachers, aides, and any other staff who are employed by the child care provider to work in transportation, food preparation, or other type of service), I must continue paying at least the same amount of weekly wages and maintain the same benefits (such as health insurance and retirement) for the duration of the subgrant. I understand that I may not furlough employees from the date of application submission through the duration of the subgrant period.
- B. I will provide relief from copayments and tuition payments for the families enrolled in the child care program, to the extent possible, and prioritize such relief for families struggling to make either type of payment.
- C. I will prioritize children of critical infrastructure workers such as hospital and first responder staff during the pandemic.
- D. I will serve children authorized under CCAP.
- E. I will use health and safety practices that prevent the spread of COVID-19 in the child care environment based on guidance from local and state health departments and the LDOE.
- F. I will only use these funds for the expenses associated with the child care facility and its operations. I will retain records of expenses and make them accessible to LDOE staff and other authorized personnel.
- G. I understand that personal use of these funds or use for construction (with the exception of construction of partitions) are strictly prohibited.
- H. I understand that if it is determined that the funds were misused, I (including the owner, and board of directors, if applicable), will be investigated and information will be provided to the district attorney's office for prosecution.
- I. I understand that if my center changes from a Type III to a Type I or Type II center prior to June 30, 2022, the CCAP Incentive portion of both the Fall 2021 and the Spring 2022 ARP Act Stabilization grants will be recouped. I am also aware that If the Department determines that any amounts paid to the provider exceeded the amount to which the provider was qualified during their CCAP certification, the Department shall have the right to recover or recoup those amounts from any future payments and/or prior to release of the approved grant amount.

## PROVIDER AFFIRMATION

The following signature affirms that I (applicant listed above) am responsible for the use of these funds and will adhere to the items noted in sections A through I. It also affirms I will only use the funds in the areas noted in the Options for Use of Funds section of this application.

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PROVIDER ELECTRONIC SIGNATURE

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DATE



# APPENDIX B: ARP ACT GRANT CALCULATIONS

Funding from the American Rescue Plan Act will be used to provide stabilization grants for child care providers throughout the state of Louisiana. Grant amounts will be determined by both the provider's licensed capacity, as well as a formula that includes characteristics of individual providers (detailed below).

Each provider can receive up to the maximum amount (as a percent) per category. The percent received is then multiplied by the provider's licensed capacity. This means that providers with the exact same answers to each category but different licensed capacities will receive different grant amounts. It also ensures that the stabilization grant distribution methodology considers the number of children served by each provider and provider-level and community-level characteristics. Based on the formula, the maximum possible amount that a provider can receive per child is \$628.

In addition to this formula, providers will receive \$1,256 per child in their licensed capacity.

CATEGORY	CATEGORY DESCRIPTION	ALLOCATION	
		ALLOCATION DESCRIPTION	ALLOCATION PERCENT
<b>Percent of CCAP-certified children served</b>	Providers will receive up to 20% of the grant amount based on percentage of CCAP-certified children they serve, proportionate to their licensed capacity.	0%	0.0%
		1-10%	10.0%
		11-25%	14.0%
		26-50%	16.0%
		51-75%	18.0%
		76-100%	20.0%
<b>Provider Type</b>	In-home and Family providers will receive 8% of the grant amount, while Type III will receive 10% of the grant amount.	Family	8.0%
		In-home	8.0%
		Type III	10.0%
<b>Offers Non-traditional Operating Hours</b>	Providers will receive 5% of the grant amount if they offer non-traditional operating hours (e.g., before 6 a.m. or after 7 p.m. M – F, overnight care, weekend care, 24-hour care).	Provider offers non-traditional operating hours.	5%





<b>Offers Transportation</b>	Providers will receive 5% of the grant amount if they offer transportation beyond field trip-only transportation.	Provider offers transportation outside of field trip-only transportation.	5%
<b>Serves Infants</b>	Providers will receive 15% of the grant amount if they are licensed to serve infants (6 weeks – 12 months).	Provider is licensed to serve infants.	15%
<b>Serves Toddlers</b>	Providers will receive 15% of the grant amount if they are licensed to serve toddlers (13 – 36 months).	Provider is licensed to serve toddlers.	15%
<b>Serves Children with Special Needs</b>	Providers will receive 5% of the grant amount if they serve children with special needs.	Provider serves children with special needs.	5%
<b>Serves ESL Children</b>	Providers will receive 5% of the grant amount if they serve children who speak English as a second language.	Provider serves children who speak English as their second language.	5%
<b>SVI Scoring</b>	<p>Providers will receive up to 20% of the grant amount based on their census tract's Social Vulnerability Index (SVI) rating.</p> <p>SVI is calculated by the CDC and is used to identify socially vulnerable communities. The index takes into account factors including socioeconomic status, household composition, minority status and language, and housing type and transportation in the area.</p> <p>Each census tract is assigned a score between 0.0 to 1.0, with higher numbers indicating greater vulnerability. More information about SVI can be found <a href="#">here</a>.</p>	0.00-0.25	14.0%
		0.26-0.50	16.0%
		0.51-0.75	18.0%
		0.76-1.00	20.0%



# APPENDIX C: APPLICATIONS BY PARISH AND REGION

## APPLICATIONS BY PARISH

PARISH	NUMBER OF APPLICATIONS	PERCENT
Acadia	15	1.26%
Allen	2	0.17%
Ascension	31	2.61%
Assumption	2	0.17%
Avoyelles	14	1.18%
Beauregard	3	0.25%
Bienville	2	0.17%
Bossier	30	2.52%
Caddo	65	5.46%
Calcasieu	45	3.78%
Catahoula	4	0.08%
Concordia	2	0.17%
DeSoto	3	0.25%
East Baton Rouge	162	13.61%
East Carroll	6	0.50%
East Feliciana	1	0.08%
Evangeline	5	0.42%
Franklin	11	0.92%
Grant	3	0.25%
Iberia	15	1.26%
Iberville	15	1.26%
Jackson	1	0.08%



Jefferson	108	9.08%
Jefferson Davis	2	0.17%
Lafayette	85	7.14%
Lafourche	15	1.26%
Lincoln	22	1.85%
Livingston	31	2.61%
Madison	5	0.42%
Morehouse	8	0.67%
Natchitoches	13	1.09%
Orleans	111	9.32%
Ouachita	44	3.70%
Plaquemines	5	0.42%
Pointe Coupee	6	0.50%
Rapides	35	2.94%
Richland	5	0.42%
Sabine	2	0.17%
St. Bernard	10	0.85%
St. Charles	11	0.92%
St. Helena	2	0.17%
St. James	4	0.34%
St. John the Baptist	13	1.09%
St. Landry	22	1.85%
St. Martin	11	0.92%
St. Mary	6	0.50%
St. Tammany	46	3.87%
Tangipahoa	46	3.87%
Tensas	1	0.08%
Terrebonne	22	1.85%
Union	3	0.25%
Vermilion	17	1.43%
Vernon	2	0.17%
Washington	9	0.76%



Webster	11	0.92%
West Baton Rouge	9	0.76%
West Feliciana	5	0.42%
Winn	5	0.42%
<b>TOTAL:</b>	<b>1,190</b>	<b>100.00%</b>

## APPLICATIONS BY REGION

Using the LDOE regional map as a guide, parishes were divided into general regions of the state, clustered around metropolitan areas.

REGION	PARISHES	NUMBER OF APPLICATIONS	PERCENTAGE
<b>1 – New Orleans</b>	Jefferson, Orleans, Plaquemines, St. Bernard	234	19.7%
<b>2 – Baton Rouge</b>	East Baton Rouge, East Feliciana, Iberville, Point Coupee, West Baton Rouge, West Feliciana	198	16.6%
<b>3 – Covington</b>	Livingston, St. Helena, St. Tammany, Tangipahoa, Washington	134	11.2%
<b>4 – Thibodaux</b>	Ascension, Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, Terrebonne	98	8.2%
<b>5 – Lafayette</b>	Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, Vermillion	176	14.8%
<b>6 – Lake Charles</b>	Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis	53	4.5%
<b>7 – Alexandria</b>	Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon, Winn	65	5.5%
<b>8 – Shreveport</b>	Bienville, Bossier, Claiborne, Caddo, DeSoto, Jackson, Natchitoches, Red River, Sabine, Webster	127	10.7%
<b>9 – Monroe</b>	Caldwell, East Carroll, Franklin, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, West Carroll	105	8.8%