

ECONOMIC IMPACT OF THE EARLY CARE
AND EDUCATION INDUSTRY IN GEORGIA

Initial Impact of the COVID-19 Pandemic on Georgia's Early Care and Education Industry

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This study is a collaboration between Georgia State University's Andrew Young School of Policy Studies and the University of Georgia's Carl Vinson Institute of Government.

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ECONOMIC IMPACT OF THE EARLY CARE AND EDUCATION INDUSTRY IN GEORGIA

Initial Impact of the COVID-19 Pandemic on Georgia's Early Care and Education Industry

EXECUTIVE SUMMARY

The early care and education industry has long been an important part of Georgia's economy, enabling parents to engage in the workforce and support their families financially, while also contributing local, state, and federal taxes to the economy. Access to reliable child care increases labor force participation, boosts local economies, and helps support a stable workforce. This report examines the initial impacts of the COVID-19 pandemic on this vital economic sector in Georgia.

Purpose of the 2019 to 2020 Comparison

The spring of 2020 was one of the most turbulent and unpredictable times in modern history, as COVID-19 began spreading around the world and throughout the United States. Leaders imposed lockdowns to try to curb the spread, forcing many businesses to close. Unemployment soared. In Georgia, Governor Brian Kemp encouraged early care and pre-kindergarten providers to take steps to keep children and communities safe. Many early care and education (ECE) providers closed as cities issued stay-at-home orders, schools shut down, and families sheltered in place. These conditions persisted for much of spring and summer 2020 as health professionals, governments, and families dealt with the devastating impacts of a global pandemic.

This study, a collaboration between researchers at the Georgia State University Andrew Young School of Policy Studies and the University of Georgia's Carl Vinson Institute of Government, explores the initial impacts of the COVID-19 pandemic on the ECE industry. The report begins with an analysis of Georgia's ECE industry in calendar year 2019, prior to the onset of the pandemic. This analysis serves as a baseline to measure the impact of the pandemic and subsequent recovery efforts. The report offers a first attempt at quantifying the impact of the pandemic by comparing the industry in 2020 versus 2019 on a variety of metrics. The report then takes a brief look at the ECE workforce in 2019 and 2020. The report concludes with a detailed narrative of the first nine months of the pandemic in Georgia and the policy changes the Georgia Department of Early Care and Learning (DECAL) implemented to ensure the safety of families and the ECE workforce while supporting the industry and helping to keep providers in business. This review includes an examination of how the industry adapted to the pandemic in 2020 and the role of federal and state efforts in bolstering this vital economic sector during these unprecedented times.

Initial Impact of the COVID-19 Pandemic on Georgia's Early Care and Education Industry**Overview of Results**
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- The total number of ECE providers decreased from 5,512 in 2019 to 5,380 in 2020, a 2.4% drop. Future phases of this research will examine whether these were permanent or temporary closures.
- The share of providers open dropped dramatically to about 30% in early April 2020, then slowly increased throughout the year. By the end of 2020, about 90% of providers were open for face-to-face instruction.
- Child attendance decreased precipitously in mid-March 2020, but declines across age groups were not uniform. For instance, roughly 47% of infants still physically attended an ECE program, compared to 40% of 4-year-olds. The gaps persisted throughout 2020. By December 2020, some 97% of enrolled infants were in physical attendance at ECE centers, but only 70% of enrolled 4-year-olds were.
- The ECE industry employed about 71,500 people in 2019, with an estimated 72% in full-time positions.
- Employment in the ECE industry dropped dramatically in late March of 2020 and slowly improved throughout the year. However, by December 2020, employment was still down approximately 18% from pre-pandemic levels.
- In 2019, average annual wages in the ECE industry in Georgia were approximately \$20,300. Average annual wages in 2020 were down \$3,200.

Gross Receipts
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Gross receipts capture the amount of resources going through an industry and are a measure of the size of that industry. Gross receipts for the ECE industry are the sum of parent fees and federal and state payments to programs.

- Annual total ECE gross receipts for 2019 were an estimated **\$2.6 billion**. In 2020, gross receipts declined by an estimated 1.6% to 13.7%, for an industry total of **\$2.21 to \$2.52 billion**.
- In 2019, parent fees represented about 60% of gross receipts (\$1.55 billion), with the remaining 40% coming from federal and state funding.
- In 2020, parent fees declined to an estimated \$0.96 billion to \$1.27 billion—a year-over-year drop of 18.1% to 38.1%.
- The decline in parent fees was offset by additional federal and state support, which increased by 23.8% to \$1.25 billion.

Overall, gross receipts did decline between 2019 and 2020 but only modestly due to a combination of increased federal and state spending. Estimates indicate that in 2020 total gross receipts dropped to \$2.21–\$2.52 billion, a decline of at least 2% to as much as 14% from 2019. Whereas parent fees represented approximately 60% of gross receipts in the ECE industry in 2019, this percentage dropped to 40% in 2020. Instead, federal and state funding, which had formerly represented roughly 40% of gross receipts, filled this gap, accounting for 60% of gross receipts in 2020. These results provide a first indication that the infusion of federal dollars from the CARES Act and DECAL's rapid deployment of those funds to early care and education providers was successful in stabilizing the industry during an unprecedented time.



Introduction

The early care and education industry has long been an important part of Georgia's economy, enabling parents to engage in the workforce and support their families financially, while also contributing local, state, and federal taxes to the economy. Access to reliable child care increases labor force participation, boosts local economies, and helps support a stable workforce. This report examines the initial impacts of the COVID-19 pandemic on this vital economic sector in Georgia.

In March 2020, the novel coronavirus, COVID-19, began spreading across the United States. Much was still unknown about the virus at the time, and on March 14, Georgia Governor Brian Kemp encouraged early care and pre-kindergarten providers to take steps to keep children and communities safe. Many early care and education centers closed as cities issued stay-at-home orders and families sheltered in place. These conditions remained in place for much of spring and summer 2020 as health professionals, governments, and families dealt with the devastating impact of a global pandemic. For early care and education (ECE) in Georgia, the social and emotional effects on children and their families during this time were of primary concern. The ECE industry also endured economic impacts as revenues from parent fees dropped and centers operating during 2020 faced higher costs from the need for additional personal protective equipment and cleaning supplies. The federal government and the State of Georgia supported providers through a series of stimulus efforts in 2020.

In 2021, the Georgia Department of Early Care and Learning (DECAL), Georgia's legislatively created early education department charged with overseeing various components of the state's early education system, contracted Georgia State University's Andrew Young School of Policy Studies and the University of Georgia's Carl Vinson Institute of Government to conduct a third economic impact study of Georgia's early care and education industry.¹ This study follows earlier ones completed in 2008 and 2016 and relies on data collected as part of DECAL's scheduled provider surveys. In addition, DECAL's internal research and policy analysis team provided administrative data and preliminary data analyses.

This multi-report study is conducted in several phases to better understand the impacts of the COVID-19 pandemic and subsequent recovery efforts. As the first phase, this report begins with an analysis of Georgia's ECE industry in calendar year 2019, prior to the onset of the pandemic. This analysis serves as a baseline to measure the impact of the pandemic and subsequent recovery efforts. The report then offers a first attempt at quantifying the impact of the pandemic by comparing the industry in 2020

1. Additional information about DECAL can be found at www.decals.ga.gov. DECAL commissioned and funded this research.

versus 2019 on a variety of metrics. This report next offers a brief look at the ECE workforce in 2019 and 2020. The report concludes with a detailed narrative of the first nine months of the pandemic in Georgia and the policy changes DECAL implemented to ensure the safety of families and the ECE workforce while supporting the industry and helping to keep providers in business. This review includes an examination of how the industry adapted to the pandemic in 2020 and the role of federal and state efforts in bolstering this vital economic sector during these unprecedented times. Future phases of this research will delve more deeply into the numbers, using complex economic models to estimate the economic impact of Georgia's early care and education industry in 2019, 2020, and 2021.

The estimates from this analysis show the size and scope of Georgia's ECE system going into the pandemic. Annual total ECE gross receipts for 2019 are estimated to be \$2.6 billion. In 2019, parent fees represented about 60% of those gross receipts (\$1.55 billion), with the remaining 40% coming from federal and state funding. Gross receipts for 2020 are difficult to estimate due to the pandemic, which caused variation in parent fees collected. Consequently, a range is reported, with the true amount likely falling somewhere between the two. Gross receipts declined in 2020, dropping to within the \$2.21–\$2.52 billion range. This change was driven by a large decrease in parent fees, with only \$962 million to \$1.27 billion collected in total for 2020. Some of the decline in parent fees was offset by additional federal and state support, which increased to \$1.25 billion from \$1.01 billion in 2019. In 2020, parent fees declined to roughly 40% of gross receipts, with the remainder of funding coming from federal and state funding. The change in the proportion of parent fees to federal and state funding is a key finding of this analysis of the impact of the pandemic on the ECE industry in 2020. Overall, the analysis suggests that DECAL's efforts during the first nine months of the pandemic to support the industry were instrumental in keeping businesses afloat and providing resources to families and providers.

DEFINING THE EARLY CARE AND EDUCATION INDUSTRY IN GEORGIA

Consistent with earlier studies, the ECE industry is defined as all early care and education programs licensed or regulated by DECAL, including programs serving children ages birth to 5 years for full weekday care as well as programs serving school-age children up to age 13 after and before school and during summer. Thus, the industry described in this study comprises four primary types of providers:

- **Child care learning centers** are state-licensed programs operated by a person, society, agency, corporation, institution, or group that receives pay for group care. Child care learning centers care for seven or more children under the age of 14 for less than 24 hours per day.
- **Family child care learning homes** are state-licensed programs that operate in a private residential home less than 24 hours per day and provide care for three to six children under the age of 14 for pay.
- **Georgia's Pre-K Program** is a voluntary, universal educational program for Georgia's 4-year-olds to prepare children for kindergarten. The program is funded by the Georgia Lottery for Education. Georgia's Pre-K classrooms can be housed in public schools or in private child care learning centers.
- **Early Head Start and Head Start** sites are federally funded programs that provide comprehensive early childhood and family development services to children from birth to 5 years old, pregnant women, and families. Most meet state licensing requirements. In Georgia, many Head Start providers work with Georgia's Pre-K programs to braid funds to increase the services that they can provide. Head Start and Early Head Start can be housed in child care learning centers, in family child care learning homes, in public schools, or in license-exempt child care centers.

In the analyses detailed in this report, providers are grouped into three categories: center-based locations, family-based locations, and school-based Pre-K locations.

This definition of the industry does not include providers exempt from DECAL regulation and licensing that do not offer full-day care, but it does include exempt providers included in the DECAL licensing database like Georgia's Pre-K providers based in public schools, some Head Start and Early Head Start providers, and certain other center-based exempt providers with some form of governmental oversight (e.g., the Department of Defense).

The following types of care are NOT included in this analysis:

- Nonlicensed, nonregulated care
- Care provided by grandparents or other relatives, whether paid or not, or any in-home care for fewer than three unrelated children for pay, even if they receive CAPS funding²
- Businesses that do not provide full-day care but do provide camps or afterschool programs

Further, the parent fees discussed in this report are only those associated with weekday full-time care for private enrollment birth through age 5, before- and afterschool care for Georgia's Pre-K students at private providers, and afterschool and summer care for school-age children at these same providers. Many providers offer other services like sick or nighttime care, and the revenues associated with these services are not included.

This definition of the industry determines the number of businesses whose revenues are included in the estimates of gross receipts. The early care and education industry creates economic impact in a variety of ways that are hard to quantify. In those instances, following the strategies employed for previous economic impact studies, the research team did not attempt to estimate these impacts and simply excluded them. The following are the primary economic inputs excluded from this analysis:

- Any tuition, business expense, or wages associated with informal and unlicensed care, including FFN providers
- Any tuition, business expenses, or wages associated with afterschool or summer care occurring at exempt locations (Afterschool programs at public schools, operating as exempt, are a prominent example.)
- Any revenues or parent fees associated with part-time, weekend, nighttime, or sick care

Due to these exclusions, this analysis understates the total size and scope of providing early care and education in Georgia.

2. An FFN provider is an informal type of care arrangement made between a parent or caregiver and a family member, a friend, or a neighbor to care for young children. If the parent is eligible for federal child care subsidies through the Child-care and Parent Services (CAPS) program and would like to use an FFN provider as their subsidy provider, the parent and the FFN provider must officially register, and the provider must meet a set of specific requirements.

DATA SOURCES

This report relies on several key metrics used as baseline measures to gauge the impact of the pandemic on Georgia's ECE industry, including the number and types of DECAL licensed or regulated providers, the number of children served in each age cohort, the number of children served compared to the overall child population in the state, the number of educators and others employed in the industry, and the 2019 annual industry revenue.

The economic impact analyses rely on data collected for 2019–2020, and all economic impact numbers are intended to represent the entire calendar years (CYs) for each. The CY 2019 data serve as a pre-COVID baseline for comparison. The gross receipts of the ECE industry are commonly used in economic impact studies, including previous studies of the industry in Georgia, to measure the size of the industry and to estimate its total direct economic impact. Gross receipts are generally understood to be the sum of parent fees; federal, state, and local payments to programs; and other contributions from companies, philanthropists, or other entities.

In certain instances, such as average enrollments, the best available data are from early 2020, pre-COVID. In those cases, the information has been augmented with 2019 data to better represent the period of focus. These data sources include monthly DECAL licensing file data, detailed provider attribute data from the Kids Online Administrative Licensing Application (KOALA) system, and weekly price and teacher wage data from the 2021 Georgia Market Rate Survey conducted by Care Solutions. Another primary data source for this study is enrollment and grant data from applications for the pandemic-related Short-Term Assistance Benefit for Licensed Entities (STABLE). This program provided a series of stabilization payments to ECE providers in Georgia in 2020, 2021, and 2022. Applications for the first two payments were submitted in 2020 and asked for details about the ECE providers prior to the start of the pandemic. Finally, the impact analyses also utilize US Census population data and wage and employment data from the Georgia Department of Labor.

DATA SOURCES USED IN THIS STUDY

- DECAL licensing file data: monthly
- Kids Online Administrative Licensing Application (KOALA) system: detailed provider attribute data
- Georgia's ECE stabilization program ([STABLE](#)) phases 1 and 2 applications: enrollment and grant data
- 2021 Georgia Market Rate Survey conducted by Care Solutions: weekly price and teacher wage data
- US Census Bureau: population data
- Georgia Department of Labor: wage and employment data

REPORT ORGANIZATION

This report is organized into four main chapters.

Chapter 1 presents an analysis of the size of the early care and education industry in Georgia in 2019 and quantifies its daily economic activity. Because 2019 was the last full year before the COVID-19 pandemic began to spread throughout the United States and across Georgia, this analysis provides the most recent, reliable data available about the economic impact of the ECE industry in Georgia. In addition, the 2019 numbers act as a baseline for analyzing how the pandemic impacted the industry in Georgia, presented in Chapter 2 of this report.

Chapter 2 offers a first attempt at quantifying the initial economic impacts of the COVID-19 pandemic on the early care and education industry in Georgia. This chapter replicates the analysis from Chapter 1 and compares the industry in 2019 and 2020 on a variety of metrics.

Chapter 3 provides a snapshot of the ECE workforce in 2019 and 2020. The pandemic had a marked and lingering impact on employment and wages during 2020. Employment dropped dramatically in March of 2020 and slowly improved throughout the summer and fall, but it never fully recovered that year. In 2021 and 2022, DECAL implemented several initiatives to support ECE teachers and caregivers. These programs will be reviewed in future phases of this research.

Chapter 4 presents a detailed narrative account of how the early care and education industry in Georgia responded to the constantly evolving situation during the first nine months of the COVID-19 pandemic. This chapter chronicles the steps DECAL took to support families, providers, and the industry as a whole during this chaotic and uncertain time. The chapter provides important context for understanding the analyses in chapters 1–3.

The final section concludes the report with key insights about and lessons learned from the first year of the pandemic. This section also previews upcoming reports in this research series.



CHAPTER 1

Georgia's Early Care and Education Industry in 2019: No Crisis in Sight

For the early care and education industry in Georgia, 2019 was the last “typical” year before the unprecedented challenges of the COVID-19 pandemic changed the landscape. In fiscal year 2019 (which ran from July 1, 2018 to June 30, 2019), DECAL was in its 15th year of operations. DECAL leaders were confident the agency was continuing to make progress on its goals of enhancing school readiness, increasing quality and access in the industry, supporting workforce development, and coordinating services for families with young children.

This chapter presents an analysis of the size of the early care and education industry in Georgia in 2019 and quantifies its daily economic activity. Because 2019 is the last full year before the COVID-19 pandemic began to spread throughout the United States and across Georgia, this analysis provides the most recent, reliable data available about the economic status of the early care and education industry in Georgia. In addition, the 2019 numbers act as a baseline for analyzing how the pandemic impacted the industry in Georgia, presented in Chapter 2 of this report.

Note that beyond short-term economic activity, the ECE industry provides long-term benefits to children, parents, and society. These include benefits to parents and families that accrue to society through increases in short- and long-term worker productivity and spending on goods and services. In addition, research shows that quality early care and education can have enormous impacts on cognitive development and educational outcomes for children. Neither the long-term benefits of a strong early care and education system nor how the pandemic affected these outcomes are measured in this study.

NUMBER OF PROVIDERS AND LICENSED CAPACITY, 2019

In 2019, more than 5,500 for-profit and not-for-profit child care learning centers, family child care learning homes, and public Georgia's Pre-K programs were operating in the state. Table 1.1 shows that roughly 1,400 family child care learning homes were in operation, and 815 Georgia's Pre-K sites were housed within local school systems.

Table 1.1 also breaks down the number of licensed providers located in urban and rural counties.³ Not surprisingly, the majority of programs are found in urban areas. Note that although Table 1.1 shows that 27% of all early care and education providers are family-based providers (1,475 of 5,512), only 3% of

3. DECAL licensing data uses the State Office of Rural Health definitions of “urban” and “rural.” See dch.georgia.gov/divisionsoffices/state-office-rural-health/sorh-maps-georgia.

children enrolled in licensed or regulated care in Georgia attend a family child care learning home. Center- and school-based locations serve the vast majority of children enrolled in licensed care in Georgia, approximately 97%.⁴

Table 1.1. Number of Early Care and Education Providers in Georgia, 2019

	Urban	Rural	Total
Center-based providers	2,524	698	3,222
Family-based providers	1,111	364	1,475
School-based Georgia's Pre-K	576	239	815
Total	4,211	1,301	5,512

Note: Centers are defined as "rural" if they are located in a county with a population below 50,000 or in a county that contains a military installation (i.e., Liberty County and Camden County). Centers are defined as "urban" if they are located in a county with a population of 50,000+.

Table 1.2 summarizes the count of providers delivering the various types of care: full-time weekday care by age group, before- and afterschool care for Georgia's Pre-K students at private center-based locations, and school-aged programs for afterschool and summer care.

Table 1.2. Number of Early Care and Education Programs in Georgia by Age Served, 2019

	Center-Based	Family-Based	Total
Infants (0–12 months)	2,326	1,261	3,587
Toddlers (13–35 months)	2,524	1,417	3,941
Preschool (36–47 months) & 4-year-olds (not GA Pre-K)	2,817	1,379	4,196
GA private pre-K – before, after, or summer	1,039		1,039
School-age (5 years+)	2,789	1,062	3,851
School-age summer (14 weeks of care)	1,439	498	1,937

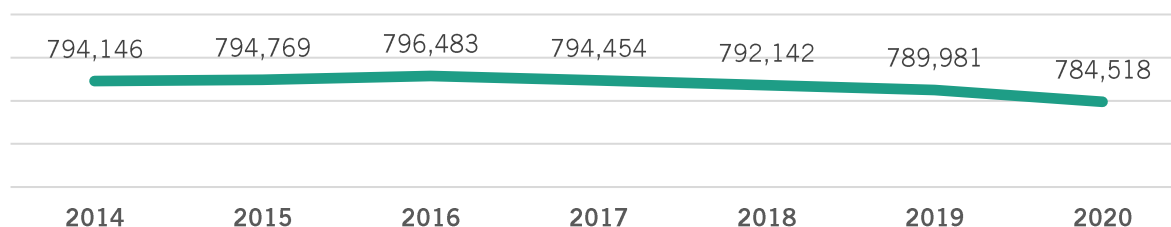
Source: DECAL licensing and KOALA data for 2019; does not include Georgia's Pre-K Program classrooms

POPULATION OF CHILDREN SERVED, 2019

The population of Georgia children ages 5 years old and younger is the key group directly served by the state's ECE industry. Figure 1.1 shows the trend in this population over the 2014–2020 period. Since 2016, the number of children age 5 or younger living in Georgia has been mostly flat or slightly declining. This trend continued through 2020, with about 5,500 fewer children in this age group compared to 2019, a 0.7% decline.

4. The counts of programs are based on licensed program data supplied by DECAL. The percentages of students served are based on pre-COVID enrollment data from STABLE 1 grant application data excluding those providers closed during the majority of 2019.

Figure 1.1. Georgia's Population, Ages Birth Through 5, 2014–2020



Source: Kids Count data center, based on population estimates from the US Census Bureau

Demographics of Georgia's Children Under Age 5

Population estimates for 2019 show that 42% of children in Georgia under age 5 were White, 33% Black, 15% Hispanic, and 10% another race or multiracial. Georgia children from all racial and ethnic groups are living in families that face economic challenges. A 2017 study found that approximately half (325,724) of all children under age 5 in Georgia were living in poverty or in low-income households. As Table 1.3 shows, approximately 24.2% of young children were living in households with incomes at or below 100% of the federal poverty line (FPL) in 2017. An additional 25% of young children could be classified as low income. In 2019, the largest proportion of children under age 5 living in poverty or in low-income households in Georgia were non-Hispanic Black.⁵

Table 1.3. Children Under Age 5 in the US and in Georgia, by Poverty Level, 2017

	National (n = 19,527,267)	Georgia (n = 647,548)
In poverty (<100% FPL)	20.3%	24.2%
Low income (100%–199% FPL)	22.3%	25.0%
Not low income or in poverty (>200% FPL)	57.5%	50.7%

Note: FPL = federal poverty line.

Source: DECAL. 2021, June 23. Georgia's Birth through Five Mixed-Delivery System Needs Assessment. www.dec.al.gov/documents/attachments/PDG_B-5_NEEDS_ASSESSMENT_REPORT.pdf

Children Served by Georgia's ECE Industry, 2019

The early care and education industry in Georgia serves more than 340,000 children annually. Table 1.4 describes the percentage of the population of children by age served by the ECE industry in Georgia in 2019. Enrollment in early care and education varies dramatically across age groups, increasing with age from birth to age 4. Fourteen percent of Georgia infants, defined as children between birth and 12 months old, were enrolled in a licensed or regulated ECE program in 2019, increasing to 23% for those age 1 and 28% of those age 2. Close to half (45%) of Georgia's 3-year-old population attended a formal program in 2019, and the percentage of 4-year-olds in licensed or regulated care was the highest at 87% served, which included children attending Head Start and Georgia's Pre-K programs. For children of school age, ages 5 through 13, only 6% were served by the industry in 2019. Note, however, that

5. Annie E. Casey Foundation. Kids Count Data Center.

afterschool and summer programs exempt from DECAL licensing are not included in this analysis, with programs housed at public schools being a primary example. Thus, the data in Table 1.4 likely underestimates the percentage of Georgia's school-age children who are served by the industry.

Table 1.4. Percentage of the Population in Georgia in 2019 Served by the Licensed or Regulated Early Care and Education Industry, by Age Group

	Population	Number Enrolled in Licensed or Regulated Care	Percent Served
Infants (less than 1 year old)	125,209	17,438	14%
1-year-olds	128,581	30,037	23%
2-year-olds	131,101	36,743	28%
3-year-olds	134,081	59,502	45%
4-year-olds	135,784	117,431	87%
School age (5- to 13-year-olds)	1,269,829	79,999	6%

Sources: (1) Administrative data from the Georgia Head Start Association, (2) Georgia's Pre-K administrative data from DECAL, (3) STABLE 1 February 2020 enrollment grant survey data, and (4) American Community Survey July population estimates from the US Census Bureau

The percentages of Georgia children served by the ECE industry are very similar to those found in an earlier analysis of the early care and education industry in Georgia in 2014: 16% of infants, 25% of 2-year-olds, 44% of 3-year-olds, and 87% of 4-year-olds (see Table 1.5). Note that the methodologies and data sources for the 2014 and 2019 numbers differ, but they do show consistency over time in the percentages of children served.

Table 1.5. Percentage of Children Served by Age Group, July 2014 versus December 2019

	July 2014		December 2019	
	Population	% Served	Population	% Served
Birth–12 months	129,104	16%	125,209	14%
1 year old	129,915	25%	128,581	23%
2 years old	132,990	25%	131,101	28%
3 years old	133,811	44%	134,081	45%
4 years old	136,855	87%	135,784	87%

Sources: For 2014 numbers: Georgia State University Andrew Young School of Policy Studies & University of Georgia Carl Vinson Institute of Government. 2016, June. *Economic Impact of the Early Care and Education Industry in Georgia*. www.dec.al.ga.gov/documents/attachments/EconImpactReport.pdf. For 2019 numbers: (1) administrative data from the Georgia Head Start Association, (2) Georgia's Pre-K administrative data from DECAL, (3) STABLE 1 February 2020 enrollment grant survey data, and (4) American Community Survey July population estimates from the US Census Bureau

GROSS RECEIPTS OF GEORGIA'S EARLY CARE AND EDUCATION INDUSTRY, 2019

Gross receipts capture the amount of resources going through the ECE industry and are commonly used in economic impact studies done in other states to measure the size of the ECE industry and its total economic impact.⁶

Gross receipts represent all revenues received by programs across the state. ECE programs collect monies from various sources and spend those dollars, in turn, on their employees' wages, transportation for their students, supplies, and other goods and services. Gross receipts can be calculated in numerous ways depending on the data available, but in general they are the sum of federal, state, and local payments to programs; parent fees; and other contributions from companies, philanthropists, or other entities.

State and Federally Subsidized Programs, 2019

A variety of state and federal programs provide funds to ECE establishments in Georgia. Because these funds become part of the monies that the programs use to pay wages, purchase supplies, and operate their businesses, they are included in gross receipts and add to the industry's total direct economic impact. A total of \$1.03 billion in federal and state funding is included in the gross receipts for Georgia's ECE industry for CY 2019.

Georgia's Pre-K Program

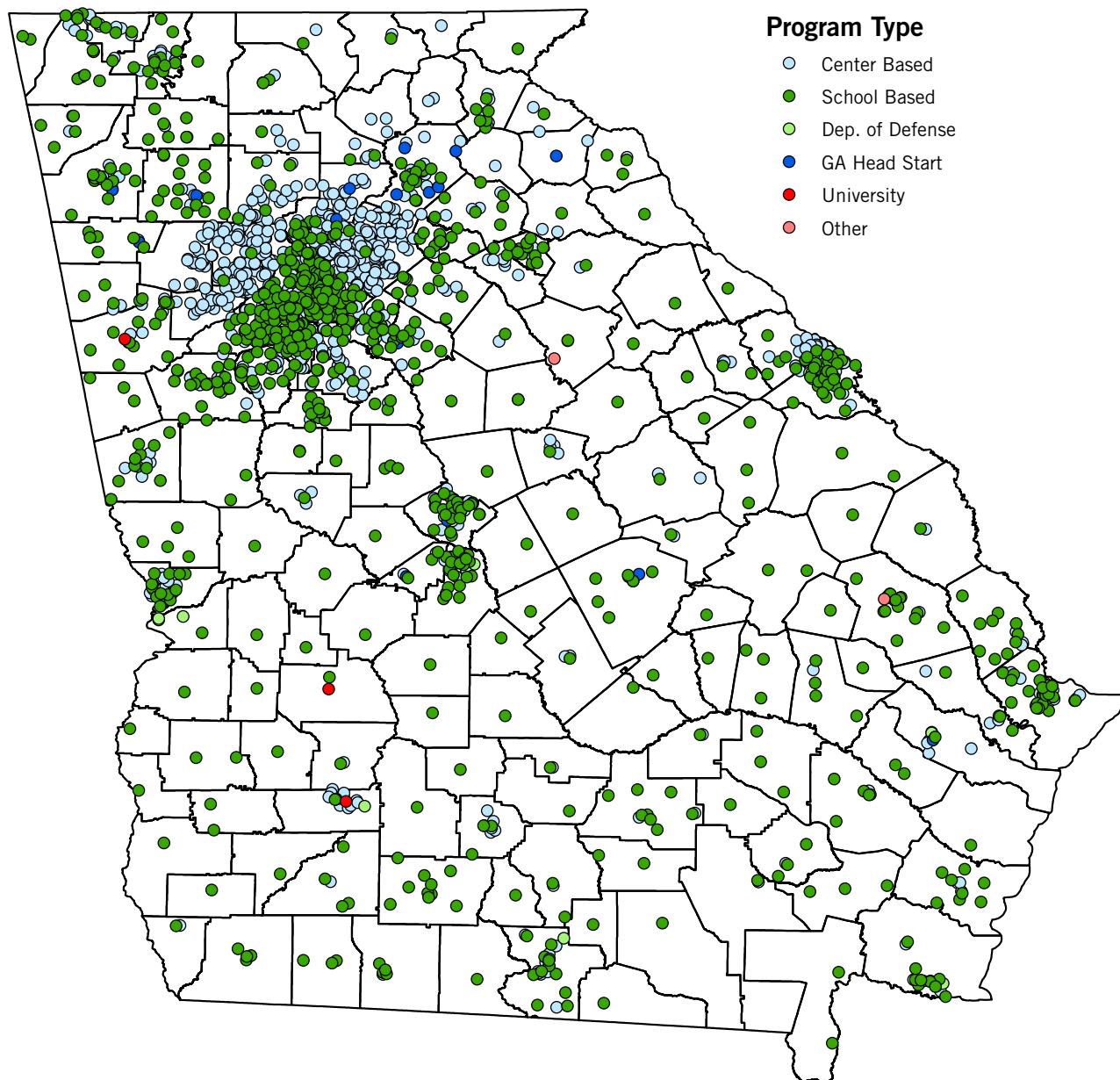
Georgia's Pre-K Program is a state lottery-funded educational program for all age eligible 4-year-old children in Georgia that is administered by DECAL. The purpose of Georgia's Pre-K Program is to prepare children for success in kindergarten and later school years. Pre-K programs usually operate on the regular school system calendar for the length of a typical school day.

In 2019, the program offered slots for roughly 84,000 4-year-olds in 1,829 locations and 3,855 classrooms.⁷ Figure 1.2 shows the location of the Georgia's Pre-K sites in 2019. About 45% of Georgia's Pre-K Program classrooms are located in public schools, and 55% are in private child care learning centers. Many private providers offer care before and after a typical school day for an additional parent fee. Note that private child care learning centers offering Georgia's Pre-K typically serve other age groups as well. For example, these centers often have infant, toddler, and 3-year-old classrooms as well as tuition-based 4-year-old classrooms that the Georgia's Pre-K Program does not fund. These centers also typically provide before- and after-Pre-K care for the families that require these services.

6. For example, see Committee for Economic Development of The Conference Board. 2019. *Child Care in State Economies*. Retrieved from www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf

7. DECAL licensing database Pre-K informational bulletin (84,264 awarded seats in July 2019); georgiavoices.org/wp-content/uploads/2020/12/5.Georgia-PreK-Program.PDF – location/classroom data based on 2019–2020 school year.

Figure 1.2 Georgia's Pre-K Program Sites by Type of Program, 2019



Head Start

Head Start, established into law in 1965, is a federal program that provides comprehensive services for children from families with lower incomes. These services include health, mental health, oral health, nutrition, early intervention and education, and family support. Families who meet the federal eligibility criteria are served through a variety of locally designed programs, including child care centers, home visiting, and family child care providers. Recognizing the importance of the first three years of a child's life, Head Start expanded in the early 1990s to include Early Head Start, which extended supports to pregnant women, infants, and toddlers up to age 3.

Early Head Start and Head Start are federally funded and regulated programs. Approximately 336 Head Start and Early Head Start sites were operating in Georgia as of November 2019, serving about 24,735 children.⁸ Federal government expenditures on these programs in Georgia in 2019 were approximately \$236.5 million.⁹ Because Head Start and Early Head Start operate as federally funded and regulated entities, some locations are included in the DECAL licensing database. Those included in the database are grouped within center-based providers.

CAPS Program

The state-run and federally funded Childcare and Parent Services (CAPS) program also helps support the ECE industry, subsidizing the tuition expenses of economically disadvantaged families. CAPS is funded through the federal Child Care and Development Fund. In 2019, the program provided child care subsidies to approximately 50,000 low-income children per week in Georgia, helping many families access child care while parents worked or studied. Families are awarded scholarships for child care that are accepted by thousands of providers across the state. The scholarships cover all or a portion of the cost of care. In 2019, CAPS subsidy payments were based on the Quality Rated star rating of the provider and the family's ability to pay, with the difference between tuition and the CAPS scholarship being the responsibility of the family. Total CAPS funding for Georgia, which included CAPS-related quality initiatives, was approximately \$285.6 million in 2019.

Federal Food Programs

DECAL also administers two federal nutrition subsidy programs, the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program. Together, these programs represented \$146 million in food reimbursements to ECE providers in Georgia in 2019.

CACFP provides reimbursements for nutritious meals and snacks served to eligible children enrolled at participating child care learning centers and family child care learning homes. CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs. In 2019, ECE providers in Georgia received approximately \$131 million in reimbursements from CACFP. The Summer Food Service Program provides funding for free and healthy meals in low-income areas during summer months when public school is not in session. In 2019, providers in Georgia received approximately \$15.3 million in funding from this summer meals program.

Parent Fees 2019

Parent fees are historically the largest portion of total revenues in Georgia's ECE industry and can be estimated using administrative and survey data from DECAL. Parent fees totaled \$1.55 billion in 2019, representing the largest portion of gross receipts in Georgia. The STABLE grant application response data were used to estimate average enrollment for urban and rural providers.¹⁰ Provider attribute data and 2019 weekly tuition rates came from KOALA.

8. See 2019-11-21_Board_Minutes.pdf (ga.gov) for 2019 funded enrollment in Georgia. Note that some Head Start programs share spaces with other early childhood learning programs. Those that are stand-alone centers (n=112) are included in the count of child care learning centers in Table 1.1. Georgia Head Start Association and the Head Start Early Childhood Learning and Knowledge Center: eclkc.ohs.acf.hhs.gov/

9. National Head Start Association. 2020 State Fact Sheets. Retrieved from nhsa.org/resource/state-fact-sheets/

10. Note that the STABLE data are based on February 2020 attendance. These numbers were adjusted based on which providers were open in 2019.

To arrive at total 2019 parent fees, the research team multiplied the average enrollment estimates and average weekly tuition rates for the birth through 5 age groups. These totals were then annualized using a typical number of weeks of service per year. Table 1.6 shows the results of these calculations by age group.

The number of child care learning centers serving each age group is based on administrative data on licensed programs provided by DECAL.¹¹ On average, infants, toddlers, and preschoolers are assumed to be in care for 48 weeks per year. School-age and Georgia's Pre-K children are assumed to be in before/after school care for 36 weeks per year and in full-time holiday/summer care for 14 weeks, based on a typical Georgia school-year calendar. Georgia's Pre-K programs housed in public schools are not included in the parent fee calculation because they do not appear to collect any parent fees associated with their Pre-K students.¹² In summary, total parent fees for 2019 were calculated using the following formula:

$$\text{Number of programs by age group} \times \text{Average enrollment by age group} \times \text{Average weekly tuition rate} \times \text{Weeks in care}$$

Table 1.6 Parent Fee Calculation, 2019

Age Group	Parent Tuition 2019
Infants (0–12 months) – 48 weeks	\$118M
Toddlers (13–35 months) – 48 weeks	\$413M
Preschool (36–47 months) & 4-year-olds (not GA Pre-K) – 48 weeks	\$467M
GA Pre-K – before and after ¹ – 36 weeks	\$84M
School-age (5 years+) – 36 weeks	\$209M
School-age summer – 14 weeks	\$67M
Parent fee after CAPS subsidy ²	\$157M
Registration fees	\$31M
Total parent fees	\$1.55B

Sources: Calculations are based on the DECAL licensing data from 2019 for the number of providers operating. KOALA data were used to estimate the number of providers serving different age groups. Enrollment data from STABLE 1 applications were used to estimate average enrollment. The 2021 Georgia Market Rate Survey was used to estimate average weekly prices and verify average enrollment figures.

Notes: Summer and school-age care includes fees for school-age private enrollment. Average enrollment represents average enrollment per center that provides service, not per classroom. Totals may not sum exactly due to rounding.

11. Note that the number of providers is based on STABLE 1 applications, which required February 2020 data. These numbers were adjusted based on which providers were open in 2019.

12. Based on 2016 Economic Impact Survey responses and Georgia School District Expenditure and Revenue reporting regarding Georgia's Pre-K programs

Based on this calculation, the total amount of parent fees (including those after CAPS subsidies) collected by programs was approximately \$1.46 billion from urban counties and \$113 million in rural counties. In total, parent fees totaled \$1.55 billion in Georgia in 2019.

Total Gross Receipts

Annual total gross receipts for the ECE industry in Georgia are estimated at \$2.56 billion for 2019. Parent fees represent approximately 60% of gross receipts (\$1.55 billion) for the year.

Table 1.7 presents a breakdown of all state and federal funds received by ECE programs in 2019. Georgia's Pre-K Program represents the largest state or federal funding source for ECE programs at \$341 million in CY 2019. The federal Child Care and Development Fund, which funds CAPS subsidies, provided \$285.6 million in child care subsidies and quality initiative revenues in 2019.

Table 1.7. Gross Receipts of Georgia Early Care and Education Industry, 2019

Source	2019
Federal Child Care and Development Fund (CAPS subsidies and related quality initiatives)	\$285.6M
Head Start and Early Head Start	\$236.5M
Georgia's Pre-K Program	\$341.3M
Child and Adult Care Food Program	\$131.3M
Summer Food Service Program	\$15.3M
Total state and federal funding	\$1.01B
Total parent fees	\$1.55B
Annual gross receipts	\$2.56B

Note: Numbers may not total due to rounding.

CONCLUSION

This chapter provides a detailed estimate of the State of Georgia's early care and education industry in 2019, on the eve of the global pandemic. The industry was serving approximately 340,000 children and employed a workforce of approximately 71,000. The industry had \$2.6 billion in gross receipts, more than 60% of which came from parent fees. The remainder of the industry's gross receipts came from state and federal funding.

As 2019 came to a close, the early care and education industry in Georgia was poised to continue progress on its goals of enhancing school readiness, increasing quality and access, supporting workforce development, and coordinating services for families with young children.



CHAPTER 2

Initial Economic Impacts of the COVID-19 Pandemic on the Early Care and Education Industry in Georgia, 2020

In early 2020, COVID-19 began spreading across the United States, and by mid-March it had been declared a pandemic. Georgia Governor Brian Kemp declared a public health emergency on March 14, which effectively began the state response to the pandemic. Over the weeks and months that followed, federal, state, and local governments issued a variety of policies designed to stem the spread of the virus, including stay-at-home orders, the temporary closure of certain types of businesses, group size limitations, and mask mandates. Many businesses shuttered, and people worked from home. Public schools in Georgia shut down on March 18 and never reopened for in-person learning that school year. Consequently, many parents were unable to go to work. Throughout the United States, unemployment skyrocketed in March and April, rising from 3.5% in February to 14.7% in April. In Georgia, unemployment peaked at 12.3% in April.

Although early care and education in Georgia never shut down completely, the parallel public health and economic crises severely impacted the industry. This chapter offers a first attempt at quantifying the pandemic's immediate effects on the ECE industry in Georgia. This chapter replicates much of the analysis in Chapter 1, which looked at the size of the ECE industry in 2019 as measured by gross receipts, prior to the pandemic. Many of the tables in this chapter compare the results from the Chapter 1 analysis to 2020 numbers to highlight changes in the industry brought on by the pandemic. The analysis shows that parent fees, which had represented 60% of gross receipts in the industry, dropped dramatically in 2020. The effects were offset to a large degree by federal and state funding and policies designed to alleviate some of the economic impacts of the pandemic.

NUMBER OF PROVIDERS AND LICENSED CAPACITY, 2020 VERSUS 2019

Between 2019 and 2020, the total number of ECE providers in Georgia declined by 2.4%. Table 2.1 shows a breakdown of this year-over-year change. Center-based locations are the largest subgroup of establishments—3,222 in 2019 and 3,194 in 2020—representing 58% and 59% of total providers, respectively. Georgia had 1,475 family child care homes in 2019 and 1,378 in 2020, a 6.6% drop.

Table 2.1. Number of Early Care and Education Providers, 2019 Versus 2020

	2019			2020			Change in Total
	Urban	Rural	Total	Urban	Rural	Total	
Center-based	2,524	698	3,222	2,466	728	3,194	-0.9%
Family-based	1,111	364	1,475	1,022	356	1,378	-6.6%
School-based Pre-K	576	239	815	570	238	808	-0.9%
Total	4,211	1,301	5,512	4,058	1,322	5,380	-2.4%

Source: DECAL monthly licensing data (2019 through 2020)

Note: Some providers shuttered for one or more months in 2020. For the analysis presented in this table, providers were counted based on the number of months they were open. A provider that operated for a full year counted as one; providers open for partial years were counted based on the fraction of the year open, and the totals were rounded.

Note that for the analysis presented in Table 2.1, providers were counted based on the number of months they were open. A provider that operated for a full year was counted as one; providers open for partial years were counted based on the fraction of the year open, and the total was rounded. Any partial years in 2019 would likely reflect new providers opening partway through the year and permanent provider closures. For 2020, many providers were closed for one or more months due to lockdown orders, virus outbreaks, low attendance, and staffing shortages. DECAL requested that all providers maintain accurate information about their open or closed status in the KOALA system; however, this information was self-reported by providers. It is possible that some providers did not maintain accurate reporting records for every month, either due to administrative issues or fear of losing funding if they reported being closed. To the extent that underreporting occurred, the drop in the number of providers in Table 2.1 would be an undercount. However, the analysis uses the best available data. In addition, because of the way providers were counted, Table 2.1 could potentially be capturing temporary closures rather than permanent changes in the number of providers. Future analyses looking at 2021 and 2022 data will give a fuller picture of how the pandemic affected the number of providers in Georgia.

Table 2.1 also shows a breakdown of providers located in urban versus rural counties. Centers are defined as “rural” if they are located in a county with a population below 50,000 or in a county that contains a military installation (i.e., Liberty County and Camden County). Centers are defined as “urban” if they are located in a county with a population of 50,000 or more. Not surprisingly, three-quarters of the providers are located in urban counties.¹³

While temporary provider closures in the spring and summer of 2020 initially seemed ominous, ultimately, the 2.4% year-over-year decline is in keeping with the longer-term trend of consolidation in the industry, with smaller family child care homes closing and larger child care learning centers expanding.

An earlier analysis of Georgia’s ECE industry revealed a 12.3% decline in the number of licensed ECE providers in Georgia between 2016 and 2019, as shown in Table 2.2. Note that this earlier study used different data and different methodologies than those used in this report, so the number of ECE pro-

13. DECAL licensing data uses the State Office of Rural Health definitions of “urban” and “rural.” See dch.georgia.gov/divisionsoffices/state-office-rural-health/sorh-maps-georgia.

viders shown in Table 2.2 for 2019 differs from the totals shown in Table 2.1. However, the table below does illustrate general trends in providers and capacity over time.

Table 2.2 also shows that over the 2016–2019 period, total licensed capacity declined only slightly, but the average licensed capacity per provider increased by nearly 14%. These changes illustrate the general trend in both urban and rural counties of fewer programs serving more children. The overwhelming majority of the decline in the number of ECE providers over this four-year period can be explained by family child care learning home closures. The table shows a net decline of 633 licensed ECE providers between January 2016 and December 2019. Of these 633, only 73 were licensed centers. The number of family child care learning homes decreased by 28% during this same four-year period. They fell from representing 38.7% of all licensed facilities in Georgia in 2016 to representing 31.7% by December 2019.

Table 2.2. Change in Number of Licensed Providers and Licensed Capacity, 2016 to 2019

		January 2016	December 2019	Change	% Change
Center-based	Sites	3,160	3,087	–73	–2.3%
	Capacity	352,992	354,990	1,998	0.57%
Family-based	Sites	1,991	1,431	–560	–28.1%
	Capacity	11,942	8,542	–3,400	–28.2%
Total	Sites	5,151	4,518	–633	–12.3%
	Capacity	364,934	363,532	–1,402	–0.38%

Source: DECAL. 2021. *Georgia's Birth through Five Mixed-Delivery System Needs Assessment* (p. 53). Retrieved from www.dec.state.ga.us/documents/attachments/PDG_B-5_NEEDS_ASSESSMENT_REPORT.pdf
 Note: "Center-based" numbers do not include public school-based Georgia's Pre-K sites. The numbers of sites in this table do not match the totals in Table 2.1 due to differing data sources, data collection periods, and estimation calculations.

The decline in the number of family-based providers is not just a Georgia phenomenon. More than 90,000 licensed family child care homes closed in the United States between 2005 and 2017.¹⁴ From 2011 to 2017 nationwide, more than 54,000 licensed family child care homes closed, a 35% decline.

In addition, the 6.6% drop in the number of family-based providers between 2019 and 2020 shown in Table 2.1 could be masking the vital role that these providers played during the early months of the pandemic. Anecdotal accounts indicate that many parents, fearful of large group settings such as center-based providers, turned to family child care learning homes in the spring and summer of 2020, perceiving them to be a safer option for their children.¹⁵ The data used for this report neither confirm nor rule out this possibility. Furthermore, data on permanent closures and new business openings is typically delayed, so the 6.6% decrease could reflect the long-term trend toward industry consolidation that had been occurring pre-pandemic.

14. National Center on Early Childhood Quality Assurance. 2020, March. Addressing the Decreasing Number of Child Care Providers in the United States. Retrieved from childcareta.acf.hhs.gov/sites/default/files/addressing_decreasing_fcc_providers_revised_march2020_final.pdf

15. Insights based on interviews with DECAL representatives: Woody Dover, February 3, 2023; Pam Stevens, February 23, 2023.

The research team next looked at the number of providers delivering the various programs included in the gross receipts analysis: full-time weekday care, before- and afterschool care for Georgia's Pre-K students at private center-based locations, and school-aged programs for afterschool and summer care. Table 2.3 shows this breakdown. Note that as with the Table 2.1 analysis, providers were counted based on the number of months they were open. Thus, the change between 2019 and 2020 could be capturing temporary rather than permanent provider closures.

Table 2.3 shows that the number of these programs slightly declined from 2019 to 2020, with the exception of school-aged summer programs, which declined 6.9%. This larger drop in programs for older children was likely due to a combination of at least three factors. First, many parents were working from home during the summer of 2020 and did not need to pay for care, particularly for older children who were largely self-sufficient. Second, fears of the virus created a staffing shortage that summer. Finally, field trips and classroom guests were prohibited that summer, which made summer programs less attractive to parents and children.¹⁶

Table 2.3. Number of Early Care and Education Programs by Age Group, 2019 versus 2020

	2019			2020			Change
	Center-Based	Family-Based	Total	Center-Based	Family-Based	Total	
Infants (0–12 months) – 48 weeks	2,326	1,261	3,587	2,369	1,174	3,543	–1.2%
Toddlers (13–35 months) – 48 weeks	2,524	1,417	3,941	2,568	1,327	3,895	–1.2%
Preschool (35–47 months) & 4-year-olds (not GA Pre-K) – 48 weeks	2,817	1,379	4,196	2,900	1,294	4,194	–0.1%
GA private pre-K – before, after, or summer – 36 weeks	1,039		1,039	1,042		1,042	0.2%
School-age (5 years+) – 36 weeks	2,789	1,062	3,851	2,820	999	3,820	–0.8%
School-age summer – 14 weeks	1,439	498	1,937	1,353	449	1,802	–6.9%

Source: DECAL licensing and KOALA data for 2019 and 2020

Another way to gauge the size of the early care and education industry is to look at licensed capacity, which is the maximum number of children allowed at one time in licensed ECE providers in the state. Table 2.4 compares licensed capacity between July 2019 and July 2020. Note that these numbers are different from the number of children served because not every provider cares for exactly the maximum number of children their facility allows. Particularly during 2020, attendance and enrollment were likely far lower than capacity, as staffing shortages, [statewide group-size limitations](#), and parents keeping their children at home would have impacted class sizes.

16. Insights based on interview with Pam Stevens, deputy commissioner for Child Care Services, February 23, 2023.

Even with these caveats, Table 2.4 shows that capacity rose slightly between 2019 and 2020. The decrease in family child care learning home capacity is in line with the slow and steady decline in the number of family-based providers over time (see [Table 2.2](#)).

Note also that capacity does not represent the demand for early care and education. Additionally, the capacity figures reported in Table 2.4 exclude informal and other unreported care and only include licensed and regulated programs.

Table 2.4. Licensed Capacity of Early Care and Education Providers in Georgia, 2019 versus 2020

Type of Care	July 2019	July 2020	Change
Center-based	351,382	358,852	+7,470
Family-based	8,787	8,220	-567
Total licensed capacity	361,408	368,311	+6,903

Source: DECAL licensing and KOALA data for 2019 and 2020

Note: School-based programs not included. Exempt centers show licensed capacity for some month data sets and no licensed capacity at all in others.

POPULATION OF CHILDREN SERVED, 2019 VERSUS 2020

In 2020, 784,518 children ages 0 to 5 were living in Georgia, approximately 5,500 fewer than in 2019 (see [Figure 1.1](#)). Determining the percentage of Georgia's population of children served by licensed or regulated early care and education providers in 2019, prior to the pandemic, is straightforward. However, that calculation is more complicated for CY 2020. Defining the population served as those physically in attendance at a provider in January or February of 2020 would result in similar percentages as 2019 but would mask the dramatic differences in the later months of 2020. Starting in the third week of March 2020, most providers were closed and by necessity not serving students through physical attendance. Lockdown orders were lifted in late April, but a 10-person per-room capacity limit meant that attendance was far lower than normal for much of the spring and into the summer of 2020.

The research team therefore used two methods of calculating the percentage of the population served for 2020: (1) simple physical attendance (the same method as used for 2019), and (2) physical attendance plus those receiving financial support who may not have been physically present at the ECE facility. Table 2.5 compares the percentage of the population served in 2019 versus 2020, using both calculation methods for 2020. Regardless of the method used, the share of each age group served in 2020 declined from 2019, with the gap increasing in older age cohorts. Using the more expansive definition of the population served for 2020, there is only a 3-percentage-point difference from 2019 to 2020 for infants. In the 4-year-old group, the difference increases to 6 percentage points; however, if only physical attendance is used, the 4-year-old gap from 2019 to 2020 grows to 17 percentage points, compared to only 4 percentage points for infants. These differences in physical attendance by age group corroborate observations by DECAL officials that toddlers were the age group that most quickly came back to formal care after the initial March/April statewide lockdown. A large number of Georgia parents were working from home in the spring and summer of 2020. Children ages 1 to 2 years old are arguably the most demanding of parents, making it difficult for them to work from home. Older children generally have longer attention spans and are somewhat more self-sufficient, allowing parents to get work done.¹⁷

17. Insights based on interview with Pam Stevens, deputy commissioner for Child Care Services, February 23, 2023.

Table 2.5. Percentage of the Georgia Population Served by Age, 2019 and 2020

	2019		2020		
	Population	% Served	Population	% Served	
		Physical Attendance (PA)		PA	PA or Financial Support
Infants (less than 1 year old)	125,209	14%	124,993	10%	11%
1-year-olds	128,581	23%	126,259	16%	18%
2-year-olds	131,101	28%	129,471	19%	21%
3-year-olds	134,081	45%	131,903	26%	36%
4-year-olds	135,784	87%	134,918	70%	81%
School age (5- to 13-year-olds)	1,269,829	6%	1,266,034	4%	5%

Sources: (1) Administrative data from the Georgia Head Start Association, (2) Georgia's Pre-K administrative data from DECAL, (3) STABLE 1 February 2020 enrollment grant survey data, and (4) American Community Survey July population estimates

Note: All attendance in 2019 is assumed to be in-person, physical attendance. For 2020, the "PA or financial support" figures include both children in physical attendance and those for whom the provider is receiving financial support, regardless of whether the child attends or not.

Note that the number of children served does not represent the demand for early care and education. The number of children enrolled potentially underestimates the demand for care because some families may have preferred to enroll their children but did not for various reasons. Additionally, because the estimated enrollment excludes informal and other unreported care and only includes licensed or regulated programs, this analysis underestimates the number of Georgia's young children receiving early care and education.

GROSS RECEIPTS OF GEORGIA'S EARLY CARE AND EDUCATION INDUSTRY, 2019 VERSUS 2020

The short-term direct economic impact of Georgia's early care and education industry can be estimated using annual gross receipts. Gross receipts quantify the resources going through the ECE industry and is a measure commonly used in economic impact studies done in other states to measure the size of the ECE industry and its total economic impact. The analysis in Chapter 1 showed that prior to the pandemic in 2019, the gross receipts of the ECE industry in Georgia were approximately \$2.56 billion. Gross receipts for 2020 are difficult to estimate due to the pandemic, which caused variation in parent fees collected. Consequently, a range is reported, with the true amount likely falling somewhere between the two. Gross receipts declined in 2020, dropping to within the \$2.21–\$2.52 billion range, a decrease of 1.6% to 13.7%.

Chapter 1 details how gross direct economic impact was calculated for 2019. This section repeats those calculations for 2020, highlighting how the pandemic affected the early care and education industry in Georgia. Due to stay-at-home orders, temporary provider closures, fluctuating enrollment and attendance, and DECAL policy changes, some metrics used for the 2019 calculations had to be modified to properly capture gross receipts of the industry in 2020.

Gross receipts represent all revenues received by programs across the state. ECE programs collect monies from various sources and spend those dollars in turn on their employees' wages, transportation for their students, supplies, and other goods and services. Because gross receipts are nearly equivalent to the industry's aggregate expenditures,¹⁸ the comparison of gross receipts in 2019 and 2020 is a good metric for estimating the initial economic impact of the pandemic on the industry in Georgia in 2020. Gross receipts can be calculated in numerous ways depending on the data available, but in general they are the sum of parent fees; federal, state, and local payments to programs; and other contributions from companies, philanthropists, or other entities.

State and Federally Subsidized Programs, 2019 and 2020

A variety of state and federal programs provide funds to ECE establishments in Georgia. Because these funds become part of the monies that the programs use to pay wages, purchase supplies, and operate their businesses, they are included in gross receipts and add to the industry's total direct economic impact. As described in Chapter 1, a total of \$1.01 billion in federal and state funding was included in the gross receipts for Georgia's ECE industry for CY 2019. In 2020, this amount grew by 24% to \$1.25 billion, primarily attributable to several COVID-19-related sources discussed below. Note that the programs listed below that are not new, pandemic-related programs are described in more detail in Chapter 1.

Georgia's Pre-K Program

Georgia's Pre-K Program is funded by the Georgia Lottery and administered by DECAL. It is open to all eligible 4-year-olds in Georgia and aims to prepare children for kindergarten. In both 2019 and 2020, the program funded slots for roughly 84,000 4-year-olds.¹⁹ Georgia's Pre-K classrooms are located in public schools and private child care learning centers, and many private providers offer care to these students before and after a typical school day for an additional parent fee.

In 2020, all Georgia's Pre-K classrooms, regardless of whether they were housed in a public school or a private ECE facility, shut down when Governor Kemp closed public elementary and secondary schools for the remainder of the 2019–2020 school year from March 18. DECAL continued to make Georgia's Pre-K payments as scheduled throughout that school year, and Pre-K lead and assistant teachers continued to receive their full salary and were not required to work. (See [Chapter 4](#) for more details about how the pandemic affected Georgia's Pre-K Program in 2020.)

For the fall of 2020, DECAL made temporary policy changes to Georgia's Pre-K Program to mitigate the impact of the pandemic. DECAL temporarily stopped calculating funding based on observed attendance and Pre-K enrollment. As of fall 2020, the number of slots funded was at the same level as 2019 but the number of children attending in person or virtually had declined to roughly 64,000, as parents kept their children home due to health or economic concerns. Overall, Georgia's Pre-K funding received by providers in 2020 was approximately \$360 million.

18. The 2016 report found that gross receipts are nearly equivalent to the industry's aggregate expenditures. See Georgia State University Andrew Young School of Policy Studies & University of Georgia Carl Vinson Institute of Government. 2016, June. *Economic Impact of the Early Care and Education Industry in Georgia*. www.dec.ga.gov/documents/attachments/EconImpactReport.pdf.

19. DECAL licensing database Pre-K informational bulletin (84,264 awarded seats in July 2019).

Head Start

Early Head Start and Head Start are federally funded programs regulated by the federal government. As of 2021, approximately 384 Head Start and Early Head Start sites were operating in Georgia, serving about 24,300 children.²⁰ Federal government expenditures in Georgia rose from \$237 million in 2019 to \$262 million in 2020. This 11% increase in spending is likely due to funding from the federal [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), which included \$750 million to bolster Head Start nationwide.²¹ Because Head Start and Early Head Start operate as federally funded and regulated entities, some locations are included in the DECAL licensing database. To the extent they are included in the database, they are grouped within center-based providers.

CAPS Program

The state-run and federally funded CAPS program helps support the ECE industry by subsidizing the tuition expenses of economically disadvantaged families. Typically, CAPS subsidy payments are based on the provider's published base rate, the family's ability to pay, and the provider's Quality Rated rating. The difference between tuition and the CAPS payment is the responsibility of the family. Typical CAPS policy also requires that children attend during a given week for their ECE provider to bill CAPS for care of that child. Because of low attendance and to help stabilize the ECE industry, DECAL stopped basing CAPS payments on current physical attendance but instead allowed providers to bill for any child with an active CAPS scholarship who had been present at least one day since March 1, 2020. This policy change meant that the support families and providers received through CAPS remained fairly consistent between 2019 and 2020. See [Chapter 4](#) for a more detailed explanation of the CAPS program and pandemic-related policy changes implemented in 2020.

Federal Food Programs

DECAL also administers two federal nutrition subsidy programs, the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program. Funding for the combined programs in Georgia declined slightly from \$146 million in 2019 to \$130 million in 2020. The CACFP saw a 22% decline in food reimbursements, which is likely due to lower attendance in early care and education centers during the first nine months of the pandemic. In contrast, the Summer Food Service Program food reimbursements almost doubled, growing from \$15 million in 2019 to \$28 million in 2020. This change is likely due to policy changes that increased the number of food distribution locations that summer. See [Chapter 4](#) for more details about policy changes to these federal nutrition programs.

Federal CARES Act Funding: STABLE Payments, PPP Loans, and Supplemental CAPS Funding

As the scope of the COVID-19 public health emergency began to become apparent in March 2020, federal and state governments recognized the vital importance of the early care and education industry and the considerable impact that the pandemic would likely have on providers. The federal CARES Act passed on March 27, 2020, and provided DECAL with \$144,539,371 in supplemental funding allocations as part of the Child Care and Development Fund, which provides block grants to states for funding early care and education. DECAL used this funding to establish and administer the Short-Term Assistance Benefit for Licensed Entities (STABLE) program to respond to the urgent need to stabilize the

20. Some Head Start programs share spaces with other early childhood learning programs. Those that are stand-alone centers (n=112) are included in the count of child care learning centers in Table 2.1. Georgia Head Start Association and the Head Start Early Childhood Learning and Knowledge Center: eclkc.ohs.acf.hhs.gov/

21. ChildPlus Software. 2020, March 31. Head Start Finds Stability as CARES Act Is Signed into Law. Retrieved from www.childplus.com/2020/03/31/head-start-finds-stability-as-cares-act-is-signed-into-law/

ECE industry in Georgia by providing temporary financial support to providers in phases. Phase one grants were awarded in May/June of 2020, and phase two grants were awarded during the winter, for total funding of approximately \$92 million in 2020. Ultimately 3,841 ECE programs received STABLE 1 payments, including 2,730 centers and 1,111 family child care homes. STABLE 2 payments were made to 3,659 providers in November/December of 2020, including 2,585 centers and 1,074 family child care homes.²² Note that additional STABLE payments were offered to ECE providers in 2021 and 2022. Those funds are not included in the analyses in this report. See [Chapter 4](#) for additional information about CARES Act funding and STABLE payments.

The CARES Act also established the Paycheck Protection Program (PPP), administered through the US Small Business Administration, to support businesses during the pandemic. This program provided funds that would be forgiven if employment levels were maintained. In Georgia, PPP loans to early care and education providers accounted for an additional \$84.3 million in federal funding.

As part of the CARES Act, in 2020, DECAL also received additional CAPS-related funding that was used for three short-term programs. Approximately \$20 million was allotted for the CAPS Emergency Payment Policy, designed to help providers with enrolled CAPS children who were not attending. An additional \$3 million was devoted to the SOLVE Scholarship Program, which paid for school-aged children to receive supervision at an ECE establishment when they were engaged in virtual school. Finally, another \$3 million was allotted to help essential workers find and pay for early care and education during the pandemic. These programs are described in more detail in Chapter 4.

Table 2.6 State and Federal Funding for the Early Care and Education Industry in Georgia, 2020

Source	2019	2020
Federal CAPS-related funding	\$286M	\$301M
Head Start and Early Head Start	\$237M	\$262M
Georgia's Pre-K Program	\$341M	\$360M
Child and Adult Care Food Program	\$131M	\$102M
Summer Food Service Program	\$15M	\$28M
COVID Response Funding – Total:		\$201M
STABLE phase 1		\$39M
STABLE phase 2		\$53M
Paycheck Protection Program (for NAICS Code 624410)		\$84M
CAPS Emergency Payment Policy		\$20M
SOLVE Scholarship Program		\$3M
Essential Services Workforce Group		\$3M
Total state and federal funding	\$1.01B	\$1.25B

22. Totals based on interview with Woody Dover, enterprise project management director at DECAL, February 3, 2023.

Parent Fees for 2020

The estimation method for calculating parent fees in 2019 could not be used for 2020. Prior to COVID-19, a temporarily closed center was so rare that it did not require consideration when measuring the economic impact of the industry. During 2020, however, many providers closed as they attempted to help stop the spread of the virus and adhere to local or state mandates as well as health and safety recommendations. During spring and summer 2020, some closed providers continued to charge parent fees to keep their businesses open, hoping the closures would be short in duration.²³ Parents continued to pay to hold their spots with the provider.

Open providers also experienced substantial economic hardships. A survey of Georgia providers during March 2020 showed that 25% of respondents were losing income from declining paid enrollment, mostly due to parents' inability to pay.²⁴ That same survey conducted in July 2020 found that 91% of open providers were operating with fewer children and that average paid enrollment was down by 63%. Additionally, 28% of respondents reported having received funding through the Paycheck Protection Program.²⁵ Note that Georgia's Pre-K and CAPS payments from DECAL continued regardless of enrollment and attendance declines as did payments through the federal Head Start and Early Head Start programs.

The experience of Georgia's providers mirrored that of providers across the country. By September 2020, programs nationally reported being under considerable financial stress. Many had increased tuition and taken on debt to stay in operation.²⁶

By December 2020, 32% of survey respondents in a nationwide study indicated that they would not be able to remain open if enrollment did not increase.²⁷ All of these survey results show the difficult financial position that ECE providers, usually small businesses operating on tight budgets, endured in 2020.²⁸ In summary, these providers faced temporary closures, declining enrollments, and increased costs for personal protective equipment and cleaning supplies. At the same time, many collected funds from state and federal emergency support programs.

In Georgia, CARES Act funding was provided to ECE providers through the [STABLE program](#). A survey conducted by the Carl Vinson Institute of Government of the recipients of those funds found that they had similar experiences and stresses. Among respondents representing sites that were temporarily closed, 46% said they needed cleaning supplies, 42% needed personal protective equipment, 42% needed additional funds, and 35% needed additional enrollment to reopen.²⁹

23. National Association for the Education of Young Children (NAEYC). 2020, April 17. *From the Front Lines: The Ongoing Effect of the Pandemic on Child Care*. Retrieved from www.researchconnections.org/childcare/resources/37935?utm_content=buffer88307&utm_medium=social&utm_source=facebook.com&utm_campaign=buffer

24. NAEYC. 2020, March 17. *Child Care in Crisis: Understanding the Effects of the Coronavirus Pandemic*. Retrieved from www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf

25. NAEYC. 2020, July 29. *A State-by-State Look: How Child Care Programs Are Holding On Until Help Comes*. Retrieved from www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_crisis_coronavirus_survey3statebystatedata.pdf

26. NAEYC. 2020, September and October. *Child Care Programs Are Being Forced to Raise Tuition or Close for Good*. Retrieved from www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_familiespaytheprice.pdf

27. NAEYC. 2020, December. *State Data: Child Care Providers are Sacrificing to Stay Open and Waiting for Relief*. Retrieved from www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_crisis_coronavirus_december_survey_data.pdf

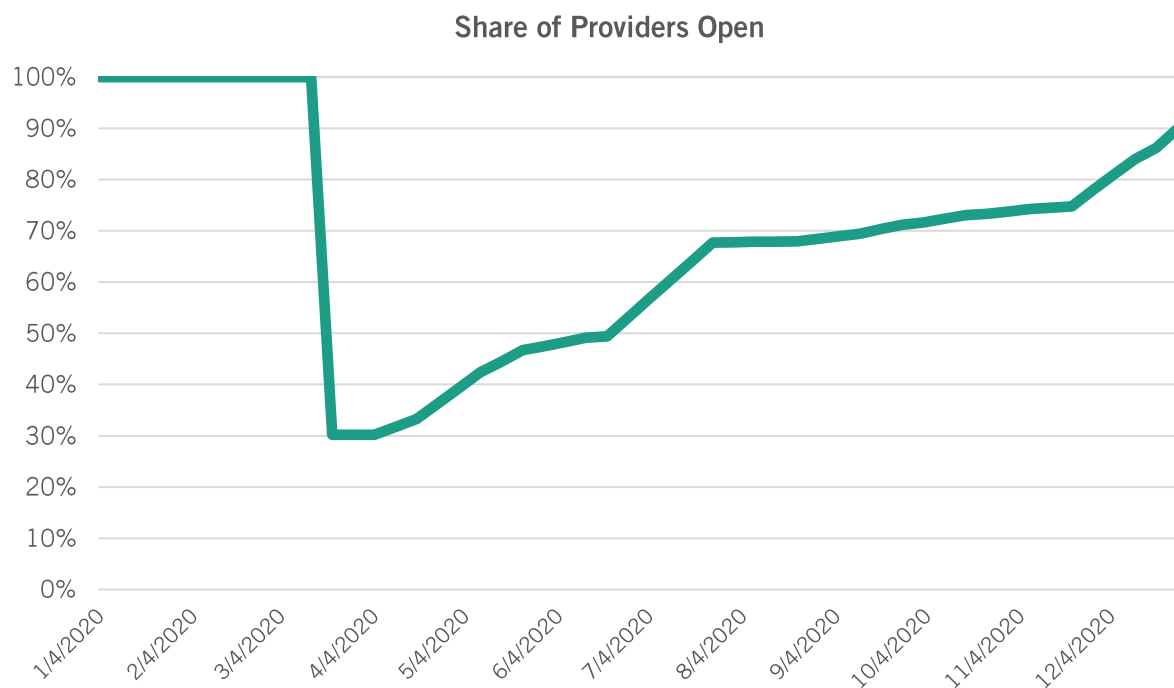
28. US Chamber of Commerce Foundation. 2020, September. *Childcare: An Essential Industry for Economic Recovery*. Retrieved from www.uschamberfoundation.org/article/childcare-essential-industry-economic-recovery

29. Carl Vinson Institute of Government. 2020, October 27. *Short-Term Assistance Benefit for Licensed Entities (STABLE) Child Care Survey*. Retrieved from www.dec.state.ga.us/documents/attachments/STABLE_Survey_Report.pdf

Figure 2.1 shows estimates of the decline in the share of Georgia’s early education providers that were open for face-to-face instruction during each week of 2020, generated from multiple data sources. First, DECAL kept an up-to-date listing of the open-closed status of providers on its website throughout 2020 for parents. The research team collected these data for individual days during 2020 using the Wayback Machine internet archive and formed them into a smoothed trend line. Second, data from DECAL on the number of open providers by month receiving CAPS subsidies revealed similar shares during each month of 2020. Together, these data show that private providers, regardless of their receipt of CAPS, were mostly closed in April 2020 and slowly reopened throughout the remainder of 2020.

Figure 2.1 shows the share of providers in Georgia that were open each month of 2020. As expected, no ECE providers were closed in the first quarter of 2020. In mid-March and early April, however, the dramatic effects of the pandemic become evident, as the share of open providers dropped dramatically to about 30% in early April. Over the ensuing months, as protocols were put in place for ensuring the health and safety of children and teachers and as restrictions on the number of people allowed per classroom were lifted, the share of open centers slowly increased. By the end of 2020, about 90% of centers were open for face-to-face instruction.

Figure 2.1. Share of Providers in Georgia Open for In-Person Instruction, 2020



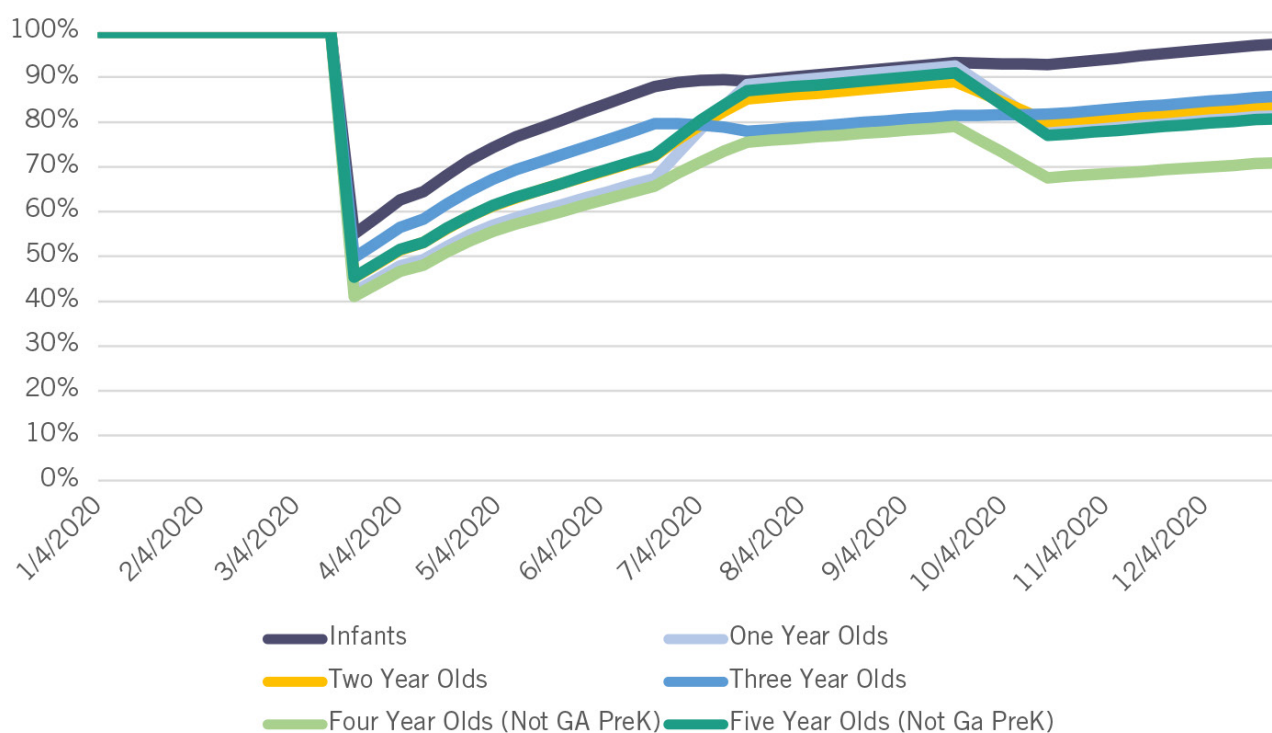
Note: Georgia’s Pre-K classrooms not included

For centers that remained open, the traditional method of estimating parent fees needed to be adjusted. According to survey data from the summer of 2020, 70% of open providers said their enrollment was down by more than 50% year over year. Survey evidence suggests that families kept their children home for economic and health concerns, resulting in declines in physical attendance.

One data source for estimating physical attendance is the observations made by DECAL representatives during licensing and monitoring visits. Note that throughout 2020, DECAL continued to conduct in-person investigations of complaints and incidents. However, from mid-March through the end of 2020 (and later), licensing visits were all conducted virtually. Therefore, physical child counts typically conducted by licensing personnel were not possible. Instead, these counts were supplied by the ECE providers, with some verification through a virtual site visit. See [Chapter 4](#) for more details on how licensing visits were handled during the pandemic.

Figure 2.2 shows the weekly estimated year-over-year change as a share of physical attendance for various age cohorts, based on DECAL monitoring visit data. Note that all cohorts experienced a dramatic drop in March 2020, but the declines were not uniform. For instance, roughly 47% of infants still attended an ECE program, compared to 40% of 4-year-olds. The gaps persisted throughout 2020. By December, some 97% of infants were in physical attendance at ECE centers, but only 70% of 4-year-olds were. It is unclear from the surveys and other data why these differences existed. One possibility is the simple fact that working from home with an infant or toddler who needs constant care is often much more challenging than with a 4-year-old who can be somewhat more self-sufficient. Perhaps future studies with additional data will help to explain these differences in physical attendance.

Figure 2.2. Share of Expected Physical Attendance by Week and Age, January–December 2020



Note: Georgia's Pre-K Program data not included

National survey data from the National Association for the Education of Young Children (NAEYC) suggests that some providers continued to charge tuition for nonattending children and families, but the share of Georgia's families that continued to pay tuition during the 2020 closures is unknown. Due to

this uncertainty, the research team estimated a paying attendance range to capture the share of those nonattending but paying students, which varied during the different months of 2020.

The research team estimated two scenarios that by design are attempting to bound the likely values of 2020 parent fees, with the true number likely falling somewhere in between these two extremes. Some parents were likely to have continued paying their ECE provider even if their children were not attending and even if the facility was closed to reserve their spots in the program. Initially, most people thought that the pandemic and associated lockdowns and closures would be short-lived. Thus, parents, thinking that life would soon return to normal, were more likely early in the pandemic to continue to pay for a spot in a closed provider or in an open provider when their child was not attending. These shares likely dropped throughout the year as the impact of the pandemic became clearer to parents.

Thus, for the high estimate of parent fee collection, the research team assumed that 85% of nonattending private enrollment was still generating parent fees in the third and fourth weeks of March. This share tapers off as more providers resumed operations and parents began to fully understand the scope of the pandemic during the fall and early winter, with a final value in December 2020 of 10%.

For the low estimate of parent fee collection, it is assumed that no nonattending private enrollment generated parent fees during 2020. Thus, the lower estimate only includes those fees associated with a child's physical presence at a center.

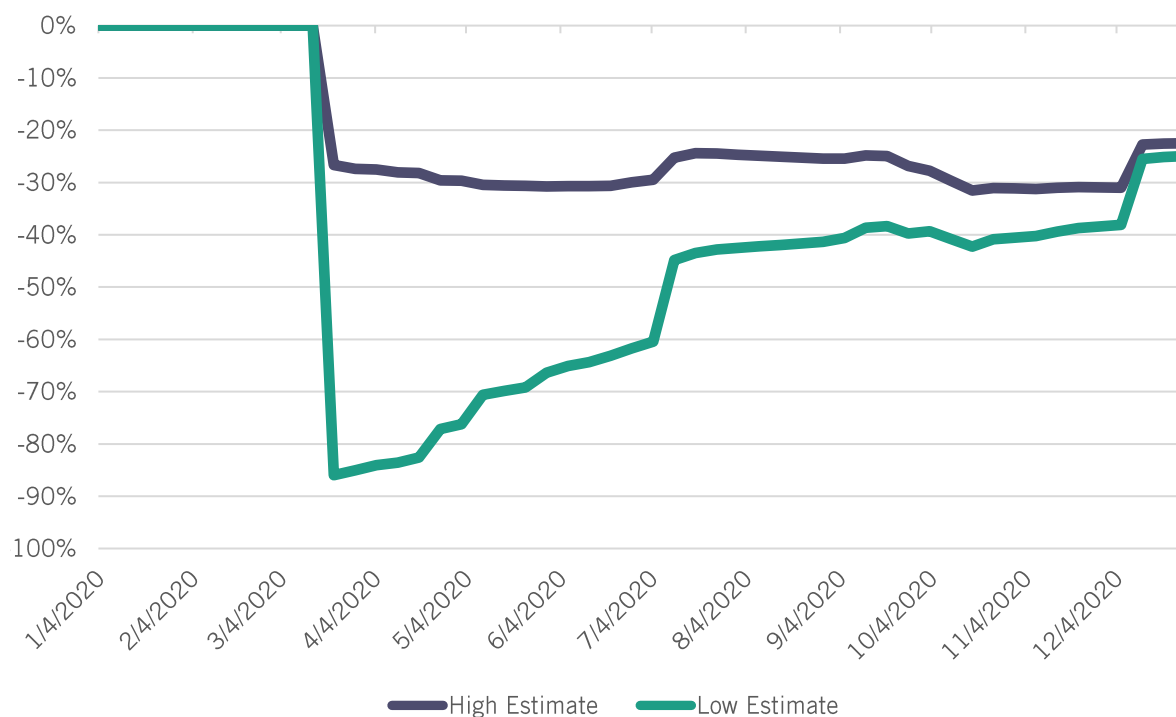
The data displayed in Figures 2.1 and 2.2 are used to adjust the elements in the parent fee equation used for 2019, shown below:

$$\text{Number of programs by age group} \times \text{Average enrollment by age group} \times \\ \text{Average weekly tuition rate} \times \text{Weeks in care}$$

Due to the weekly changes in estimated attendance, the method used in the 2019 parent fee method is revised as follows for 2020: The number of programs by age group is adjusted by the weekly values shown in Figure 2.1, and the average enrollment by age group is adjusted by the weekly values shown in Figure 2.2. The average weekly tuition rate is determined by data in KOALA and the Market Rate Survey. Note that the final term, "weeks in care," is determined using the amounts in Figures 2.1 and 2.2.

Figure 2.3 shows the results of these calculations, reflecting the high and low ranges used for estimating the year-over-year change in parent fees between 2019 and 2020. The high estimate of parent fee collections drops by a maximum of approximately 30% in the early months of the pandemic. Under the low estimate, which assumes that all closed providers collected no parent fees, collections drop by 85% in the first weeks of the pandemic and remain off by over 50% well into July 2020. By fall 2020, the two estimates converge considerably, with the low estimate showing a decline of 10 percentage points more than the high estimate. By the end of 2020, the estimates essentially converge.

Figure 2.3. Estimate of 2020 Year-Over-Year Changes in Parent Fees by Week



Based on these calculations, the total amount of parent fees collected in 2020 (including parent fees after CAPS subsidies) was between \$962 million and \$1.27 billion (see Table 2.7).

Table 2.7 Parent Fee Calculation (\$ in millions), 2019 versus 2020

Age Group	Parent Tuition 2019	Parent Tuition 2020: Low	Parent Tuition 2020: High
Infants (0–12 months)	\$118	\$87	\$113
Toddlers (13–35 months)	\$413	\$253	\$335
Preschool (36–47 months) & 4-year-olds (not GA Pre-K)	\$467	\$287	\$380
GA Pre-K – before and after ¹	\$84	\$52	\$62
School-age (5 years+)	\$209	\$140	\$192
School-age summer	\$67	\$20	\$29
Parent fee after CAPS subsidy ²	\$157	\$93	\$123
Registration fees	\$31	\$30	\$32
Total parent fees	\$1,546	\$962	\$1,265

Sources: Calculations based on DECAL licensing data from 2019 and 2020 for the number of providers operating. KOALA data were used to estimate the number of providers serving different age groups. Enrollment data from STABLE 1 and STABLE 2 applications were used to estimate average enrollment. The 2021 Georgia Market Rate Survey was used to estimate average weekly prices and verify average enrollment figures.

Note: Summer and school-age care includes fees for school-age private enrollment. Average enrollment represents average enrollment per center that provides service, not per classroom. Totals may not sum exactly due to rounding.

It is possible that some self-reported survey data may suffer from providers' incentives to overstate the degree of declines in attendance to qualify for relief funding. As a check on the timing and attendance estimates, the research team used data from SafeGraph, a firm that collects and distributes de-identified cell phone GPS location data. The research team used cell phone GPS location data at Georgia ECE providers to measure the traffic at center-based providers during 2019 and 2020. These outside data established the economic traffic physically present at Georgia's center-based providers during 2020. Patterns based on cell phone data were similar to those presented above, corroborating that people stayed away from providers during spring and summer 2020 and slowly started to return during fall and winter 2020.

TOTAL GROSS RECEIPTS

Table 2.8 pulls together all the analysis from this chapter and Chapter 1 to present a breakdown of total gross receipts for ECE programs in 2019 and 2020. Annual total gross receipts for the ECE industry in Georgia are estimated at \$2.56 billion for 2019. Parent fees represented approximately 60% of gross receipts (\$1.55 billion) for the year. In 2020, the pandemic made gross receipts more difficult to estimate due to variation in parent fees collected. Gross receipts declined by an estimated 1.6% to 13.7%, for an industry total of \$2.21 to \$2.52 billion. This decrease was driven by the change in parent fees, which declined to an estimated \$0.96 billion to \$1.27 billion—a year-over-year drop of 18.1% to 38.1%. This decline in parent fees was offset by additional federal and state support, which increased by 23.8% to \$1.25 billion.

Table 2.8. Gross Receipts for the Early Care and Education Industry in Georgia, CYs 2019 and 2020

Source	2019	2020	Percent Change
Federal CAPS-related funding	\$286M	\$301M	5.2%
Head Start and Early Head Start	\$237M	\$262M	10.5%
Georgia's Pre-K Program	\$341M	\$360M	5.5%
Child and Adult Care Food Program	\$131M	\$102M	-22.1%
Summer Food Service Program	\$15M	\$28M	86.7%
COVID response funding – total:		\$201M	
STABLE phase 1		\$39M	
STABLE phase 2		\$53M	
Paycheck Protection Program (for NAICS Code 624410)		\$84M	
CAPS Emergency Payment Policy		\$20M	
SOLVE Scholarship Program		\$3M	
Essential Services Workforce		\$3M	
Total state and federal funding	\$1.01B	\$1.25B	23.8%
Total parent fees	\$1.55B	\$0.96B (low) \$1.27B (high)	-38.1% low -18.1% high
Annual gross receipts	\$2.56B	\$2.21B (low) \$2.52B (high)	-13.7% low -1.6% high

Note that in prior analyses of the child care industry in Georgia, a component of the gross receipts calculation has been donations coming from the nonprofit and private sectors in the form of cash or other contributions. For two primary reasons, these funds are not included in the analyses in this report. First, these types of donations tend to be a small share of total gross receipts. In 2016 in Georgia, they amounted to less than 1% of the total. Second, the data come from IRS 990 tax returns, and only a small fraction of these returns were available for 2020 as of this writing. Thus, any estimate would likely be incomplete.

CONCLUSION

This chapter offers a first estimate of how the pandemic affected the early care and education industry in Georgia during the first nine months of the parallel economic and public health crises. The analysis shows a dramatic drop in the number of open child care providers in March 2020; numbers rose steadily throughout the summer and fall. By December 2020, roughly 90% of providers were open for in-person instruction. Attendance followed a similar pattern, though younger children returned to in-person care first, with 4- and 5-year-olds lagging.

On the fiscal side, parent fee collections generally followed attendance patterns, with fees collected dropping dramatically in March and slowly increasing throughout the year. Whereas parent fees represented approximately 60% of gross receipts in the ECE industry in 2019, this percentage dropped to 40% in 2020. Instead, federal and state funding, which had formerly represented roughly 40% of gross receipts, filled this gap, accounting for 60% of gross receipts in 2020. These results provide a first indication that the infusion of federal dollars from the CARES Act and DECAL's rapid deployment of those funds through STABLE payments was successful in stabilizing the industry during an unprecedented time.



CHAPTER 3

The Early Care and Education Workforce, 2019 versus 2020

The ECE industry directly employs more than 70,000 people in Georgia. Positions in this industry include lead teachers, assistant teachers, other teaching staff, administrators/directors, assistant directors, specialists, clerical staff, and support staff such as bus drivers and cooks/nutritionists. The largest segment of this workforce is employed full time at child care learning centers.

This chapter presents an overview of the ECE workforce in 2019 and initial, broad estimates of how the pandemic impacted this workforce in 2020. Due to the data at hand, these estimates are rough and are intended to provide insight into general trends. DECAL initiated several new programs to strengthen the ECE workforce in 2021 and 2022, outside the scope of this report. Future phases of this research will delve more deeply into the pandemic's effects on the ECE workforce as well as how federal and state programs used pandemic funding to support these workers.

THE ECE WORKFORCE IN 2019

In 2019, just before the pandemic began to spread around the world, the ECE industry in Georgia employed more than 71,500 workers. Table 3.1 shows 2019 employment by type of early care and education establishment. Jobs in the ECE industry are clearly concentrated in two provider types: child care learning centers and local school systems. Centers account for 82% of estimated full-time employment and 60% of part-time employment, while local school systems account for 9% of full-time employment and 38% of part-time employment. Note that despite having an estimated 1,475 locations, family child care learning homes do not have many employees, representing just 3% of all full-time employment and 2% of all part-time employment.

Table 3.1. Georgia Child Care Industry Employment, 2019

Provider Type	Count of Centers: 2019	Share All Full-Time Employment	Total Full- Plus Part-Time Employment
Center-based locations	3,222	82%	61,816
Family child care homes	1,475	3%	1,918
Local school systems	815	9%	7,865
Total	5,512		71,599

Source: Counts are based on 2019 licensing data. Average employment is based on the 2021 Market Rate Survey, adjusted and validated by 2019 Georgia Department of Labor data.

The number of providers in Table 3.1 is based on monthly DECAL licensing data for CY 2019 (see [Table 1.1](#)). Average full- and part-time employment are based on two primary data sources. First, providers received a Market Rate Survey from Care Solutions during 2021 in which they were asked to indicate the *usual* number of full- and part-time employees they have during *typical* operations. Because neither 2020 nor 2021 were “usual” or “typical,” these numbers are broadly representative of 2019. Second, employer-level Georgia Department of Labor (DOL) data on 2019 wages and employment were probabilistically matched to the Georgia Market Rate Survey and used to validate the responses. The employment responses in this matched data set were then adjusted to better represent 2019 values and then used to construct the average employment for each of the three types of providers.

According to DOL data, the average annual salary for a worker in the ECE industry in 2019 in Georgia was \$20,317. This figure includes both full- and part-time employees.

Data from the Georgia Market Rate Survey indicate that the average hourly wage for assistant teachers in 2019 was \$10.81 and \$13.35 for lead teachers. Many positions can pay higher than \$18 per hour, but the large number of workers earning less brings the average hourly wages down. The average full-time assistant teacher working 40 hours per week and 50 weeks per year would earn \$21,620 annually, and lead teachers would earn \$26,700. These averages align with alternative data from DOL.

Future reports in this series will use economic models to estimate the average wages received by each type of ECE worker in 2019 and over the course of the pandemic.

THE ECE WORKFORCE IN 2020

The COVID-19 pandemic had dramatic impacts on employment and wages in the ECE industry that varied widely throughout 2020. Temporary provider closures, low child attendance rates, lockdown orders, and fears of the virus were likely all factors influencing employment during 2020. In addition, federal legislative responses to the pandemic included enhanced and extended unemployment benefits as well as direct cash payments to US taxpayers (see [Chapter 4](#) for details). These programs could have influenced employees’ decisions about work.

Figure 3.1 plots the employment classified as “Child Day Care Services” (NAICS Code 624410) from January 2019 through the end of 2021.³⁰ This category captures anyone employed at businesses in this sector, including teaching staff, administrators, and support staff. These data undercount the full employment in this industry because the industry classification excludes licensed family-based providers and those classified elsewhere, such as local schools. The employment depicted in Figure 3.1 represents roughly 83% of the full-time employment in the industry, and the trends established here are generally indicative of how 2020 unfolded for this workforce.

30. The North American Industry Classification System (NAICS) is used by federal agencies and others to classify businesses by type so that data for businesses in North America can be presented and analyzed in a uniform manner.

Figure 3.1. Employment in the “Child Day Care Services” Sector (NAICS Code 624410) in Georgia, January 2019 to December 2021



Source: US Department of Labor Data on Employment in NAICS 624410 in Georgia

ECE employment dropped substantially in March 2020, amounting to only 61.7% of employment in February. These data come from the unemployment assistance database and represent employees who were no longer working (for purposes of filing for unemployment insurance). Employment in the ECE sector slowly increased through fall and winter of 2020 but remained 18% below pre-pandemic levels by the end of 2020 and remained below those levels through 2021.³¹ According to data from the US Department of Labor’s quarterly census of wages, the average firm in the ECE industry employed 2.9 fewer workers in 2020 compared to 2019, a decline of almost 20%, and firm average wages were down by \$3,200.

31. It is possible that some ECE workers preferred a casual labor arrangement with their former employer in the later parts of 2020 instead of returning to traditional employment. Maximizing federal government unemployment benefits could be one reason for doing so. The research team used cell phone GPS location data from outside firm SafeGraph to examine traffic at ECE centers in Georgia. The researchers assumed that visits lasting 2+ hours at a facility were likely employees. An analysis of 2-hour+ visits produced a pattern roughly the same as that shown in Figure 3.1.

CONCLUSION

The pandemic had a sharp and lingering impact on employment and wages during 2020. While employment followed the same pattern as enrollment, dropping dramatically in late March of 2020 and slowly improving, it never fully recovered. For instance, by December 2020, employment was still down approximately 18% from pre-pandemic levels and had still not fully recovered by the end of 2021 (which will be explored further in future phases of this research). Wages were also lower, down \$3,200 annually on average from 2019 to 2020.

Due to differing ECE definitions across US Bureau of Labor Statistics data and Georgia Department of Labor data, it is difficult to compare employment across industry sectors. Future phases of this research will include models to illustrate the size of the ECE industry relative to other industry sectors and how the ECE industry responded to COVID-19 compared to other similar industry sectors.



CHAPTER 4

The Unexpected Crisis: Response During the First Nine Months of the COVID-19 Pandemic

In early 2020, a novel coronavirus, COVID-19, began spreading across the United States. Much was still unknown about the virus at the time, and federal and state leaders quickly worked to try to slow its spread and keep the public safe. On March 11, the World Health Organization officially declared COVID-19 a global pandemic. Two days later, on March 13, President Donald Trump declared a national state of emergency.

On March 14, Georgia Governor Brian Kemp encouraged early care and education providers to take steps to keep children and communities safe. Many early care and education facilities closed as cities issued stay-at-home orders and families sheltered in place. These conditions persisted for much of spring and summer 2020 as health professionals, governments, and families dealt with the devastating impact of a global pandemic.

Unlike in other states, the ECE industry in Georgia never shut down completely. State leaders immediately recognized the vital role the industry plays in allowing essential workers, such as health care providers, utility maintenance workers, law enforcement personnel, and frontline food workers, to continue to do their jobs.

Again, unlike in many other states, Georgia has a single agency responsible for meeting the child care and early education needs of the state's children and their families. DECAL administers Georgia's Pre-K Program, licenses center- and home-based child care, administers the federal CAPS program and federal nutrition programs, and manages Quality Rated, the state's early care and education rating system. Consequently, when the pandemic hit, the agency was able to quickly pivot and make several key changes to policies and procedures that helped bolster the industry and keep providers in business at a time when centers and family child care homes across the country were shutting down in droves. In addition, DECAL's centralized nature helped mitigate confusion among families and providers by having a single point of contact and streamlined messaging about policy changes and new guidance.

This chapter presents a detailed account of how the ECE industry in Georgia responded to the constantly evolving situation during the first nine months of the COVID-19 pandemic. The sections that follow chronicle the steps DECAL took to support families, providers, and the industry as a whole during this chaotic and uncertain time. This narrative relies on original documentation, including executive orders issued by Governor Brian Kemp, webinars conducted by DECAL staff in 2020, podcasts featuring DECAL personnel, DECAL guidance given to providers, and open-ended interviews with DECAL staff.

Figure 4.1 shows a timeline of the pandemic in 2020, with key state and federal dates on the left and important DECAL actions on the right.

Figure 4.1. The COVID-19 Pandemic in Georgia, March–December 2020

PANDEMIC-RELATED EVENTS	DECAL-SPECIFIC EVENTS
<p>January 9 WHO announces new mysterious coronavirus in Wuhan, China</p>	
<p>January 21 CDC confirms the first US COVID-19 case Chinese scientist confirms human transmission</p>	
<p>January 30 WHO issues Global Health Emergency</p>	
<p>February 3 US Declares Public Health Emergency</p>	
<p>February 28 Gov. Kemp establishes a Coronavirus Task Force</p>	
<p>March 2 First cases in Georgia confirmed</p>	
<p>March 5 First death in Georgia due to COVID-19</p>	
<p>March 6 Coronavirus Preparedness and Response Supplemental Appropriations Act passes Congress and is signed into law</p>	
<p>March 11 WHO officially labels COVID-19 a pandemic</p>	
<p>March 12 Gov. Kemp directs state agencies to implement teleworking policies and suspend nonessential travel for state employees</p>	
<p>March 13 Pres. Trump declares a national emergency</p>	<p>March 13 DECAL sends all employees home; institutes teleworking for all but a small handful of employees</p>
<p>March 14 Gov. Kemp declares a public health state of emergency; Supreme Court of Georgia declares statewide judicial emergency</p>	
<p>March 16 Georgia General Assembly ratifies governor's public health state of emergency Gov. Kemp temporarily closes all public schools and postsecondary schools (March 18–31)</p>	
<p>March 18 Families First Coronavirus Response Act passes Congress and is signed into law</p>	<p>March 17 73% of Georgia's Pre-K classrooms are temporarily closed</p>
	<p>March 18 DECAL holds its first COVID-19 webinar with providers</p>
	<p>April 1 As part of Gov. Kemp's order, Georgia's Pre-K Program shuts down for the rest of the school year</p>
<p>March 24 Gov. Kemp issues executive order banning gatherings of more than 10 people; prohibits field trips</p>	
<p>March 27 CARES Act passes Congress and is signed into law</p>	
<p>April 1 Gov. Kemp issues order for public schools to close for the rest of the school year</p>	

Continued on following page

Figure 4.1. The COVID-19 Pandemic in Georgia, March–December 2020 (Continued)

<div>PANDEMIC-RELATED EVENTS</div>	<div>DECAL-SPECIFIC EVENTS</div>
<div> <div>April 2</div> <div>Gov. Kemp issues shelter-in-place order, eventually extended through April 24</div> </div>	<div> <div>April 3</div> <div>PPP loans begin to be distributed to ECE provider applicants in Georgia</div> </div>
<div> <div>April 23</div> <div>Gov. Kemp issues order allowing some businesses to re-open, including dine-in restaurants, gyms, and nail salons</div> </div>	<div> <div>April 8</div> <div>DECAL temporarily suspends family signatures on CAPS arrival and departure records</div> </div>
<div> <div>April 24</div> <div>Paycheck Protection Program and Health Care Enhancement Act passes Congress and is signed into law</div> </div>	<div> <div>April 29</div> <div>DECAL holds COVID-19 webinar with providers focused on STABLE</div> </div>
<div> <div>May 1</div> <div>Gov. Kemp lifts the shelter-in-place order for most of the state's residents</div> </div>	<div> <div>May 1–May 15</div> <div>Application for first STABLE payment open to all licensed ECE providers</div> </div>
<div> <div>May 28</div> <div>Gov. Kemp issues executive order permitting gatherings of 25 individuals US COVID-19 deaths pass the 100,000 mark</div> </div>	<div> <div>June 4</div> <div>DECAL main office begins phased re-opening</div> </div>
<div> <div>June 10</div> <div>US passes 2 million confirmed cases of COVID-19 to date</div> </div>	<div> <div>June 16</div> <div>DECAL issues updated health and safety guidance for providers</div> </div>
<div> <div>June 11</div> <div>Gov. Kemp issues executive order ending shelter-in-place for most residents over 65 and permits larger gatherings of 50 individuals</div> </div>	<div> <div>August 5</div> <div>DECAL holds COVID-19 webinar for providers focused on new school year</div> </div>
<div> <div>July 1</div> <div>Entertainment venues reopen in Georgia (50-person gathering limit still in place)</div> </div>	<div> <div>November 16–December 2</div> <div>Application for second STABLE payment open to all licensed ECE providers</div> </div>
<div> <div>September 28</div> <div>Global COVID-19 deaths top 1 million</div> </div>	
<div> <div>October 19</div> <div>Number of global cases tops 40 million</div> </div>	
<div> <div>December 11</div> <div>FDA grants emergency use authorization for the Pfizer-BioNTech vaccine for persons 16 and older</div> </div>	
<div> <div>December 14</div> <div>First people in the US and Georgia are vaccinated</div> </div>	
<div> <div>December 18</div> <div>FDA grants emergency use authorization for the Moderna vaccine for persons 18 and older</div> </div>	

OVERVIEW OF THE COVID-19 PANDEMIC IN THE UNITED STATES

The World Health Organization (WHO) first announced the discovery of a mysterious novel coronavirus-related pneumonia in Wuhan, China, on January 9, 2020. At that point, 59 cases had been confirmed. On January 21, the Centers for Disease Control and Prevention (CDC) confirmed the first case of COVID-19 in the US, in Washington state. On that same day, scientists in China announced that the virus could be transmitted from person to person. Over the next six weeks, the virus began to spread steadily around the world. On March 11, the WHO declared COVID-19 a pandemic, and President Donald Trump declared a National Emergency two days later.

After President Trump's declaration, states took immediate action to slow the spread of the virus, instituting stay-at-home orders, requiring businesses to shutter and schools to close, and mandating social distancing and mask requirements. Restaurants and bars closed; hotels and airlines shut down; sporting events and concerts were canceled. As a result of these measures, millions of people were unable to work, causing the unemployment rate to skyrocket. Almost 3.3 million Americans filed for unemployment for the week ending March 21, nearly five times the previous record of 695,000 set in 1982. Whereas unemployment in the US was close to an all-time low of 3.5% just prior to the pandemic in February 2020, that rate peaked in April at 14.7%. Unemployment slowly came down throughout the year as shutdown orders lifted and people began returning to restaurants and other group venues. By December 2020, the US unemployment rate had dropped to 6.7%.

Throughout 2020, the virus spread rapidly across the United States and around the world. Hospitals began to fill up, and temporary emergency medical facilities were erected in cities across the US. As 2020 came to a close, the US had surpassed 20 million confirmed COVID-19 cases and more than 346,000 deaths. Globally, cases topped 83.8 million, with more than 1.8 million deaths. Despite these alarming numbers, the future looked hopeful, as two vaccines were approved by the Food and Drug Administration in mid-December, and the first Americans were vaccinated on December 14.

US Legislative Response in 2020

To address the parallel public health and economic crises caused by the pandemic, the US Congress passed a series of legislative interventions in March and April of 2020. These acts are detailed below.

- **March 6: Coronavirus Preparedness and Response Supplemental Appropriations Act**

At a cost of \$8.3 billion, this act focused on immediate COVID-19 response efforts, including funding for the creation of viral test kits, vaccine and drug development, and aid for state and local health departments.

- **March 18: Families First Coronavirus Response Act**

With a price tag of \$192 billion, the law provided significant aid to individuals and families suffering from the economic effects of COVID-19-related shutdowns, including expanded unemployment benefits and emergency paid sick leave for eligible workers.

In addition, this act established the Pandemic Electronic Benefits Transfer (P-EBT) for children who received free or reduced-price school meals during the 2019–2020 school year but whose public schools were closed. The funds were loaded onto cards that families could use to purchase eligible foods. For the Georgia ECE population, this program was only relevant for children who were enrolled in a Georgia's Pre-K Program based in a public school.

- **March 27: Coronavirus Aid, Relief, and Economic Security (CARES) Act**

The CARES Act was an approximately \$2.2 trillion stimulus bill, the largest stimulus law in US history at that time. The act included a variety of provisions to boost the economy, including one-time cash payments to US taxpayers (up to \$1,200 per adult and \$500 per child based on reported income), generous tax rebates to taxpayers with children, extended unemployment assistance, mortgage and rent relief, assistance for local and state governments, and emergency loans to small businesses. In addition, the act established the Paycheck Protection Program (PPP), a business loan/grant program through the US Small Business Administration designed to help small businesses continue to pay their workers during the pandemic.

- **April 24: Paycheck Protection Program and Health Care Enhancement Act**

When PPP funding from the CARES Act lapsed, Congress passed this \$396 billion bill to continue the program. The act also included additional funding for health care needs.

In Georgia in 2020, more than 590 early care and education businesses received PPP loans, with total funding topping \$84 million.³² This funding was distributed between April 3 and August 8, 2020.

At the end of 2020, a large omnibus bill, the **Consolidated Appropriations Act (2021)**, passed Congress and was signed into law by President Trump on December 27. The bill was massive, combining funding for many government functions, and it also included specific funds for pandemic relief. The bill continued many of the programs first implemented through the CARES Act by adding new phases, new allocations, and new guidance to address issues related to the continuing pandemic needs. None of these funds were expended in 2020.

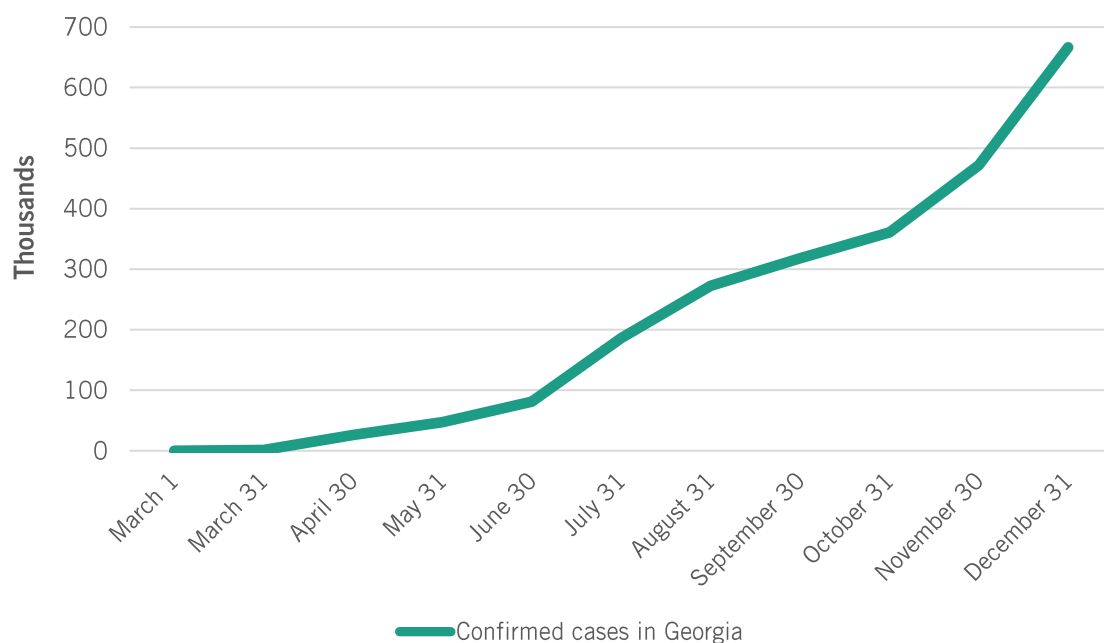
OVERVIEW OF THE PANDEMIC IN GEORGIA

In Georgia, as with everywhere in the world, the pandemic ushered in a joint public health and economic crisis. The first COVID-19 case in the state was confirmed on March 2, 2020. The number of cases grew slowly throughout the spring of 2020 and then began to rise more swiftly in the summer and fall of that year. By the end of 2020, Georgia had a cumulative 666,492 confirmed cases and 10,934 confirmed deaths from COVID-19.³³ Figure 4.2 shows the cumulative progression in the number of confirmed cases throughout 2020.

32. Analysis based on NAICS code 624410 “Child Day Care Services”

33. Johns Hopkins Coronavirus Resource Center

Figure 4.2. Cumulative Number of Confirmed Cases of COVID-19 in Georgia, March 1–December 31, 2020



Source: Johns Hopkins Coronavirus Resource Center

In response to the looming crisis and to try to slow the spread of the virus, on March 14, 2020, Georgia Governor Brian Kemp declared a Public Health State of Emergency.³⁴ This declaration, which was confirmed by the Georgia General Assembly two days later, activated and consolidated in the governor an extensive array of powers. On March 16, Governor Kemp ordered all public schools to close as of March 18. Initially, the closures were temporary but eventually made permanent through the end of the 2019–2020 school year. On March 24, the governor limited gatherings to 10 people and ordered all bars and nightclubs to close.

Although an official stay-at-home order for all Georgia residents and visitors was not issued until April 2, many people across the state began sheltering in place the week of March 14. Many businesses closed, and with public schools closed, parents were unable to go to work. As with the United States as a whole, the unemployment rate in Georgia skyrocketed in the spring of 2020. Figure 4.3 shows that unemployment jumped in the state from 3.5% in January to 12.3% in April 2020. During the week of March 16–20, unemployment claims in Georgia increased by 400%.³⁵

34. For a list of all executive orders and links to each, see 2020 Executive Orders | Governor Brian P. Kemp Office of the Governor (georgia.gov).

35. Kanell, Michael E. 2020, March 19. “Jobless claims soar in Georgia—worse likely coming.” *Atlanta Journal-Constitution*. Retrieved from www.ajc.com/business/jobless-claims-soar-georgia-worse-likely-coming/zTXTHDiTei2HK3SYJGmWL/

Figure 4.3. Unemployment Rate in Georgia, January 2020–January 2021

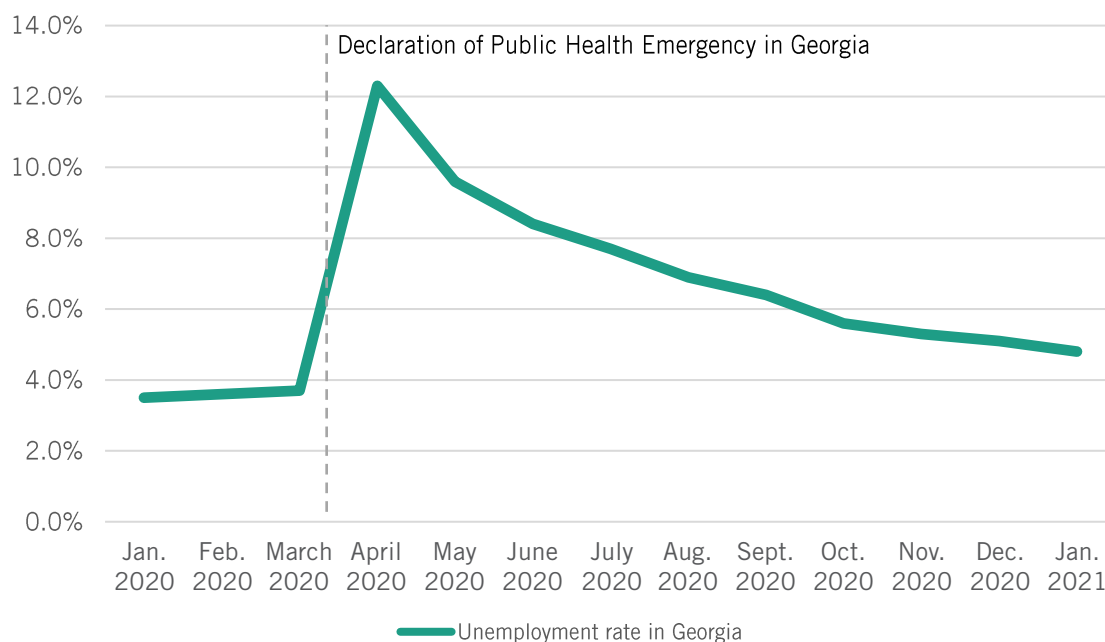


Table 4.1 shows the progression in job losses from February to June 2020 for the US, Georgia, and other states in the Southeast. The table indicates that Georgia’s employment outlook during the early months of the pandemic mirrored that of other states in the region.

Table 4.1. Initial Job Loss Impact Due to the COVID-19 Pandemic, March–June 2020

Area	Employment Feb 2020	Monthly Percent Change				Job Trough	Max Job Loss	% Impact	Pre-pandemic Job Growth Rate: Dec 2018 to Dec 2019
		March 2020	April 2020	May 2020	June 2020				
United States	152,504,000	–1.0%	–13.6%	2.0%	3.4%	130,515,000	–21,991,000	–14.4%	1.3%
Georgia	4,666,400	–0.6%	–12.6%	3.2%	2.6%	4,053,000	–613,400	–13.1%	1.9%
North Carolina	4,620,400	–0.6%	–11.6%	1.8%	3.4%	4,061,900	–558,500	–12.1%	2.0%
Tennessee	3,153,800	–0.5%	–11.5%	2.2%	3.7%	2,774,500	–379,300	–12.0%	1.5%
Florida	9,075,500	–0.8%	–13.4%	3.0%	3.7%	7,793,000	–1,282,500	–14.1%	2.1%
Alabama	2,087,800	–0.4%	–11.3%	2.7%	2.6%	1,843,500	–244,300	–11.7%	1.2%
South Carolina	2,197,800	–0.6%	–13.4%	3.4%	3.6%	1,893,100	–304,700	–13.9%	1.5%

Note: Total nonfarm employment, seasonally adjusted, per the US Bureau of Labor Statistics.

Source: Georgia Center for Opportunity: foropportunity.org/wp-content/uploads/2022/04/Georgia-Job-Recovery-Summary-March-2022.pdf

During the spring and summer of 2020, the governor issued a series of executive orders that extended and revised guidance on sheltering in place, business closures, allowable group sizes, cleaning protocols, and masking requirements. Georgia's shelter-in-place order was in effect from April 2 to April 27, 2020.

Georgia was one of the first states to open up after the initial lockdown. On April 24, the governor issued an executive order titled "Reviving a Healthy Georgia" that broadened permitted business openings and gradually allowed the state to reopen. The order continued limiting group size to 10 individuals but allowed restaurants, gyms, retail businesses, hair and nail salons, movie theaters, and bowling alleys to reopen with social distancing and enhanced cleaning procedures. Bars, swimming pools, performance venues, and amusement parks were ordered to remain closed through May 13. A May 28 executive order increased the group size limit to 25 individuals, and a June 11 order increased it again to 50 individuals.

While the shelter-in-place order was only in effect from April 2 to April 27, limits on group size and social distancing requirements meant that many businesses were unable to run at full capacity throughout the summer and fall of 2020. In addition, supply chain disruptions caused by shutdowns in other parts of the US and the world as well as factory closures due to COVID-19 outbreaks impacted many businesses in the state.

THE PANDEMIC AND THE ECE INDUSTRY IN GEORGIA

For DECAL, the coronavirus response really began on March 12, 2020, with Governor Kemp's directive to state agencies to implement teleworking policies and suspend nonessential travel for state employees. As part of its federal funding, the Georgia Department of Early Care and Learning was required to have a Disaster Preparedness Plan in place. Although it did not specifically address a pandemic, this plan helped structure the immediate response after the emergency declaration. The first step was to send all DECAL staff home to shelter in place. A core group of top-level employees remained at the central office in Atlanta as well as some IT staff to help employees set up remote work stations. The initial push was to enable all employees to work from home, including issuing laptops and ensuring camera and internet access. DECAL had the advantage of already having a large number of remote workers, which helped in the transition to DECAL-wide teleworking.

Early care and education in Georgia never shut down completely as it did in some states. The governor and DECAL knew it was important for essential and frontline workers, including medical staff, police, and food-processing workers, to continue to rely on licensed providers to care for their children while they worked. However, the state's 10-person limit on group size, first established by executive order on March 23 and effective through June 11, impacted early care and education providers and their ability to care for the children on their rosters. (See [Chapter 2](#) for an analysis of the percentage of children served in 2019 versus 2020.) ECE staff were encouraged to work, and the available spots were generally allocated to children whose parents had to physically attend work. This push meant that some parents were unable to access care, though demand was quite low during this time.

The first few weeks of the pandemic were a chaotic and uncertain time. Early care and education providers, seeing a precipitous drop in attendance (see [Table 2.3](#) in Chapter 2), were understandably concerned about how to keep their businesses afloat, pay their workers, and keep themselves, their staff, and the families they served safe. Although child care is largely incompatible with social distancing, the services caregivers provide were necessary for many essential workers to continue their roles. DECAL acted quickly to help stabilize the early care and education industry in the state through a series of funding options and policy changes.

The sections that follow describe how DECAL communicated with ECE stakeholders during the first year of the pandemic; stabilization payments and other programs made possible by CARES Act funding; policy changes made to the CAPS program, federal food programs, and Georgia's Pre-K Program; and guidance and policy changes issued by Child Care Services, the licensing arm of DECAL.

DECAL Communication with the ECE Community

The confusion and uncertainty of the early days of the pandemic in March and April of 2020 cannot be overstated. During this time and throughout the public health emergency, Georgia's distinct policy structure for the ECE industry, with a single agency administering a variety of programs to meet the early care and education needs of the state's children and their families, was an advantage.

During 2020, DECAL utilized several means of communication to ensure all stakeholders—employees, early care and education providers, the ECE workforce, and families—were receiving the most updated, accurate information. Several sources already in place, such as DECAL's extensive website and the DECAL Download podcast, and new resources like webinars proved important means of consistent communication.

New COVID-19 Webpage

DECAL added a "COVID-19" tab on its website that included links to resources about COVID-19, resources for parents who were caring for their children while working from home, and a detailed and extensive list of frequently asked questions (FAQs) and answers geared toward ECE providers. This list was updated daily based on questions from providers that were communicated through their licensing consultants, during webinars, in phone calls, and through emails. As of May 12, the list was more than 70 pages long. It would continue to be updated frequently throughout 2020 and far beyond.

COVID-19 Webinars

In the spring of 2020, DECAL held a series of webinars for early care and education providers during which representatives of the various DECAL-administered programs—CAPS, Georgia's Pre-K, licensing, federal nutrition programs—spoke in turn explaining new guidance and answering FAQs. These webinars were an opportunity for providers to receive information from all relevant programs at once. DECAL Commissioner Amy Jacobs opened each webinar with an overview of resources available, the current COVID-19 situation in Georgia, and updates on policy and funding. Each webinar closed with a long question-and-answer session. Providers could submit questions ahead of time and through the chat feature during the webinars.

The first webinar was held on March 18 and was attended by more than 1,200 providers. Attendance for subsequent webinars throughout the spring, summer, and fall of 2020 was similar. DECAL held a webinar on April 29 devoted to explaining the first STABLE payment; another was held on August 5 to provide information and answer questions about the upcoming school year. All webinars were recorded and publicly available on the DECAL website for later viewing.

DECAL Download

DECAL Download is a nonscripted podcast that began airing in September 2018. It provides updates and information about DECAL and issues surrounding early care and education in Georgia. The primary audience for the podcast was initially DECAL employees. The agency employs close to 800 people throughout the state, and the podcast is an opportunity to communicate new policies, interesting and relevant information, and DECAL news to this dispersed workforce. Each episode is approximately one-hour long and is publicly available. New programs come out roughly weekly, though they can be more or less frequent depending on relevant news and information.

During the pandemic, the DECAL Download audience grew significantly, especially when the topic was related to COVID-19, new policies, or STABLE payments or other pandemic relief policies. The podcast was also an important way for central office staff to communicate with employees in the field and those working from home so that all employees could have the same information and give consistent guidance to providers and families. Episode titles during 2020 included “COVID-19 Impact on Georgia Child Care Programs” (April 8), “Toddler Time at Home” (May 20), and “Child Care: Open for Business” (December 1), among many others.

CARES Act Funding for the ECE Industry in Georgia

As an initial response to the COVID-19 pandemic, Congress passed and President Donald Trump signed into law the federal CARES Act on March 27, 2020. DECAL received \$144,539,371 in supplemental funding allocations from the CARES Act as part of the Child Care and Development Fund (CCDF), which provides block grants to states for funding child care. DECAL used these funds to support the early care and education industry in three primary ways: direct payments to providers, emergency funds to cover CAPS children enrolled in but not attending class, and a new CAPS priority group to support essential workers.

STABLE Payments

The bulk of DECAL’s CARES Act funding was devoted to Short-Term Assistance Benefit for Licensed Entities (STABLE) payments. These direct payments to licensed centers and family child care homes offered a lifeline for struggling providers and ultimately minimized the number of permanent provider closures in the state. A national survey of ECE providers by the National Association for the Education of Young Children found that during the week of March 12–16, 2020, only 30% of those surveyed said they could survive a two-week closure without support.³⁶

In 2020, two rounds of STABLE payments were sent to providers: one in May/June and another in November/December. Additional stabilization payments were made in 2021 and 2022. All licensed early care and education providers in the state were eligible for STABLE 1 and 2 payments.

To prepare for the first round of STABLE payments, DECAL took two important steps. First, it completed a cost estimate for early care and education that was later used to develop the application for funding. Second, the agency determined the best way to get the payments out quickly: to make the stimulus payments a benefit of the provider’s license. Otherwise, DECAL would have had to do a separate agreement with each provider for each payment, which would have taken months. The agreement based on their license cleared all the hurdles the contracts department would have required and allowed DECAL to get the money out as quickly as possible. As a result of this policy, nonlicensed providers did not receive STABLE payments.

STABLE 1: May–June 2020

The application for the first STABLE payment was open May 1–15, 2020, and providers began receiving payments by the end of the month. A total of \$38.5 million in STABLE 1 payments was sent to 3,841 providers, including 2,730 centers and 1,111 family homes.³⁷

36. National Association for the Education of Young Children. 2020, March 17. *Childcare in Crisis: Understanding the Effects of the Coronavirus Pandemic*. Retrieved from www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf

37. Data based on interview with Woody Dover, enterprise project management director at DECAL, February 3, 2023.

Payments were based on three factors: (1) a facility's open/temporarily closed status as of April 27, 2020, as reported in the KOALA system; (2) the number of children who attended the facility at least once in February 2020 (pre-COVID); and (3) children's program status (private attendance, Head Start/Early Head Start, Georgia's Pre-K Program, or CAPS subsidy). Open providers received a one-time payment of \$240 for each child who had been in private attendance in February (meaning the child was not in Head Start/Early Head Start or Georgia's Pre-K Program and they did not receive CAPS funding). This payment amount was based on the cost estimate for care that DECAL had completed earlier and was estimated to cover a week of costs. Temporarily closed providers received \$180 for such children. Due to the availability of other funding streams, STABLE payments were different for children enrolled in state and federal programs. For children receiving CAPS subsidies, the STABLE amounts were \$120 for open providers and \$90 for temporarily closed providers. For children in Georgia's Pre-K, these amounts were \$79 for open providers and \$59 for temporarily closed providers. No STABLE funds were available for Head Start/Early Head Start students because federal stimulus spending addressed them separately.³⁸

In their applications, providers had to explain how they planned to use their funding. Funds could be used to hire and retain staff; purchase classroom supplies, food, or COVID-19 supplies; pay rent; or provide tuition relief to families.³⁹

STABLE 2 Payments: November–December 2020

The application for the second STABLE payment was open November 16–December 2, 2020, and providers began receiving payments by the end of December. A total of \$58.3 million in STABLE 2 payments was sent to 3,659 providers, including 2,585 centers and 1,074 family homes.⁴⁰

Payment criteria for STABLE 2 were similar to those for the first round of funding, but funding was based on the number of children who attended the facility in person at least once during the month of October 2020. Virtual attendance was only eligible for students attending a Georgia's Pre-K class virtually. Because of highly variable attendance numbers and temporary closures due to local COVID-19 outbreaks, DECAL set a minimum amount any licensed provider that filed would receive of \$2,000, regardless of whether the facility had no or extremely low attendance in October. A flat rate of \$240 was allotted for each child in attendance. However, no funding was provided for children that attended Head Start or Early Head Start programs (as these programs received funding from different federal sources), and DECAL set the maximum amount a facility could receive based on licensed capacity. Once DECAL determined how much money was available, these payments were increased by 25% per child.⁴¹

Again, the application asked providers to explain how they planned to use their funding. Funds could be used to hire and retain staff; purchase classroom supplies, food, or COVID-19 supplies; pay rent; or provide tuition relief to families.⁴²

COVID-19 Emergency Payment Policy

A total of \$20 million in CARES Act funding was allotted for payments to ECE providers with CAPS children enrolled in but not attending their programs. Stimulus funds were only used for this program

38. Georgia Department of Early Care and Learning. 2020, May 4. *STABLE Payment Guidance Version 1.3*.

39. www.acf.hhs.gov/sites/default/files/documents/occ/4.1.8e-i-FFY2022.pdf

40. Data based on interview with Woody Dover, enterprise project management director at DECAL, February 3, 2023.

41. DECAL. 2020, November 30. "STABLE Round 2 Application Guidance Version 1.3."

42. www.acf.hhs.gov/sites/default/files/documents/occ/4.1.8e-i-FFY2022.pdf

in 2020.⁴³ This policy allowed providers to bill and receive payment even if children were absent or the provider was temporarily closed.⁴⁴

CAPS Essential Services Workforce Priority Group

On April 1, 2020, DECAL established a temporary priority group, the Essential Services Workforce, to allow the federally funded Childcare and Parent Services (CAPS) program to help certain members of Georgia’s workforce pay for child care during the public health emergency. (See the [next section](#) and the sidebar “[Understanding CAPS Priority Groups](#)” for more information about the federal program and CAPS eligibility.) Eligible families had to have a household income at or below 50% of the state median income (\$38,103 for a family of four in 2020).⁴⁵ DECAL allocated \$2.5 million and 500 slots for the group, offering emergency child care scholarships for three months.⁴⁶ This workforce was divided into two tiers. Tier 1 included medical personnel, law enforcement, pharmacy personnel, and child care personnel; people in this tier could begin applying for scholarships on April 1, 2020. Tier 2 comprised food and grocery personnel and food chain supply personnel; these workers could begin applying on May 1, 2020. As of October 1, 2020, DECAL had reached the maximum funding allocation and stopped accepting applications for this priority group.

Table 4.2 DECAL CARES Act Funding (through CCDF) Expenditures

Spending Category	Amount
STABLE payments	
STABLE 1 (May 2020)	\$38.5 million
STABLE 2 (November–December 2020)	\$53.8 million
STABLE 3 (April 2021)	~\$30 million
COVID Emergency Policy	\$20 million
Essential Services Workforce Priority Group	\$2.5 million
Total CARES Act funding received by DECAL through CCDF	\$144.5 million

Notes: Totals do not sum due to rounding. Not all CARES Act funding was expended in 2020. A third round of STABLE payments was distributed in April 2021 that used the remaining CARES Act funds as well as new federal funding. In 2020, DECAL received an addition \$3.3 million in CARES Act funds for the SOLVE Scholarship Program, which provided 3-month scholarships for school-aged children to engage in virtual learning at an ECE facility when their public school was closed. This funding came through the Governor’s Emergency Education Relief program and was not part of DECAL’s CCDF grant, detailed in this table.

43. [LettertoCAPSProvidersRegardingImproperCOVID-19Billing4.23.2020.pdf](#)

44. [caps.decal.ga.gov/assets/downloads/CAPS_Letter_to_Providers_Payment_Policy_Update_8.21.2020.pdf](#)

45. ARCHIVED 2020 Child Care Tracker · The Hunt Institute ([hunt-institute.org](#))

46. [www.decal.ga.gov/documents/attachments/release_CAPS_Tier2_Begins_05012020.pdf](#)

UNDERSTANDING CAPS PRIORITY GROUPS⁴⁷

The Childcare and Parent Services (CAPS) program uses an eligibility model based on priority groups. To receive CAPS scholarships, new families must be in one of these priority groups. DECAL can widen, narrow, add, or remove priority groups based on available funding. Applications submitted for initial eligibility will be denied if the family does not meet eligibility for a priority group, even if other eligibility requirements are met. On average, statewide, each slot is valued at \$5,500 to \$6,500 annually but may be lower or higher depending on specifics.⁴⁸

As of 2018 CAPS eligibility in Georgia is based on the following priority groups:

- **Child Protective Services (CPS) and court-ordered supervision cases**
- **Children in Georgia Division of Family and Children Services (DFCS) custody**
- **Families experiencing domestic violence**
- **Families of children with disabilities**
- **Families of children enrolled in Georgia's Pre-K Program**
- **Families participating in or transitioning from TANF**
- **Families who have experienced a natural disaster**
- **Families who lack fixed, regular, and adequate housing**
- **Families with very low income as defined by CAPS**
- **Grandparents Raising Grandchildren program participants**
- **Minor parents**
- **Children in need of protection but not formally involved with CPS/DFCS**

In April 2020, DECAL established an additional temporary priority group, the essential services workforce, to help Georgia's essential workers afford child care during the public health emergency. See the [section above](#) for more details about this temporary group. In May 2022, DECAL added "student parents" as an additional priority group.

Changes to the CAPS Program

The state-run and federally funded CAPS program supports early education goals by assisting low-income families with the cost of child care while they work, go to school or attend training, or participate in other work-related activities. The purpose of CAPS is threefold: (1) to provide access to high-quality and affordable early learning environments for low-income families, (2) to support DECAL's efforts at increasing positive school-readiness outcomes, and (3) to assist families in achieving and maintaining self-sufficiency by providing financial supports for early care and education costs.

In 2019 and 2020, CAPS provided child care subsidies to more than 50,000 low-income children per week in Georgia. Families are awarded scholarships for child care that are accepted by thousands of providers across the state. The scholarships cover all or a portion of the cost of care.

47. 07-CAPS_Policy-Priority Groups.pdf (ga.gov)

48. www.dec.al.ga.gov/documents/attachments/release_CAPS_Tier2_Begins_05012020.pdf

In the spring of 2020, DECAL made a series of policy changes related to CAPS in response to the pandemic. To understand these policy changes, one must first understand the CAPS funding model, which is composed of three main cost factors: a base rate, a family fee, and Quality Rated tiered reimbursement.

- **Base Rate:** The base rate is the lesser amount between an ECE provider's published rate and the state maximum reimbursement rate. The state maximum reimbursement rate is based on the location where care is provided, the type of ECE provider selected by the family, the age of the child, and the type of care being provided (full time, part time).
- **Family Fee:** Each family is responsible for paying a fee on a weekly basis directly to the ECE provider. The assessed fee is based on family size and income for all children in care. The family fee is waived for some populations. In addition, some providers require families to pay the rate differential between their published rate and the state maximum reimbursement rate.
- **Quality Rated Tiered Reimbursement:** Quality Rated is Georgia's systematic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Quality Rated assigns a quality rating to programs that meet a set of defined program standards. In 2020, programs participating in CAPS that were Quality Rated were eligible for increased reimbursement rates above and beyond what they would have normally received. Throughout 2020, one-star programs received a 10% quality bonus, two-star programs received a 20% quality bonus, and three-star programs received a 40% quality bonus.⁴⁹

The subsections that follow describe the policy changes made to CAPS in 2020.

Emergency CAPS Payment Policies Waiver

One of the most influential policy changes DECAL made was to reimburse providers based on CAPS enrollment rather than attendance. Typically, if a child shows up for care, the provider bills and DECAL pays. For the provider to receive the weekly payment, children only have to attend class once in the service week, and DECAL allows for a two-week absence during which the provider can continue to bill for that child. During the pandemic, this attendance policy was revised. Starting on March 16 and continuing throughout 2020, a provider could continue to bill for any child with an active scholarship who had received care at least once since March 1, 2020. This waiver applied to both open and temporarily closed providers. When billing for absent children, or billing for a service week when the center was closed, providers were told to only bill on one scholarship per child using the scholarship with the highest payment rate (e.g., full time as opposed to before/afterschool care).⁵⁰ Providers were required to continue to maintain accurate attendance records.⁵¹

This payment policy waiver helped providers continue to operate and to pay teachers in the event of a closure. In the spring and summer of 2020, to stay afloat, some providers continued to require parents to pay the parent fee portion of their child's tuition to hold their spot, even if the child did not physically attend or even when the provider was closed; others waived these fees. DECAL asked (but did not require) that providers pass along some of the emergency CAPS benefit to families by reducing or eliminating family fees during periods of closure or absence.

49. Note that these percentages increased to 25% for one-star programs, 35% for two-star programs, and 55% for three-star programs in November 2021.

50. Some children receive multiple types of care during the same service week (e.g., part-time scholarship and before- and afterschool care scholarship).

51. CAPS_Emergency_Policy_Memorandum_5.20.2020.pdf (ga.gov)

Emergency CAPS State-Approved Activity Policies Waiver

Typically, most parents eligible for CAPS scholarships are required to engage in a state-approved activity—employment, education, or job search—for at least 24 hours per week to receive the funding. This activity is verified through pay stubs or a letter from an employer or educational institution. On March 16, this policy was altered. Families who experienced a permanent loss of employment or who could not attend an education/training program for COVID-19-related reasons could continue receiving CAPS funding at the current level through the end of their certification period. Families did not need to report this permanent loss in activity. When their certification period was ending, they had to apply for a renewal. The lack of an activity did not impact eligibility if the family provided documentation of COVID-19-related job loss or hours reductions.⁵²

Temporary Suspension of Family Signatures on CAPS Arrival and Departure Records

Typically, parents are required to sign children in and out of ECE facilities each day. Providers are required to maintain these arrival and departure records, which are used as evidence that the facility is providing care for CAPS-subsidized children.

From April 8 and continuing throughout 2020, to help slow the spread of COVID-19, parents and other authorized representatives were not required to physically or electronically sign arrival and departure records. However, providers were required to maintain attendance records that included each child's arrival and departure times and the name of the parent or authorized representative who dropped off or picked up the child each day.⁵³

Temporary Layered Funding Policy Waiver

Typically, providers cannot bill for both CAPS and another state or federal program for the same child during the same service period. From April 8 to September 13, 2020, CAPS temporarily allowed layered funding. A provider could bill for a child with an active CAPS scholarship even when another federal or state program, such as Head Start or Georgia's Pre-K, had paid for the child's care for the same service period. This authorization applied to open and closed providers.^{54,55}

Additional CAPS Policy Changes

The following additional CAPS policy changes were enacted in 2020:

- CAPS temporarily suspended the processing of all provider rate changes from March 16 to June 5, 2020, except in limited situations.⁵⁶
- DECAL established the \$2.5 million CAPS Essential Services Workforce Priority Group (see the CARES Act funding [section above](#) for more details). DECAL reached the maximum funding allocation for this program by October 1, 2020, and stopped accepting applications for this group.

52. CAPS_Emergency_Policy_Memorandum_5.20.2020.pdf (ga.gov)

53. CAPS_Emergency_Policy_Memorandum_5.20.2020.pdf (ga.gov)

54. faqscoronaexternal11-5 (ga.gov)

55. caps.dec.al.ga.gov/assets/downloads/CAPS_Letter_to_Providers_Payment_Policy_Update_8.21.2020.pdf

56. CAPS_Emergency_Policy_Memorandum_5.20.2020.pdf (ga.gov)

- Quality Rated is the state’s comprehensive early care and education rating and improvement system. DECAL had set the policy goal that all Quality Rated–eligible providers serving children receiving CAPS subsidies would be required to earn one or more stars in Quality Rated by the end of 2020. Due to the pandemic, DECAL extended this deadline to December 31, 2021.⁵⁷

Georgia’s Pre-K Program

On March 18, 2020, all Georgia’s Pre-K classrooms, regardless of whether they were housed in a public school or a private ECE facility, shut down when Governor Kemp closed public elementary and secondary schools. Although this shutdown was initially intended to be temporary, eventually the schools, and Georgia’s Pre-K, shut down for the remainder of the 2019–2020 school year. DECAL continued to make Georgia’s Pre-K payments as scheduled throughout that school year, and Pre-K lead and assistant teachers continued to receive their full salary and were not required to work.

According to DECAL guidance, if a program had a Georgia’s Pre-K classroom and a parent required continued care for a child on the Pre-K roster, Pre-K funds could be used to pay for that care during the 6.5-hour instructional day, and parents could not be charged for those hours.⁵⁸

In the spring of 2020, DECAL created “Georgia’s Pre-K at Home.” Available on DECAL’s website, this program included daily age-appropriate activities that parents and caregivers could do with their children to keep them learning while Georgia’s Pre-K was closed. Similarly, DECAL added “Toddler Time at Home” to its website that included easy-to-do, age-appropriate activities parents could engage in with their toddler children. These daily activities were all created with the idea of using things that families likely already had in their homes and did not require specific or unusual supplies.

In addition, DECAL supported programs in designing remote support that included not only virtual instruction but also take-home activity packets and materials to use at home. DECAL also provided resources to providers on how offer to high-quality virtual instruction to young children, which included, for example, shorter periods of time online, smaller groups of children, and lots of props. DECAL discouraged digital learning days in which children were logged on all day.

For the fall of 2020, DECAL made temporary policy changes to Georgia’s Pre-K Program to help mitigate the impact of the pandemic. Usually, providers receive 10 payments during a school year, starting in August. The Pre-K formula is designed to pay for 22 children per classroom, and DECAL would typically prorate the monthly payments if there were fewer children in the classroom in a particular month. Because attendance was so erratic that fall due to temporary center closures, COVID-19 outbreaks, and parents’ evolving employment situations, DECAL instead decided to fund classes at the full amount every month throughout the 2020–2021 school year. As of fall 2020, the number of funded slots was at the same level as 2019, approximately 84,000, but attendance, either in person or virtual, had declined to 64,000, as parents kept their children home due to health or economic concerns.

DECAL Licensing Policy Changes in 2020

In Georgia, licensed ECE programs are monitored at least twice a year by DECAL to measure whether they meet over 400 child health and safety requirements.⁵⁹ The licensing arm of DECAL, the Child Care

57. CAPS/QR 2021 Goal – GENERAL Frequently Asked Questions (ga.gov)

58. “FAQs Related to Covid-19/Coronavirus,” revised May 12, 2020.

59. Georgia Early Education Alliance for Ready Students. 2021. *Georgia’s Early Care & Education Landscape*. Retrieved from geears.org/wp-content/uploads/GA-Early-Care-and-Education-Landscape-2021.pdf

Services Division, never shut down completely, and in-person investigations continued throughout the entire public health emergency for serious complaints or incidents. However, other aspects of business as usual changed dramatically.

As discussions of social distancing became ubiquitous, DECAL personnel repeatedly emphasized that one cannot social distance with young children. Instead, caregivers were encouraged to make every effort to not mix groupings of children. Many providers formed small, closed groups of children, sometimes referred to as “pandemic pods.” Family child care homes had an advantage because they essentially already had such small groups.

Not surprisingly, DECAL also required and encouraged a variety of enhanced cleaning procedures for all licensed or regulated early care and education providers. Requirements included removing soft toys that could not be easily cleaned, regularly sanitizing items that are often touched but that would typically not be cleaned daily, and sanitizing items used by multiple groups of children before they were passed on to the next group. Recommendations included prohibiting play using water tables and sensory items such as rice, beans, sand, or playdough; setting up hygiene stations at each entrance to the facility; and ensuring that children’s naptime mats were at least 6 feet apart.

DECAL teamed with the Georgia Department of Public Health to create a public health toolkit for providers that offered a checklist and detailed guidance on practices and procedures to help ensure the safety and health of both the early care and education workforce and children and their families.⁶⁰ In addition, the toolkit included detailed step-by-step instructions on what to do when a child or provider began to show COVID-19 symptoms while at the facility, tested positive, or tested negative but had symptoms.

Throughout the pandemic, DECAL updated licensing requirements and recommendations based on new executive orders, guidance from the CDC and Georgia Department of Public Health, and inquiries from providers. The sections below outline the most consequential of these licensing policy changes.

Virtual Site Visits

Typically, licensing consultants conduct unannounced, onsite inspections of each licensed center and family child care learning home in Georgia twice a year. Two types of regulatory visits are conducted annually: licensing study inspections and monitoring visit inspections. The entire facility and all services provided by the licensee are evaluated during the licensing study inspection, which is conducted during one half of the year. Monitoring visit inspections focus on core rules and any previously cited rule violations noted during the licensing study inspection and are conducted during the opposite half of the year to monitor a program or provider’s progress and compliance.

Due to the pandemic, site visit procedures temporarily changed. First, beginning in March 2020, the annual monitoring visits were suspended for the rest of that year. Second, licensing study inspections continued for open programs that had not yet had such an inspection that year prior to the public health emergency, but these were conducted virtually for the rest of 2020 and into 2021. Because of the cooperation needed for a successful virtual inspection, providers were informed beforehand about the visit. They were required to upload various documents to the KOALA system ahead of time and had to have a webcam available for the visit. The licensing consultant would go through the paperwork, ask relevant questions, and then take a virtual tour via the webcam.

60. DECAL and the Georgia Department of Public Health. 2020, August 12. COVID-19, Guidance for Georgia Child Care Facilities: Interim Guidance. Retrieved from www.dec.al.gov/documents/attachments/covid_guidanceGeorgia_Child-Care_8_12_2020.pdf

DECAL was able to switch to a completely virtual support system in the space of just a few weeks. Though not ideal, these virtual visits allowed for ongoing monitoring and also gave the providers an opportunity to receive one-on-one clarification on current guidance and regulations.

In addition, the Child Care Services Division has technical assistance (TA) units that provide support to licensed early care and education programs. Their goal is to improve the quality of care being provided to children. Technical assistance is a voluntary service and mutual partnership. The TA consultant provides a variety of resources and referrals as well as coaching/mentoring for the staff, customized trainings, action plans for developing goals, and steps to target identified areas needing assistance or improvement. From March 2020 through the end of the year and beyond, TA was conducted virtually. Because of the extraordinary challenges brought by the pandemic, TA was a vital resource for many providers. Though conducting the TA virtually was necessary during the early months of the pandemic, DECAL found that this model was less effective than traditional in-person assistance. By 2023, all TA was once again being conducted in person.⁶¹

Group Size Limits

The statewide limits on group size profoundly impacted the early care and education industry in Georgia in the spring of 2020. A March 23, 2020, executive order limited group size to a maximum of 10 people per room, including both children and caregivers. This number rose to 25 in May and then to 50 in June. During the 10-person-limit period, child care capacity in the state decreased significantly. At the same time, demand also plummeted as parents were laid off, working from home, or dropped out of the workforce due to federal and state subsidies.

School-Age Children Allowed in Centers

Typically, ECE facilities cannot care for school-age children when school is in session (i.e., during school hours, Monday–Friday during the school year). DECAL loosened this rule during the pandemic because so many schools temporarily closed to in-person learning due to COVID-19 outbreaks. In the first few weeks of the pandemic, many public schools were physically closed but engaged in online learning. Some parents turned to ECE providers during this time, particularly parents who had to physically go into work and had elementary school-age children who they did not feel comfortable leaving alone at home.

In the fall of 2020, if a public school was closed, those children were allowed to come to ECE facilities and engage in online learning throughout the school day. This arrangement helped working parents and also provided a vital lifeline for some providers that fall.

The Supporting Onsite Learning for Virtual Education, or SOLVE, Program provided 3-month scholarships for families with students in Georgia public school districts that were offering only (or primarily) virtual learning in the fall of 2020 and into 2021. This program was funded through the CARES Act.⁶² The scholarships supported families with children ages 5–12 by providing for care, supervision, and support during the school day at a licensed ECE provider while the students were engaged in virtual learning. To be eligible for the scholarships, families could not make more than 85% of the state's median income.⁶³

61. What is Technical Assistance within Child Care Services? (ga.gov); interview with Pam Stevens, deputy commissioner for Child Care Services, February 23, 2023.

62. Note that most of DECAL's CARES Act funding came through the CCDF block grant. SOLVE dollars came from the Governor's Emergency Education Relief fund, a different funding stream.

63. www.wtoc.com/2020/08/31/decal-offer-financial-assistance-students-whose-schools-have-opted-virtual-learning/

Approximately \$3.32 million in SOLVE scholarships were awarded in 2020. Additional scholarships were awarded through November 2021.⁶⁴

Transportation Services and Fieldtrips Halted

An executive order issued on March 24, 2020, prohibited fieldtrips for children in any setting in Georgia. This order was in place throughout the spring and summer of 2020.

A June 11 executive order directed that all ECE programs cease transporting children for any purpose other than transporting them between their home, the care facility, and the elementary schools served by the child care program. Providers were strongly encouraged to practice social distancing during transportation and to disinfect vehicles before and after each trip. This order was in effect through August 2020.⁶⁵

Additional Licensing Policy Changes

The licensing arm of DECAL continually updated its guidance for providers and parents throughout 2020 as executive orders were issued and the situation on the ground evolved. Below is a list of additional licensing changes that occurred in 2020.

- Typically, parents have unfettered access to ECE facilities in Georgia. From March through the end of 2020, parent access was restricted to the front entrance only.
- All nonessential visitors were prohibited from entering ECE facilities, including volunteers. This order was in effect from March 2020 into 2021.
- Typically, at least 50% of staff must be certified in CPR and first-aid. That rule was relaxed during 2020. Instead, at least one administrator and one other person present on the premises at all times had to be certified.
- DECAL required screening of all children, staff, and families for fevers and other symptoms before entering facilities.
- Typically, evidence of age-appropriate immunizations is required within 30 days of a child enrolling in DECAL-licensed care. From March through the end of 2020, this rule was relaxed to within 60 days of enrollment.
- From March through the rest of 2020, children were required to eat in classrooms rather than a congregate setting.
- Beginning in March 2020 and continuing through 2022, DECAL temporarily suspended in-person Category 3 and 4 complaint investigations, which are relatively less serious and could include minor lapses in supervision, missing paperwork, not serving all required USDA components during mealtimes, or not providing air-conditioning.
- Throughout the pandemic, DECAL continued to conduct in-person visits to investigate more serious Category 1 and 2 complaints, which could include allegations of molestation, egregious inappropriate discipline, a staff member with an unsatisfactory criminal background check, or a child receiving medical attention for an incident that occurred while in care.

64. Totals based on email correspondence with Rob O'Callaghan, senior research and policy analyst with DECAL, April 13, 2023.

65. 2020 Executive Orders | Governor Brian P. Kemp Office of the Governor (georgia.gov)

- Throughout 2020, DECAL prioritized the processing of new and change-of-ownership applications so providers could begin operations as quickly as possible. Pre-inspection site visits were conducted virtually.

Federal Nutrition Programs

DECAL administers two US Department of Agriculture (USDA) nutrition reimbursement programs, the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP). CACFP provides reimbursements for nutritious meals and snacks to eligible children enrolled at participating ECE facilities, family child care homes, and adult day care centers. CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs.

The Summer Food Service Program provides funding for free and healthy meals in low-income areas during summer months when public school is not in session. In fiscal year 2019 (before the pandemic), nationwide, the program served a total of 142 million meals at a cost of about \$475 million. July is typically the peak month for the program. In 2019, that month the program provided meals to 2.7 million children each day across more than 47,000 sites in the US. In 2020, the pandemic forced schools to limit their operations, which disrupted the provision of meals through two other USDA nutrition programs, the National School Lunch Program and School Breakfast Program. In response to these disruptions and to meet rising food needs during the pandemic, USDA waived restrictions on the location of SFSP sites and when they could operate. These changes resulted in the SFSP being one of the largest child nutrition programs during the pandemic. In July of 2020, the program provided meals to 5.7 million children in the US each day.⁶⁶

To receive subsidies from these two programs, ECE providers must meet several service requirements set by the USDA. Typically, meals must follow set service time requirements, and they must be served onsite in a group setting. On March 20, 2020, the USDA approved a number of nationwide policy waivers to allow flexibility in meal service requirements for both nutrition programs. From March 2020 and into 2021, providers were allowed to distribute meals to a parent or guardian to take home to their eligible children. To limit contact among groups of children, meals began to be served in the classroom rather than in a separate dining facility. Because nonessential visitors were prohibited from entering child care facilities throughout 2020, the USDA waived some in-person monitoring and inspection requirements.

CONCLUSION

The year 2020 was unprecedented in countless ways. The global COVID-19 pandemic issued in a joint public health and economic crisis that affected everyone, everywhere. As case numbers rose and fear of the virus increased, governments issued stay-at-home orders and shut down whole sectors of the economy. Unemployment soared, and parents could not go to work as their children were no longer in school.

In Georgia, many families began to shelter in place in mid-March, causing attendance at early care and education providers to plummet. Because of the vital role ECE plays in allowing doctors, nurses, utility personnel, and other frontline workers to continue to do their jobs, the early care and education industry never shut down completely in Georgia. DECAL acted quickly to give accurate and up-to-date information to families and providers through a variety of outlets, including daily updates to the DECAL website, webinars for providers, and an ongoing list of open providers for families.

66. USDA Economic Research Service. 2022, December 22. Summer Food Service Program. Retrieved from www.ers.usda.gov/topics/food-nutrition-assistance/child-nutrition-programs/summer-food-service-program/

DECAL also made changes to other policies to help keep workers and children and families safe, while easing the burden on ECE providers. Within weeks of the pandemic first hitting Georgia, the licensing arm of DECAL had transitioned to a virtual licensing inspection and technical assistance model. While in-person interactions are optimal, these virtual visits allowed for ongoing monitoring and gave the providers an opportunity to ask one-on-one questions about new guidance and policies. In addition, DECAL teamed with the Georgia Department of Public Health to create cleaning and social distancing guidance as well as a step-by-step checklist for providers to follow in the event of a confirmed or suspected case of COVID-19.

DECAL also acted swiftly to help bolster the ailing ECE industry. More than \$92 million in stabilization payments were put directly in the hands of Georgia's ECE providers in 2020. This funding was supplemented by another \$84 million in PPP payments, which helped keep the ECE workforce on the payrolls. In addition, the federally funded CAPS program and the state's Pre-K Program began temporarily paying for children based on enrollment rather than attendance, which lessened the economic hit providers would have taken due to low attendance.



Conclusion and Next Steps

The spring of 2020 was one of the most turbulent and unpredictable times in modern history, as COVID-19 began spreading around the world and throughout the United States. Leaders imposed lockdowns to try to curb the spread, forcing many businesses to close. Unemployment soared. In Georgia, Governor Brian Kemp encouraged early care and pre-kindergarten providers to take steps to keep children and communities safe. Many early care and education centers closed as cities issued stay-at-home orders and families sheltered in place. These conditions persisted for much of spring and summer 2020 as health professionals, governments, and families dealt with the devastating impacts of a global pandemic.

This analysis shows the strength of Georgia's ECE system in 2019 before the onset of the COVID-19 pandemic. Gross receipts for the industry in 2019 totaled approximately \$2.56 billion, 60% of which came from parent fees (\$1.55 billion) and 40% from federal and state funding. The ECE industry employed about 71,500 people in 2019, with an estimated 72% in full-time positions and average annual wages of approximately \$20,300.

The pandemic had a sharp and dramatic impact on Georgia's ECE industry in the spring of 2020, with roughly 70% of providers being closed in April. Unemployment jumped in the state from 3.5% in January to 12.3% in April 2020. Workers who were able to work from home generally did so for much of the spring and summer of 2020. As a result, enrollment numbers at ECE providers plummeted. Parent fees, which historically make up the largest portion of total revenues in Georgia's ECE industry, dropped significantly. Providers were struggling to stay in business.

State leaders at the Georgia Department of Early Care and Learning knew that if ECE providers closed for good, the rest of the workforce would lack the vital support needed to return to work after pandemic restrictions ended. DECAL acted quickly and effectively, making essential changes to support the early care and education industry in Georgia. Georgia had the advantage of having licensing, the CAPS program, Georgia's Pre-K Program, and Quality Rated all housed under this single state entity. As a result, policy changes and public health guidance were accurately and quickly communicated to providers and families during this chaotic time.

The analyses in this report show that state and federal financial funding was essential to supporting the ECE industry in Georgia. Just a few weeks into the public health emergency, DECAL made the crucial policy decision to fund the CAPS and Georgia's Pre-K programs based on enrollment rather than attendance. This policy change meant that providers with CAPS or Pre-K students had a guaranteed income,

which was a lifeline for many struggling providers. In addition, DECAL's ability to quickly and equitably disburse the CARES Act funds averted a calamitous drop in providers and child care capacity. As a result of these actions, the number of providers remained fairly steady from 2019 to 2020, declining by only 2.4%.

Overall, gross receipts did decline between 2019 and 2020 but only modestly because of a combination of increased federal and state spending. Estimates indicate that in 2020 total gross receipts dropped to \$2.21–\$2.52 billion, a decline of at least 1.6% to as much as 13.7% from 2019. Whereas parent fees represented approximately 60% of gross receipts in the ECE industry in 2019, this percentage dropped to 40% in 2020. Instead, federal and state funding, which had formerly represented roughly 40% of gross receipts, filled this gap, accounting for 60% of gross receipts in 2020. These results provide a first indication that the infusion of federal dollars from the CARES Act and DECAL's rapid deployment of those funds through STABLE payments was successful in stabilizing the industry during an unprecedented time.

Future reports in this research series will delve more deeply into the numbers, using complex economic models to estimate the economic impact of Georgia's early care and education industry in 2019, 2020, and 2021. In addition, future analyses looking at 2021 and 2022 data will give a fuller picture of how the pandemic affected the number of providers in Georgia. Finally, DECAL implemented several initiatives to support ECE teachers and caregivers in 2021 and 2022. These programs will be reviewed in future reports.



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The Andrew Young School of Policy Studies at Georgia State University, in downtown Atlanta at the center of one of the nation's largest government and nonprofit hubs, is internationally recognized for its impact and influence on public policy and management issues that affect local, state and national governments around the world and advance economic opportunity, human rights, and social justice.



The Georgia Department of Early Care and Learning is responsible for meeting the child care and early education needs of Georgia's children and their families. It administers the nationally recognized Georgia's Pre-K Program, licenses child care centers and home-based child care, administers Georgia's Childcare and Parent Services (CAPS) subsidy program and federal nutrition programs, and manages Quality Rated, Georgia's child care quality rating and improvement system. The department also houses the Head Start State Collaboration Office, distributes federal funding to enhance the quality and availability of child care, and works collaboratively with Georgia child care resource and referral agencies and organizations throughout the state to enhance early care and education.