



## Legislation Text

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**File #:** 63974, **Version:** 1

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### **Fiscal Note**

The proposed resolution authorizes the Community Development Division (CDD) to accept \$200,000 from the Madison Metropolitan School District (MMSD) to be administered by the Child Care Unit, and amends the 2021 Adopted Operating Budget to appropriate the \$200,000 for purchased services in Community Support Services-Childcare subservice.

### **Title**

Amending the 2021 Adopted Operating Budget for the Community Development Division-Community Support Services to authorize and accept \$200,000 from the Madison Metropolitan School District to distribute to community-based organizations offering virtual learning support through the School-Age Child Care Stabilization Fund process.

### **Body**

#### Background

The proposed resolution authorizes the Community Development Division (CDD) to accept \$200,000 from the Madison Metropolitan School District (MMSD) to be administered by the Child Care Unit, and amends the 2021 CDD Operating Budget (specifically, to the Child Care subservice within Community Support Services).

Every year, the Child Care Unit makes available \$245,000 in Stabilization Funding to accredited group and family child care programs that serve a high proportion of low-income families to offset the losses these programs take in serving low-income families. This funding process occurs in the spring of each year. In the spring of 2020, this occurred despite the COVID-19 pandemic because many families were still attending child care at the time and child care programs saw unprecedented losses of revenue due to pandemic closures and expenses.

In the fall of 2020, due to the pandemic, MMSD chose to provide school in an all virtual model at the start of the 2020-2021 school year. Many families of elementary-aged children could not maintain work responsibilities and care for their children while they participated in virtual learning. Several community centers, community-based child care and school-age care programs expanded their hours of operation to provide full-time care for school-aged children who needed care during virtual learning. Many families could not afford this unexpected expense and a significant portion of the slots at each site were reserved for low-income families to use. However, with limited resources, the providers of care would have no way to subsidize these slots.

CDD opened second and third Stabilization Funding opportunities for school-age programs serving low-income families as virtual learning continued. Each opportunity provided \$100,000 in funding to 18 school-age care sites in grants ranging from \$1,200 to \$19,000, depending on the size of the program and number of low-income families served. The funding subsidized care for between 200 and 250 children per quarter. The funding was transferred from child care tuition assistance, as well as CDBG-CV funds made available through the CARES Act.

In January 2021, MMSD decided to continue instruction in an all virtual model for the foreseeable future. This decision creates a need for further stabilization funding for elementary school-age care that has been covered by the City of Madison up to this point. Recognizing this need, on January 25, 2021, the MMSD Board of

Education approved the payment of \$100,000 per quarter (\$200,000 total) for the 3rd and 4th quarters of the 2020-2021 school year to the City of Madison to cover the cost of two additional School-Age Stabilization Fund processes.

The processes will be conducted in the early weeks of each school quarter for the 3rd and 4th quarters and funding will be disbursed according to the formula that has been used for the first two quarters, which takes into account the number of students served who are low-income (below 80% of the family Median Income as defined by the US Department of Housing and Urban Development) and the total funding requested.

Action

WHEREAS, child care providers in Madison and across the country incur uncompensated losses such as underpayment, inability to pay balances due and uncollectable fees from current and former low income families; and,

WHEREAS, the City of Madison Community Development Division (CDD) Child Care Unit conducts a stabilization fund process each year to stabilize the child care market and provide funding to cover the losses that accredited child care programs accrue in serving low income families; and,

WHEREAS, the current COVID-19 pandemic has further destabilized the child care market, causing programs to serve fewer students at higher costs to operate; and,

WHEREAS, the Madison Metropolitan School District (MMSD) is currently operating in an all-virtual model of instruction; and,

WHEREAS, many parents cannot both work and care for elementary-aged students who are participating in virtual instruction through MMSD; and,

WHEREAS, MMSD opened 29 buildings to school-age care and community providers to provide child care to elementary-aged students during virtual learning; and,

WHEREAS, several slots at each location were reserved for low-income students; and,

WHEREAS, child care, school-age care and community providers have limited resources to cover the cost of serving low-income students; and,

WHEREAS, the City of Madison CDD Child Care Unit conducted two rounds of School-Age Stabilization Funding in the fall of 2020 to subsidize approximately 200-250 students per quarter who attended full-time school-age care programming in support of virtual learning; and,

WHEREAS, the City of Madison CDD Child Care Unit has the capacity to conduct additional rounds of School-Age Stabilization Funding opportunities but lacks the funding to do so;

NOW, THEREFORE, BE IT RESOLVED, the 2021 Adopted Operating Budget is amended to appropriate \$200,000 from other local government sources in the Community Development Division-Community Support Services purchased services budget; and,

BE IT FURTHER RESOLVED, the Common Council authorizes the Community Development Division to enter into an agreement to accept \$200,000 from the Madison Metropolitan School District to provide School-Age Stabilization Funding to non-profit accredited child care, accredited school-age care or neighborhood center programs that are operating elementary school-age care in support of virtual learning in a full day setting (at least six hours per day) for at least four days per week.