

Maryland child care providers struggling to pay the bills as coronavirus rages on



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BALTIMORE SUN |

APR 21, 2020 | 5:00 AM

Glen Burnie child care center struggles under state mandate to limit daycare to children of essential personnel during the COVID-19 pandemic.

No one gets into the child care business for the money, AliceAnn Loftus likes to say.

Even before the coronavirus interrupted life, most providers functioned on thin profit margins, she said. Now, under the state's order to close most child care centers and limit those remaining to serving the kids of essential employees at no cost, revenue has all but evaporated.

Some Maryland providers have closed their doors, unable to keep pace with accumulating debt. Others, such as Loftus — who owns Bright Beginnings Children's Learning Centers in Glen Burnie and in Crownsville — [wonder how much longer they can pay the bills.](#)

“I pay health insurance for my employees, utilities, internet, heat; and my normal insurance to just operate is very expensive,” she said. “Tuition goes to so much more than the hours a child spends inside of a building.”

While the state's recognition of licensed child care providers as essential employees validates the critical role they play in the economy, some in the

industry feel the state has not given child care providers enough support during this public health crisis. The shutdowns and restrictions threaten to wipe out scores of providers, which could slow any economic recovery as people returning to work struggle to secure child care.

“Attention needs to be paid, right now, to what are we doing to support child care so it’s there for the future,” said Steve Rohde, deputy director of resource and referral services at the Maryland Family Network, a nonprofit advocacy group and social service dedicated to issues affecting childhood development. He said more care and resources, at all levels of government, could have been budgeted toward child care providers’ needs.

There’s been some confusion about child care since the state began responding to the pandemic with restrictions designed to slow the spread of COVID-19, the contagious upper respiratory illness caused by the coronavirus.

The decision to [close child care facilities](#) came in late March, a day after Maryland Gov. Larry Hogan and state schools superintendent Karen Salmon [moved to extend school closings through April 24](#). Initially, Hogan said day care facilities could stay open. The next day, the state reversed course, asking centers to apply for the licensure to remain open for essential workers’ families only.

Some providers said they felt blindsided by the call to close, announced only via a state website and on Twitter rather than at the previous day’s news conference.

“We should have known before general public,” said Kenda Watson, owner of Watson Hall Montessori school in Catonsville, which includes a day care program.

Watson said she learned of the order via emails from concerned parents and had little time to organize a plan before the order went into effect the next day. Watson Hall's day care remained open to serve the children of essential workers and has set up virtual learning for about 15 others, whose parents fund the lessons at a reduced rate, Watson said.

Salmon said last week that about 3,700 day care sites remain open, serving more than 25,000 children of essential personnel. The state received \$45.8 million in federal coronavirus relief funds to support its child care efforts, she said.

The state also is funding child care programs dedicated to serving health care workers and other first responders.

But that's left many providers trying to figure out how to fill gaping holes in their revenue left by parents who did not qualify as essential workers and were forced to take their kids out of child care.

Many have asked the parents of children not currently in their care for either full or partial tuition to subsidize online lessons or to keep their spots on the roster for when the state lifts its stay-at-home and business closing orders. Some providers have asked parents for monetary donations or needed supplies.

The Maryland State Department of Education recommends providers be flexible in terms of honoring contract provisions, but the state has not issued firm guidance on whether providers can charge anything.



Some parents said they wished the state would offer some remedy. Steven Moore, a Rockville dad whose toddler attends an in-home care program, said he feels obligated to keep paying the provider, albeit at a lower rate.

“You develop a friendship with the person, and you don’t want to them be in a bind, financially,” he said. “But it is not a great situation having to pay several hundred dollars a month for nothing.”

Salmon was not made available for comment Monday. In a statement, an education department spokesperson said the department sympathizes with the financial plight in which child care providers may find themselves now.

“These temporary, emergency measures are part of the COVID-19 response to support social distancing and life-saving measures during this extraordinary

time," the spokesperson said. "Child care services will be included as part of a thoughtful plan to begin safely reopening the state in the weeks ahead."

Those tuition dollars, though, are more important than ever now, providers say. Smaller class sizes and reduced cash flow limits how many staff can be paid and shrinks spending ability on supplies such as snacks, personal protective equipment and sanitizers.

Others shut their doors altogether, uncertain of what the future holds. Danielle Lofland, who runs child care centers in Pasadena and Kent Island, said concerns about safety and a diminished income forced her to close her doors. Although providers can submit reimbursement invoices to the state education department every two weeks, some said the money does not cover the ongoing costs, particularly for those used to being paid weekly by parents.

The state is currently reimbursing centers at a rate of \$350 per week for children 6 weeks old to 3 years old and \$250 a week for kids ages 3 to 13 — which can be less than the weekly cost of child care in the most expensive parts of the state.

"We can't afford to follow the process," said Lofland, adding that the education department could have opted to reimburse the families who pay for child care rather than the centers to ensure they stay open week-to-week. "Everything's taking a long time because of the crisis we're in. But nothing's come through yet, and we have to have money reserved to be able to operate again."

Some providers have trimmed staff while maintaining daily virtual lessons for children at home. Anjan Shah, spokesman for Celebree Schools, said teachers have created video-based art activities, writing lessons, and other play ideas for kids and parents to do together.

“Children at this age need consistency. It’s such a tender age,” Shah said. “To be prudent in managing this, we moved very quickly early on to conserve cash as much as possible.”

Experts in childhood development and education said while the state has done its best to juggle a heavy load under unprecedented circumstances, the vulnerabilities surfacing in Maryland’s handling of emergency child care reveal the long-term and ongoing underinvestment in a crucial service.

Maryland Family Network’s Rohde said other governments, such as Vermont’s, have worked to ensure care centers remain functional after the virus abates. Encouraging families to continue paying if they can afford to, Vermont has approved a need-based program for parents whose financial constraints preclude them from honoring their contracts and has committed to helping facilities keep their staffers employed.



Empty Annapolis

Downtown Annapolis had very few people walking around at noon during a weekday. (Paul W. Gillespie/Capital Gazette)

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When providers reopen, they will face not only mounting financial pressures but also the fallout caused by prolonged disruptions in learning and development for the children they serve, Rohde said.

“The parenting parents are doing now may be the best they can do, but it’s going to be difficult after the transition,” he said. “I don’t think we’re ever going to go back to normal. We’re talking about very significant changes in terms of how we think about public spaces and going into groups.”

As for child care providers, they hope to receive more recognition and support from the state for the essential work they do.

“We’re not just grandmas watching children,” said Loftus, who added that providers must “jump through hoops” to earn licenses and achieve accreditation like all other educators. “It’s been a living hell trying to figure out how to stay in business.”