



June 24, 2020

The Honorable Josh Dobson  
300 N. Salisbury St., Room 307B  
Raleigh, NC 27603

The Honorable Donny Lambeth  
300 N. Salisbury St., Room 303  
Raleigh, NC 27603

The Honorable Perrin Jones, M.D.  
300 N. Salisbury St., Room 537  
Raleigh, NC 27603

The Honorable Donna White  
300 N. Salisbury St., Room 306A2  
Raleigh, NC 27603

The Honorable Carla Cunningham  
300 N. Salisbury St., Room 609  
Raleigh, NC 27603

The Honorable Becky Carney  
16 West Jones St., Room 1221  
Raleigh, NC 27601

Dear Co-Chairs of the House Select Committee on COVID-19 – Health Care Working Group,

On behalf of the N.C. Licensed Child Care Association, I am writing with an update on \$118 million in emergency federal CCDBG funding (CARES Act) received by the N.C. Division of Child Development and Early Education (DCDEE) for pandemic child care response and relief in North Carolina. Overall, NCLCCA is very supportive of how the Division used the funding to provide much-needed financial relief for licensed child care programs. We look forward to continuing to work with DCDEE Interim Director Dr. Kristi Snuggs to prevent North Carolina's child care industry from collapsing under the weight of an extended battle against coronavirus and COVID-19.

Bonuses for child care employees working to provide emergency care helped licensed centers trying to stay open keep experienced teachers and staff in the classroom, or bring them back. "Operational grants" distributed to centers to help them cover fixed costs (rent, mortgages, internet, etc.) when their revenue from families has plummeted not only helped sustain centers that otherwise may have closed, but also helped some reopen. NCLCCA had specifically asked the Division for grants to help centers cover fixed costs and the Division was responsive to the industry's most pressing needs.

It is our understanding that the employee bonuses (roughly \$50 million) and operational grants (roughly \$70 million, projected based on a certain percentage of closed centers reopening) emptied the \$118 million federal emergency funding bucket, so to speak. If there are remaining federal funds, however, NCLCCA would urge the Division to invest it similarly to help licensed centers that have survived thus far remain open to preserve access to high-quality licensed programs for families who need it:

- Additional operational grants to cover ongoing fixed costs. (Tuition revenue is still far below where it was pre-pandemic and not expected to recover anytime soon.)
- Funding or grants to cover increased costs resulting from identified or suspected COVID-19 cases in centers and new emergency operating guidelines.
- Extending employee bonuses. (Conditions haven't changed much, but bonuses have expired.)

Thank you for your attention and service, especially during this troubling time.

Respectfully yours,

Kevin Campbell, President

CC: The Honorable Tim Moore, Speaker, N.C. House of Representatives  
Dr. Kristi Snuggs, Interim Director, Division of Child Development and Early Education

We work to ensure a successful future for young children and their families  
by working to ensure the success of those who provide licensed early care and education.