Childcare in the Upper Valley:
Challenges, Successes, and the Way Forward

vital COMMUNITIES
3 out of 5 of Vermont’s youngest children don’t have access to the child care they need.
• Middle-income families with two parents and two young children are spending more than 40% of their income on child care.
The Vermont Department of Labor has projected that between 2012 and 2022, almost 70% of child care worker positions that become available in Vermont will be due to turnover.
• When parents are able to stay in the workforce, they benefit from increased earnings, retirement savings, tax revenue, health insurance and other career compensations.
Thank you to our speakers and partners!

- City of Lebanon
- Couch Family Foundation
- Dartmouth-Hitchcock
- Early Care & Education Association of the Upper Valley
- Kids Count
- Kendal at Hanover
- Randolph Economic Development Council
- Town of Norwich
- Vermont Early Child Advocacy Alliance
Our kids and families need us to do better (especially those who aren’t wealthy)

Rebecca Holcombe
Nov. 17, 2021
Key Findings from Norwich Study

1. Three quarters of families reduced or gave up work to provide care.
2. The shortage of slots is extreme for infants & toddlers.
3. Costs are high (up to $25k /yr for an infant)
4. Providers struggle to find/retain teachers.
   School-based PKs pay more & retain teachers.
   (Norwich has no registered home providers.)

Providers compete for teachers.
Key Findings from Norwich Study

5. Paid leave keeps sick children out of school so others stay healthy.
6. Only a third of the children in Norwich cares are from Norwich - care is **regional**.
7. Programs are somewhat **segregated** by wealth and disability status.
In the US, it is the responsibility of individual families to find and buy child care for their birth to 5 year olds in a market (On their own, markets segregate and discriminate)

Preschool education is norm for families can afford it, widening gaps for children whose families cannot

Thanks to Taryn Morrissey for this figure.
Looking forward...learn from experience

Every policy has both intended and unintended consequences. Consider:

In 2015, when VT:
- tightened regulations for registered providers,
- provided universal vouchers for 10 hours of PK
- made school-based afterschool into regulated childcares

...what would you have predicted would be possible consequences?
What happened to the total number of childcare and PK slots for children between 2015 and 2018?

<table>
<thead>
<tr>
<th>All Providers</th>
<th># Providers</th>
<th>Infant Slots</th>
<th>Toddler Slots</th>
<th>PreK Slots</th>
<th>School Age Slots</th>
<th>Total Slots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun. 2018 Capacity</td>
<td>1,096</td>
<td>3,177</td>
<td>3,397</td>
<td>11,761</td>
<td>3,959</td>
<td>22,294</td>
</tr>
<tr>
<td>Chg from Dec. 2015</td>
<td>(214)</td>
<td>(254)</td>
<td>(258)</td>
<td>(305)</td>
<td>(876)</td>
<td>(1,693)</td>
</tr>
<tr>
<td>% Change</td>
<td>-16.3%</td>
<td>-7.4%</td>
<td>-7.1%</td>
<td>-2.5%</td>
<td>-18.1%</td>
<td>-7.1%</td>
</tr>
</tbody>
</table>

Change in VT regulated provider capacity: Dec. 2015 to June 2018

**Losses**
- Home providers
- Slots for youngest children
- School age programs

**Gains:**
- Infants and toddlers in center-based care (but not enough to offset losses in home providers)

Fewer slots overall, teacher wages still low.

Possible solution: Grants and contracts to providers

Urban Institute: “Contracts can help states address systemic inequities and implement policies that can impact accessibility, availability, and cost of care for families in the subsidy system. A contract-based approach offers an opportunity to provide funds that are targeted to particular goals or toward specific child care providers.”

Can be used to:
- Expand supply for underserved ages
- Create supply during nontraditional work hours
- Increase compensation for providers, which reduces turnover and improves quality
- Ensure stable revenues for a provider

One example: Georgia’s Quality Rated Subsidy Grant Program
(See work of Taryn Morrissey and Simon Workman)

- Child care providers who met certain requirements and applied via a competitive process received higher reimbursement rates
- Required to meet quality standards,
- Required to recruit and serve children eligible for the state’s child care subsidy program
- Required to recruit and serve children too young for PK
- Reimbursed based on enrollment, not attendance

Universal Paid Leave:

- Parental leave reduces demand for scarce, expensive, and hard to staff infant slots
- Is good for family bonding
- With cost of infant care running as high as $25k a year, paid leave is a huge financial boost to young families
- Enables working parents to care for sick children w/out losing pay, so sick children don’t make others sick in child care and school settings
- Addresses current gender and wealth inequity in access to paid leave
Summary recommendations:

1. Use contracts and grants to providers, not parent vouchers, to target policy priorities including quality (e.g. higher wages), needed age slots, or non-traditional hours
2. Universal Paid Leave
3. Make equity a priority, even if in means rethinking how the current market works, in order to address failures of equity.