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DATE: June 29, 2023
TO: Early Learning Washington County
FROM: Andrew Dyke, Melissa Rowe, and Angelica True, ECONorthwest
SUBJECT: Task 3: Childcare Capacity in Washington County

Introduction

Washington County requested ECONorthwest estimate current early childcare and education capacity within the county.[1] This memorandum summarizes findings from Task 3: Current Capacity Analysis and Task 3.1: Childcare Provider Survey, providing a baseline for Washington County as the County considers system expansion options.

While the project as a whole is focused on childcare for children aged 0 to 5, this task attempts to provide as comprehensive an assessment of total childcare capacity in the county as possible, which includes slots available to school-age children.

Overall findings from this analysis include:

- **The majority (51 percent) of Washington County's childcare providers are licensed home-based providers, but most of Washington County's 23,979 slots (66 percent) are supplied by licensed center-based providers.** While less numerous, Washington County's licensed childcare centers are far larger than other types of providers, with an average licensed capacity of 72 slots, compared to an average licensed capacity of 13 slots for a licensed home.
- **Much of Washington County's childcare is provided by centers offering care Mondays through Fridays during traditional working hours.** While licensed centers provide two-thirds of Washington County's licensed childcare capacity, they are less likely to offer care during non-traditional hours, such as on weekends, early mornings, or late evenings, than do home-based providers.
- **Available data indicate that over the last two years, Washington County providers have operated at about 82 percent capacity. A survey administered to Washington County providers indicated that infant and toddler slots were the least utilized type of slot among survey respondents.** Previous research has highlighted a need for additional infant/toddler slots in Washington County and providers surveyed for this study commented on infant/toddler slots being in high demand.[2] However, surveyed

[1] For the purposes of this analysis, childcare and early education programs include prekindergarten programs (Head Start and Early Head Start, Oregon PreK [OPK], and Preschool Promise), relief nurseries, and childcare providers (licensed family homes and licensed centers) for children of any age.

[2] The county is considered a childcare desert for children aged 0–2.
Pratt, Megan. Sektnan, Michaella. "Oregon's Child Care Deserts 2022: Mapping Supply by Age Group and Percentage of Publicly Funded Slots." Oregon State University and Oregon Child Care Research Partnership. May 2023.

providers also reported the greatest number of potential openings among their infant/toddler slots (when comparing enrollment to licensed capacity). At the same time, among providers who reported having a waitlist, 73 percent of waitlisted children were infants/toddlers. These findings may signal issues such as a mismatch between provider offerings and parent needs and/or a lack of advertising opportunities for providers.

- **Most providers who responded to the survey (66 percent) were interested in expanding their businesses but expressed the need for reduced regulatory barriers and increased supports for existing providers.** When asked if they would like to expand their businesses, two-thirds of survey respondents answered in the affirmative. However, providers also highlighted a myriad of challenges and barriers that they face, including burdensome regulatory requirements, challenges around staffing, issues covering operating expenses, and difficulty advertising their businesses to families. Providers also expressed that COVID-19 had damaging and lingering effects on their businesses and the industry as a whole.

Task 3: Childcare Capacity in Washington County

According to ECONorthwest's analysis, Washington County had a total of 23,979 licensed childcare slots and 755 active providers as of the end of 2022 (not limited by age). This count includes slots for license exempt facilities, accounting for 20 percent of the total, but it is not inclusive of all unregulated or unlicensed childcare in the county because not all of these providers are required to report to the state.[3]

Licensed home-based providers are the most common type of childcare provider in the county (51 percent of all providers; see Exhibit 1). However, the majority of slots are provided by licensed centers (66 percent of all slots; see Exhibit 1). Again, while some license exempt providers are included, these data do not provide a comprehensive count of license exempt providers because not all of them are required to report to the state.

On average, about 18 percent of childcare slots were reported to be open between 2020 and 2022 (see

Key Terms

License Exempt Providers: Includes Recorded Programs, such as preschool programs that operate less than four hours a day, and regulated subsidy providers, such as family friends providing care, and other programs with limited hours.

Licensed Providers: Providers that must be licensed through the state include Registered Family Child Care, Certified Family Child Care, and Certified Child Care Centers.

Home-based Provider: Providers that care for children within their homes. Maximum licensed capacity for Registered Family Child Care providers is 10 children and 16 children for Certified Family Child Care.

Center-based Provider: Care provided outside a family home where licensed capacity is determined by floor space and number of staff.

Source: Oregon Department of Education Early Learning Division.

[3] In the FCCO data (described later in this section), all provider types, including license exempt providers, have licensed capacity (licensed slots) assigned. For the purposes of this study, licensed capacity is of most interest (relative to desired capacity), as we are interested in the level of service that is possible given current infrastructure levels.

Exhibit 4), with licensed home providers having a higher share of openings (28 percent) than licensed centers (16 percent).

Data Used in this Analysis and Results of Previous Research

This study attempts to provide as complete a picture of childcare capacity in the county as possible by including available data on all licensed childcare slots in Washington County, including publicly provided slots, subsidized slots, and slots for license exempt providers.

Because no comprehensive data system exists for the childcare system, estimates of childcare supply vary. The Oregon Child Care Research Partnership at Oregon State University publishes biannual reports on both childcare supply and childcare deserts statewide and at the county level.[4] The Partnership has maintained an estimated supply dataset since 1999 to track the state's early care and education supply. In the most recent report, which reports on childcare supply as of March 1, 2020, the authors estimated a total childcare supply of 21,887 slots for children aged 0 to 12 in Washington County.[5]

In a more recent report on childcare deserts that the Partnership published in May 2023, the authors estimate that Washington County had 13,081 regulated childcare slots for children aged 0 to 5 (childcare supply as of December 2022), which represents a 3 percent increase in regulated supply from the Partnership's 2020 report.[6]

ECONorthwest's estimated childcare supply of 23,979 slots in Washington County exceeds Oregon Child Care Research Partnership's 2020 supply estimate. However, we do not restrict our analysis by the age of eligible children. Our analysis of the FCCO data suggests that a sizable proportion of Washington County providers accept older children. For example, 74 percent of Washington County providers accept children aged 6 and older, 47 percent accept children aged 12 and older, and 11 percent accept children aged 13 and up.

Existing research indicates that childcare capacity has expanded statewide and in Washington County since the COVID-19 pandemic, due in large part to public investments in the childcare system.[7]

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[4] Oregon Child Care Research Partnership. "2020 Estimated Supply of Child Care and Early Education Programs in Oregon." Oregon State University. May 2021.

[5] Updated report expected in June 2023. This supply estimate includes all regulated, recorded, and license exempt childcare.

[6] Pratt, Megan. Sektnan, Michaella. *Oregon's Child Care Deserts 2022: Mapping Supply by Age Group and Percentage of Publicly Funded Slots.* Oregon State University and Oregon Child Care Research Partnership. May 2023.

According to the Oregon Child Care Research Partnership, regulated childcare slots include slots in Certified Centers, Certified Family homes, Registered Family homes and Exempt programs that have public slots.

[7] Retrieved from: https://oregonearlylearning.com/public-funding-helped-to-increase-available-child-care-slots-in-oregon/

Fractured data systems and definitional differences lead to variation in estimates of childcare supply. The analysis described in this memo was as inclusive as possible, reporting on available data for license exempt providers, slots available to children of any age (except where noted), and information on publicly available and subsidized slots.

We explored a range of data sources to quantify childcare capacity in the county, including the following:

- **Find Child Care Oregon (FCCO) data** – The FCCO database includes data on all childcare and early education providers that are required to or voluntarily report to the state. It includes information on licensed capacity, ages served, and program information, including hours and specialty care offered.
- **Oregon Department of Human Services Employment-Related Daycare (ODHS ERDC) records** – ECONorthwest requested confidential ERDC data from ODHS to better understand the availability of subsidized childcare in Washington County. ODHS tracks childcare providers registered through ODHS and reports the number of households and children served through ERDC each month.
- **Childcare Provider Survey** – ECONorthwest and the County collaborated to design and administer a survey of childcare providers in Washington County to collect richer data on child enrollment and qualitative data about challenges and barriers providers face and their interest in expansion.
- **Washington County's Early Childhood Education (ECE) Sector Plan Reporting (December 19, 2022)** – The County's 2022 ECE Sector plan was developed in accordance with Oregon's comprehensive state system plan for early childhood, prenatal to age five, Raise Up Oregon (RUO). The plan compiles information on publicly provided childcare slots in the county by region, program, and subsidy status.

Data on certain types of childcare and early education were limited or unavailable for reasons of confidentiality or lack of data collection. Data on license-exempt childcare providers (license-exempt home providers and programs affiliated with school districts), for example, are incomplete because reporting to the state is voluntary for some providers. Private preschool and ERDC slots may also not be fully captured in the available data.

Total Childcare Capacity in Washington County

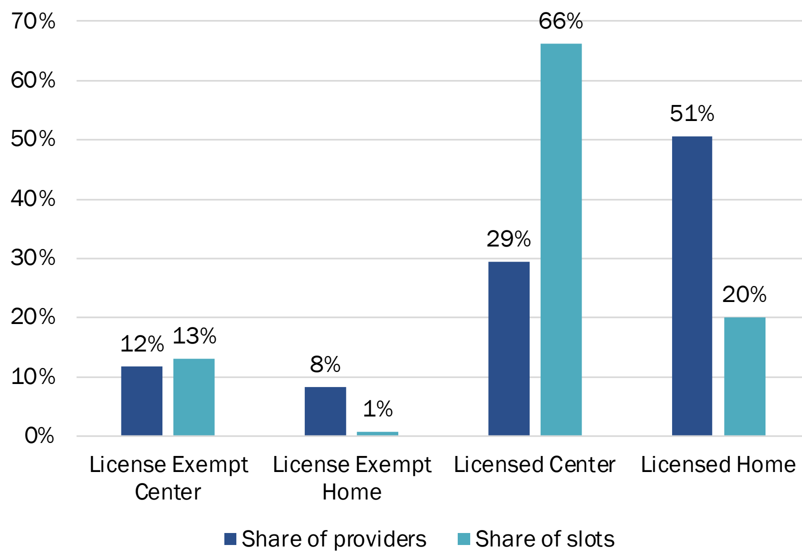
Based on the FCCO data, there were 23,979 active childcare slots in Washington County and 755 active providers in 2022 (see Exhibit 1). Despite accounting for less than one-third of all providers in Washington County, licensed centers account for two-thirds of all childcare slots in Washington County (see Exhibit 2). On average, licensed centers have an average capacity of nearly 72 slots while licensed home providers have an average of 13 slots. Overall, the average provider size was 32 slots.

Exhibit 1. Count of Washington County childcare providers and licensed slots by provider type, 2022
Source: FCCO data

	Providers		Slots		
Provider type	Count	Share	Count	Share	Avg. Slots per Provider
License Exempt Center	89	12%	3,120	13%	35
License Exempt Home	62	8%	172	1%	3
Licensed Center	222	29%	15,881	66%	72
Licensed Home	382	51%	4,806	20%	13
Total	755	100%	23,979	100%	32

Exhibit 2. Share of childcare providers and share of licensed capacity, Washington County, 2022
Data source: FCCO data

Licensed centers are larger than other types of providers and provide substantially more slots, accounting for 29 percent of providers in Washington County and 66 percent of slots.



The FCCO data include measures of desired capacity and licensed capacity, with desired capacity by definition being lower than licensed capacity. As shown in Exhibit 3, Washington County providers together reported desired capacity that is 89 percent of licensed capacity.

While data on childcare openings are limited, available data indicate that Washington County providers operated at about 82 percent capacity over the last two years. Open slots as a share of total licensed capacity varies by provider type, as shown in Exhibit 4. Exhibit 4 charts reported openings from the FCCO data for 2020–2022.

Exhibit 3. Licensed capacity compared to desired capacity, Washington County, 2022
Data source: FCCO data. Note that licensed providers are not allowed to enter a desired capacity that is higher than their licensed capacity.

Most Washington County providers desire to be close to their licensed capacity.

On average, providers desired to be at 89 percent of their licensed capacity.

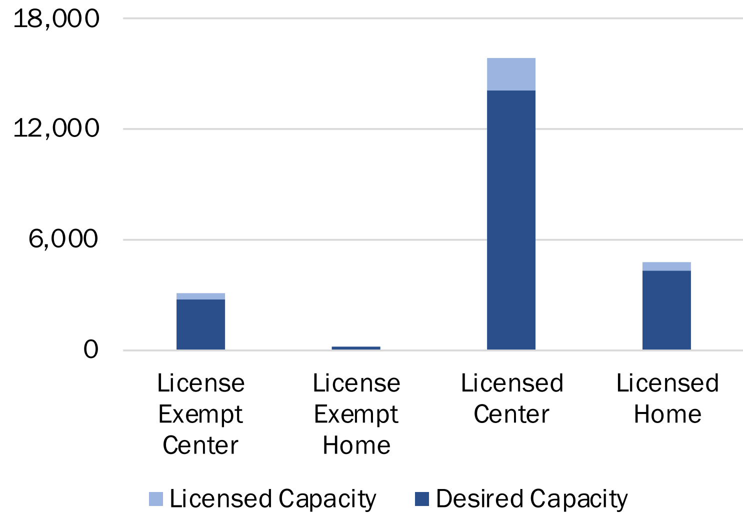


Exhibit 4. Reported childcare openings, Washington County, 2020–2022 Combined
Data source: FCCO data. Note: Openings are not recorded for all providers each year. For this reason, we combined the last three years of data. Between 2020 and 2022, FCCO collected openings data on 573 providers, or approximately 76 percent of all providers in Washington County.

For providers on which FCCO collected data, the average share of openings as a percent of licensed capacity was 18.3 percent.

Licensed centers and licensed homes had openings rates of 15.9 percent and 28 percent, respectively. License exempt centers and license exempt homes (for which data were limited) had openings rates of 12.7 percent and 58.5 percent, respectively.

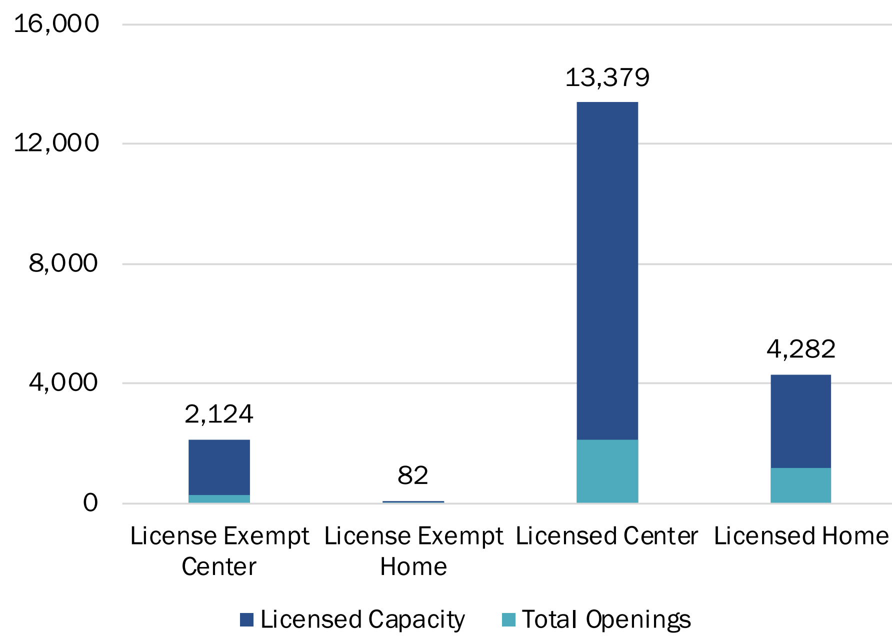


Exhibit 5 maps active childcare providers across the county by type of provider. Most of the county's childcare capacity is concentrated in the eastern half of the county around population centers such as Beaverton and Hillsboro (see Exhibit 6). The larger the circle, the greater the provider's licensed capacity. While licensed homes are more numerous, licensed centers account for a far higher share of slots across the county.

Exhibit 5. Childcare providers by provider type, Washington County
Source: FCCO data. Note: Circle size represents licensed capacity.

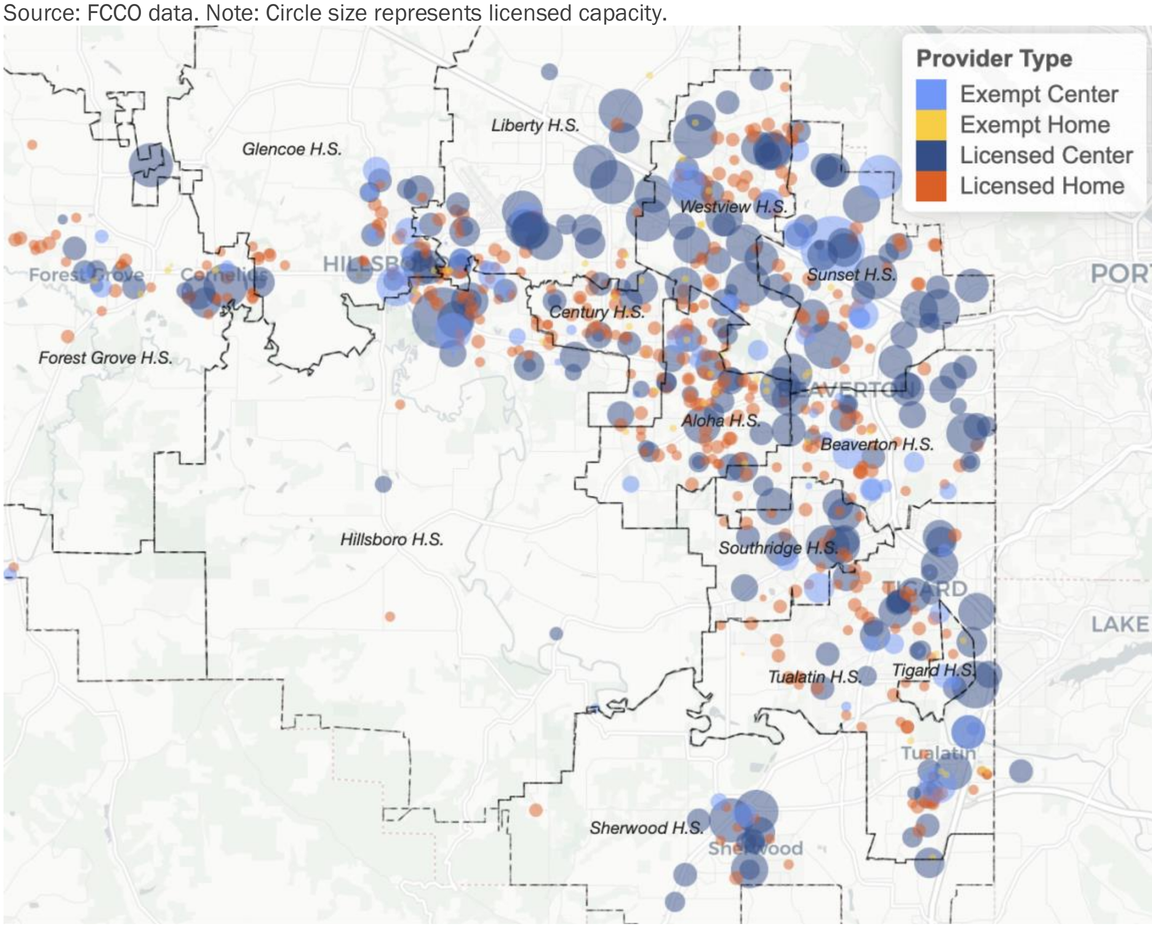
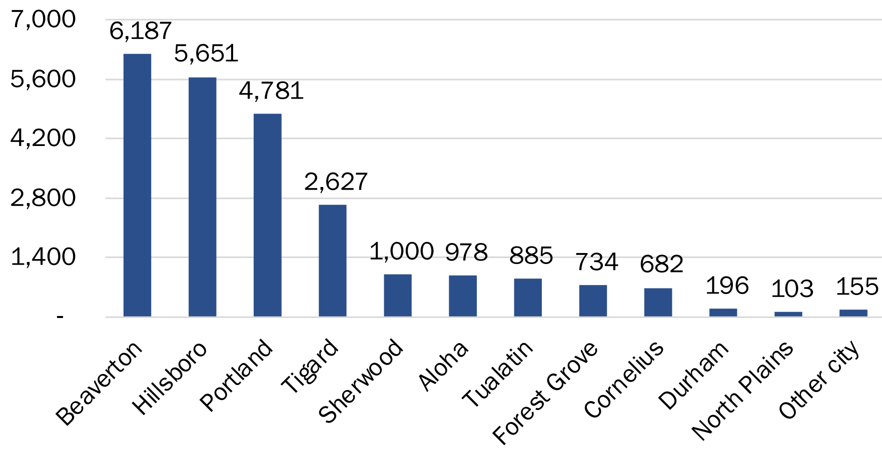


Exhibit 6. Licensed capacity by city, Washington County, 2022
Data source: FCCO data. Note: Provider location determined by provider address and not by city limit boundaries. Providers located in Portland, for example, may be located in unincorporated Washington County.

Washington County's childcare slots are concentrated in urban areas.

Nearly 70 percent of Washington County's childcare slots are located in Beaverton, Hillsboro, and Portland.



Availability of affordable care options is critically important, especially for working families. The FCCO data and confidential data obtained from the ODHS provided information about the availability of subsidized childcare in Washington County.

According to the FCCO data, 460 providers (61 percent of total providers) accept DHS subsidies. Exhibit 7 summarizes the number of providers accepting subsidies by provider type.

Exhibit 7. Share of providers that accept DHS subsidies, Washington County, 2022
Data source: FCCO data.

According to the FCCO data, home-based providers are more likely to accept DHS subsidies than are center-based providers.

72 percent of Licensed Homes and 76 percent of License Exempt Homes accepted DHS subsidies compared to 55 percent of Licensed Centers and 18 percent of License Exempt Centers.

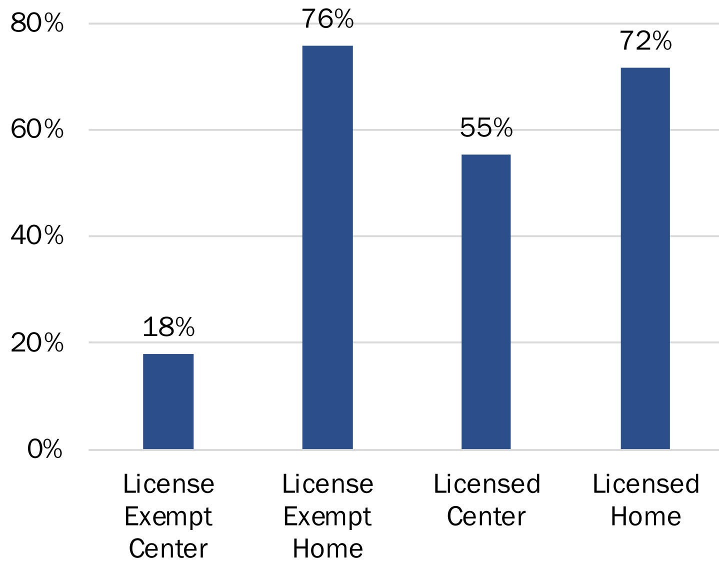


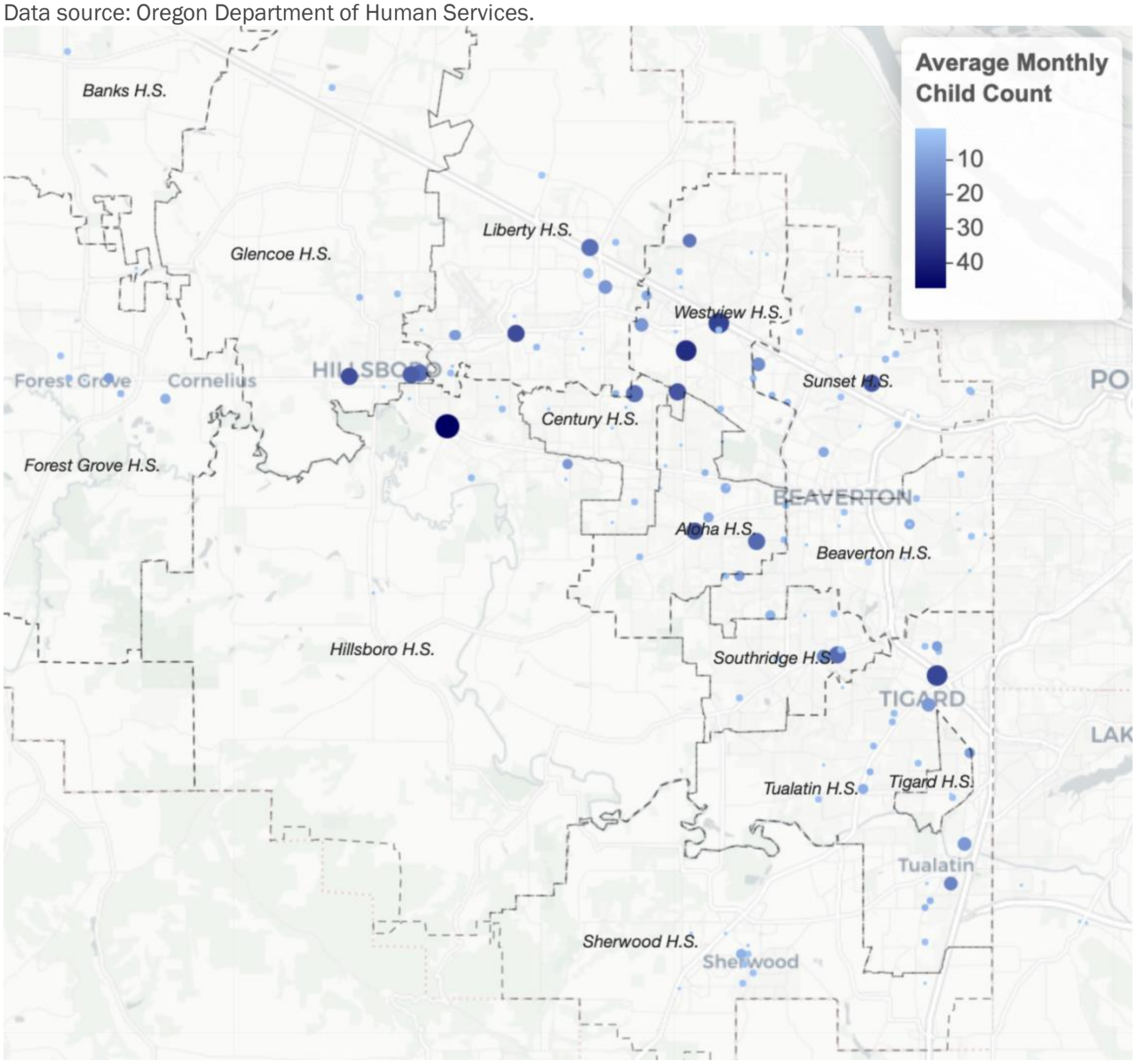
Exhibit 8 provides demographic information about the children and households receiving DHS subsidies. The exhibit shows the average monthly count of households and children receiving DHS subsidies for 2019 through 2022 by race/ethnicity. Most children receiving subsidies are white (65 percent), followed by Black children (14 percent).

Exhibit 8. Race/ethnicity of children receiving DHS subsidies in Washington County, monthly averages, 2019–2022
Data source: Oregon Department of Human Services. Note: Excludes race unknown / did not answer.

	Average Household Count		Average Child Count	
	Count	Percent	Count	Percent
White	298	65%	393	65%
Black	57	12%	82	14%
Other	48	10%	57	9%
Hispanic	22	5%	27	4%
Multiple Race Codes	12	3%	14	2%
Asian	10	2%	13	2%
Native American or Alaskan Native	7	2%	9	2%
Native Hawaiian or Pacific Islander	7	1%	9	1%

Exhibit 9 maps ODHS data on the average number of children receiving subsidies at providers that accept DHS subsidies. The size of the circles is proportionate to the average number of children receiving DHS subsidies at each provider. As with total licensed capacity, providers accepting DHS are concentrated in the urbanized eastern portion of the county.

Exhibit 9. Average number of children per month receiving subsidies at DHS-listed providers, Washington County
Data source: Oregon Department of Human Services.



Characteristics of Washington County Childcare Providers

Access to childcare is critically important for young families, but families must also be able to access childcare that suits their needs. A robust childcare system offers a wide range of care types to meet the diverse needs of parents and children. This section of the memorandum provides additional information about the characteristics of childcare providers serving Washington County.

Exhibit 10 charts childcare slots in the county by full-time/part-time status and provider type. Most of the county's slots (56 percent) are full-time slots. License exempt centers is the provider type with the highest percentage of part-time slots; 70 percent of the category's slots are part-time.

The majority of spots provided by licensed providers are full-time slots.

In Washington County, 15,889 (or 56 percent) of the county's slots were full-time.

Exhibit 10. Licensed capacity by full-time/part-time status, Washington County, 2022
Data source: FCCO data.

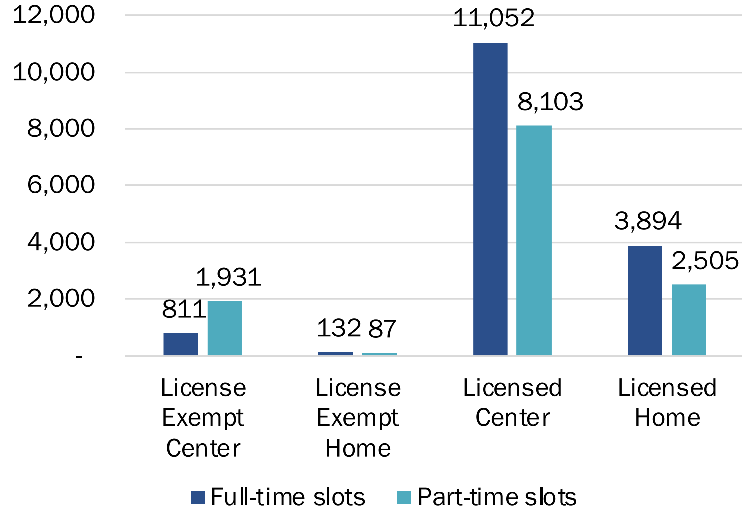


Exhibit 11 breaks down slots in Washington County by provider type and age group served based on the FCCO data. Because the data do not include detail on actual slots available to children of different ages and only reports on the minimum and maximum age a provider serves, these numbers are estimates.

While precise estimates of slots available by age group were not calculable with data available to ECONorthwest, Exhibit 11 suggests that providers most commonly offer slots for infants through school-aged children or to preschool-aged through school-aged children.

Exhibit 11. Licensed capacity by age group, Washington County, 2022
Data source: FCCO data. Note: Infant defined as children less than one year of age; toddler defined as 1 to 2 years old; preschool defined as 3 to 5 years old; school-age defined as 6 years and older.

	License Exempt Center	License Exempt Home	Licensed Center	Licensed Home	Total
Infant Only	-	43	-	210	253
Infant to Toddler	-	-	-	8	8
Infant to Preschool	46	15	807	540	1,408
Infant to School-Age	146	69	6,859	2,573	9,647
Toddler Only	-	3	-	-	3
Toddler to Preschool	60	3	270	164	497
Toddler to School-Age	384	21	1,404	891	2,700
Preschool Only	819	-	724	73	1,616
Preschool to School-Age	1,395	15	5,817	327	7,554
School-Age Only	270	3	-	20	293
Total	3,120	172	15,881	4,806	23,979

Exhibit 12 estimates the number of slots available to families with specific needs for less-traditional childcare options. Families in need of drop-in care, weekend care, or care outside of traditional working hours can access relatively few slots.

Exhibit 12. Licensed slots available by schedule or slot type, Washington County, 2022
Data source: FCCO data.

	Slots	Share of slots
Drop-in care	2,896	12.1%
Flexible open	2,178	9.1%
Open holidays	2,166	9.0%
Flexible close	1,905	7.9%
Weekend care	965	4.0%
Employer-sponsored	637	2.7%
Early morning (3 am to 5:59 am)	633	2.6%
Evening (after 6:30 pm)	591	2.5%
Overnight	199	0.8%
24-hour care	172	0.7%

Providers that offer drop-in care accounted for 12 percent of Washington County slots in 2022; those open on holidays accounted for 9 percent of slots and those offering weekend care accounted for 4 percent of slots. Providers offering flexible open (willing to open earlier than their stated hours occasionally) accounted for 9 percent of slots and providers offering flexible close (willing to stay open later than their stated hours occasionally) accounted for 8 percent of slots. About 3 percent of the county's slots were employer-sponsored.[8] Parents working weekends or less-traditional schedules have relatively few childcare options in Washington County.

Schedule and slot-type offerings also vary by provider type, as shown in Exhibit 13. Center-based providers in 2022 were less likely to offer childcare outside of regular hours than were home-based providers.

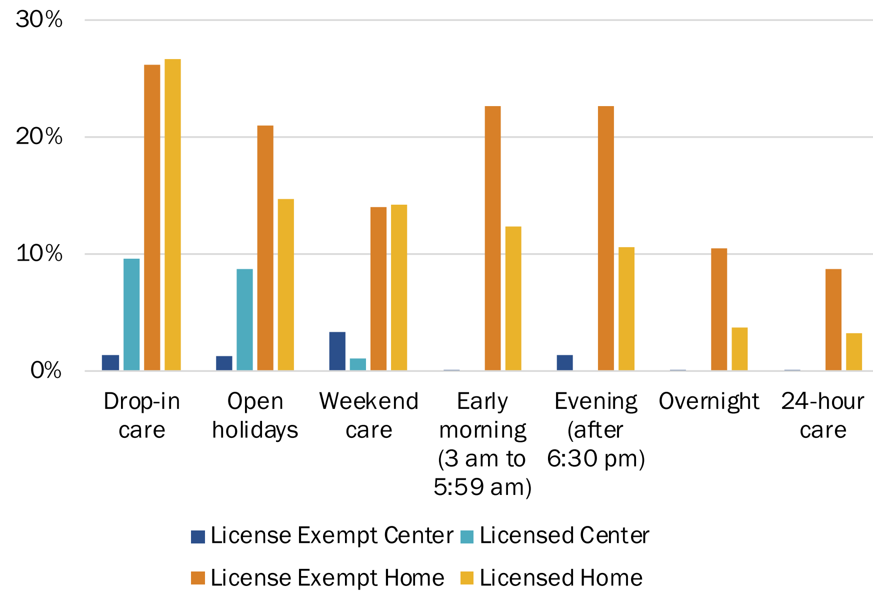
[8] Childcare program has contracted slots with employers for their staff to have childcare.

Center-based providers, which account for the majority of Washington County's slots, were less likely to offer flexible childcare options than were home-based providers.

No licensed centers reported offering care in early mornings, overnight, or 24 hours a day, for example, and less than five percent of center-based slots were reported to be available on weekends or evenings.

Exhibit 13. Share of slots by schedule and provider type, Washington County, 2022

Data source: FCCO data.



Publicly Provided Childcare Slots in Washington County

Most of Washington County's childcare capacity stems from private providers who are primarily supported by family-paid tuition. Most local and state initiatives, meanwhile, are focused on increasing childcare capacity through the provision of publicly funded slots.[9]

Washington County reports publicly funded slots to the Early Learning Division (ELD) per Raise Up Oregon (RUO)—the state's comprehensive system plan for early childhood (prenatal to age five)—requirements.

Exhibit 14 disaggregates publicly funded slots by provider type and age group. In total, the County reported having 2,247 slots: 2,056 slots for preschool-aged children and 191 slots for infants/toddlers. The County funds more than ten times the number of slots for preschool-aged children as it does for infants and toddlers.

[9] See https://oregonearlylearning.com/public-funding-helped-to-increase-available-child-care-slots-in-oregon/

Exhibit 14. Publicly funded preschool and infant/toddler slots, Washington County, as of December 19, 2022

Data source: Washington County Early Childhood Education (ECE) Sector Plan. Note: Publicly provided preschool slots include Head Start, OPK, PSP, and K-12/Title I. Publicly provided infant/toddler slots include Early Head Start, OPK, and Baby Promise (not currently active in Washington County).

	Publicly funded preschool slots	Publicly funded infant/toddler slots
License Exempt Center	981	3
License Exempt Home	-	36
Licensed Center	889	152
Licensed Home	186	
Total	2,056	191

The County has also identified priority populations for subsidized publicly funded slots and estimated the programmatic reach of these slots as shown in Exhibit 15. The County reported the estimated reach of public subsidized preschool slots is highest for children of families experiencing homelessness (26 percent of the estimated population reached). For subsidized infant/toddler slots, the County estimated the highest programmatic reach for children living at 200 percent of the federal poverty level or below. Overall, the estimated reach of subsidized preschool slots for priority populations exceeds the estimated reach of subsidized infant/toddler slots.

Exhibit 15. Estimated service reach of subsidized publicly provided preschool and infant/toddler slots, Washington County, as of December 19, 2022

Data source: Washington County Early Childhood Education (ECE) Sector Plan. Note: Subsidized preschool slots include Head Start, OPK, PSP, and K-12/Title I. Subsidized infant/toddler slots include Early Head Start, OPK, and Baby Promise (not currently active in Washington County). Note that not all these priority populations are countywide priorities. These data include the County's reported service reach for Preschool Promise.

	Subsidized preschool slots		Subsidized infant/toddler slots	
	Number	Percent	Number	Percent
Priority Population 1: Children of houseless/homeless families	142	26%	34	0.50%
Priority Population 2: Children from single parent households with income 200% of the Federal Poverty Level (FPL) and under	474	7%	48	0.65%
Priority Population 3: Children from underserved communities of color: Asian, Pacific Islander and Native Hawaiian, Black/African, American Indian/Alaska Native or Latinx/Hispanic	1,175	13%	164	2.25%
Priority Population 4: Children of families with income 200% of the Federal Poverty Level (FPL) or below	937	6%	136	1.86%
Priority Population 5: Children of families with multiple vulnerabilities	451	7%	9	0.12%

Task 3.1: Childcare Provider Survey

ECONorthwest and the County collaborated to design and administer a survey of Washington County childcare providers to gain more detailed insight into provider capacity, the challenges of operating a childcare business, and the interest and barriers of providers in expanding their businesses.

The survey was available in English and Spanish and open from February 27 to March 24, 2023. It went out to approximately 700 unique provider email addresses and received 168 complete or semi-complete responses. Just under a third (29 percent) of respondents took the survey in Spanish. Because all questions were optional, the completeness of survey responses varies. This section of the memorandum presents key findings from the childcare provider survey.

Findings from the Childcare Provider Survey

Home-based providers made up the majority of survey respondents.

Nearly two-thirds (64 percent) of respondents provided childcare within their homes (compared with 59 percent of providers in the county based on FCCO).

Five respondents specified “other,” with most being in the process of getting a license or operating as home-based providers.

Exhibit 16. Childcare provider survey respondents by provider type
Data source: Childcare Provider Survey.

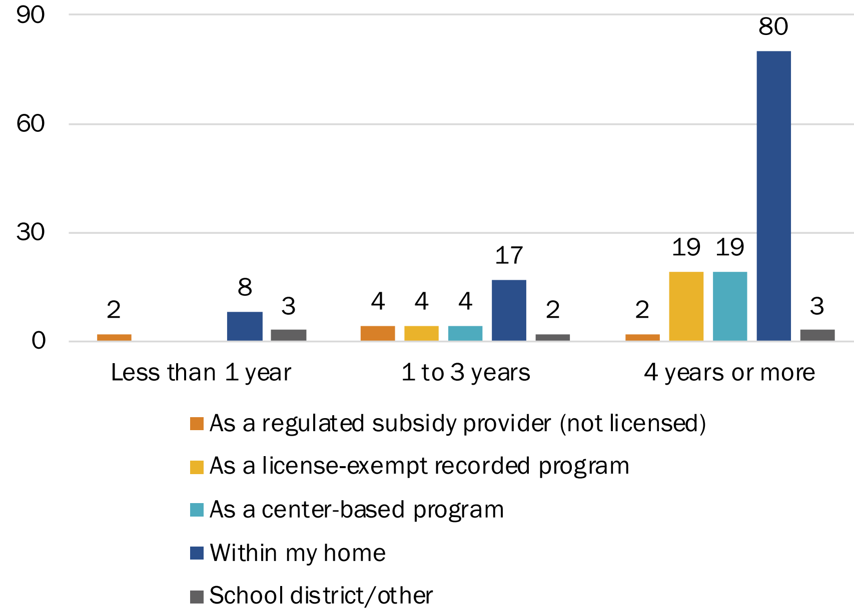
	Number	Percent
Within my home	105	64%
As a center-based program	23	14%
As a license-exempt recorded program	21	13%
As a regulated subsidy provider (not licensed)	8	5%
Other	5	3%
Through a school district	3	2%
Total	165	100%

Most survey respondents had been open for four years or more.

Overall, 72 percent of respondents had been open for four years or more, meaning they had been in operation before, during, and after the COVID-19 pandemic.

About 18 percent of respondents had been open between 1 and 3 years, and 9 percent had been open less than one year.

Exhibit 17. Length of time in operation, provider response counts
Data source: Childcare Provider Survey.

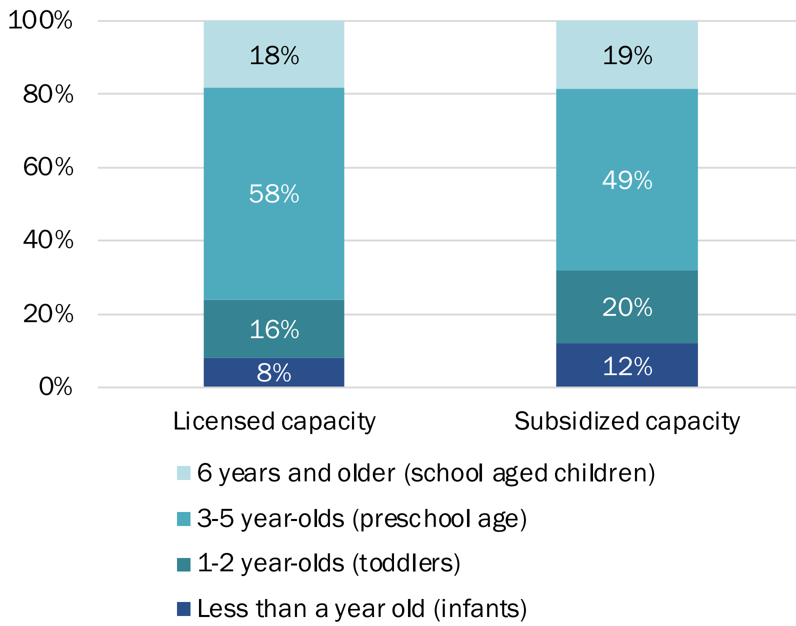


Providers who responded represented a total of 3,617 slots (about 15 percent of total licensed capacity in the county).

Slots for preschool-aged children made up about 58 percent of all slots among survey respondents.

About a fifth of slots (21 percent) among respondents were subsidized slots. Subsidized capacity was distributed in a similar way to total capacity.

Exhibit 18. Slots by age as share of respondents' childcare capacity
Data source: Childcare Provider Survey.



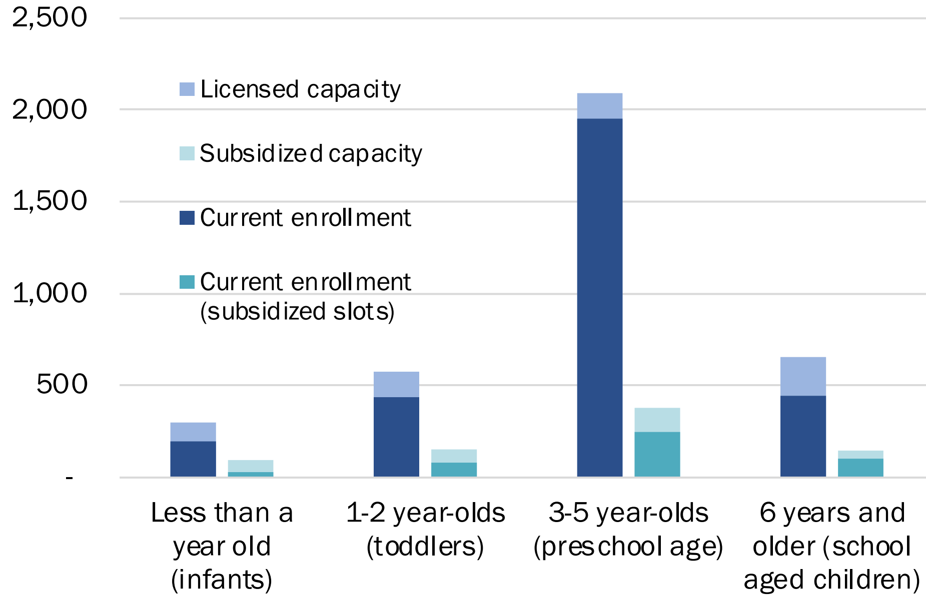
Childcare providers reported that their infant slots were the least utilized.

Enrollment for preschool-aged children exceeded 90 percent of licensed capacity, while enrollment for infants and toddlers stood at 66 percent and 76 percent of licensed capacity, respectively.

Patterns in enrollment for subsidized slots were similar.

Exhibit 19. Current enrollment in comparison to total licensed capacity, provider childcare slots

Data source: Childcare Provider Survey.



Overall, survey respondents indicated that they desire to be at 93 percent of their desired capacity (slightly higher than the 89 percent reported for providers in the FCCO data).

Providers desired to be closest to their licensed capacity for infants (98 percent) and preschool-aged children (95 percent). For toddlers, providers reported wanting to be at 89 percent of licensed capacity and 87 percent of licensed capacity for school-aged children.

Exhibit 20. Licensed capacity compared to desired capacity, childcare provider survey respondents

Dara source: Childcare Provider Survey. Note that providers were not restricted to a desired capacity below their licensed capacity.

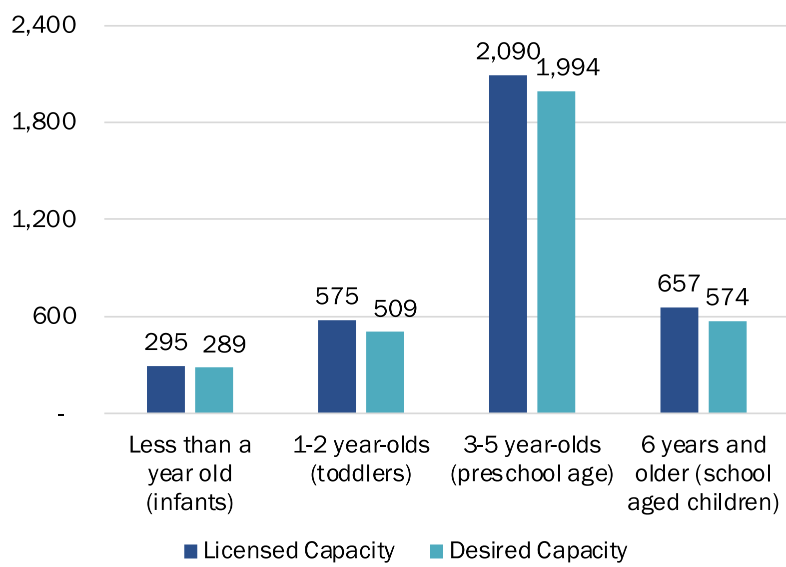
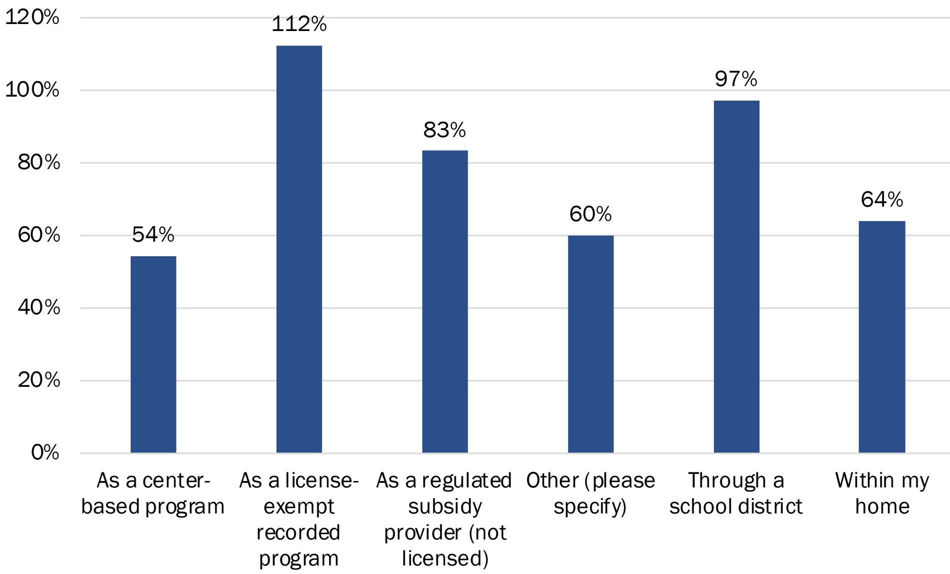


Exhibit 21 shows enrollment as a share of desired capacity by provider type. Center-based programs reported overall enrollment in their programs at 54 percent of their desired capacity, while license-exempt recorded programs reported overall enrollment over their desired capacity (112 percent of desired capacity). Home-based providers, who accounted for the greatest share of respondents, reported enrollment at 64 percent of desired capacity.

Exhibit 21. Enrollment as a share of desired capacity by provider type, childcare provider survey respondents

Data source: Childcare Provider Survey.

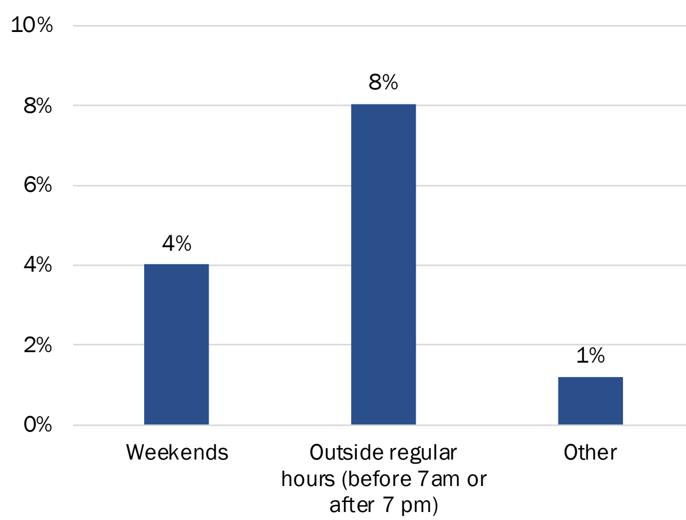


Findings from the provider survey concerning weekend care and care available outside of traditional hours agree with findings from the FCCO data (see Exhibit 22).

A small fraction of providers indicated they offered care on weekends (4 percent) or outside regular hours (8 percent). Most providers that selected the "Other" category offered care outside traditional hours occasionally or on holidays.

Exhibit 22. Providers offering care outside traditional hours, provider response counts

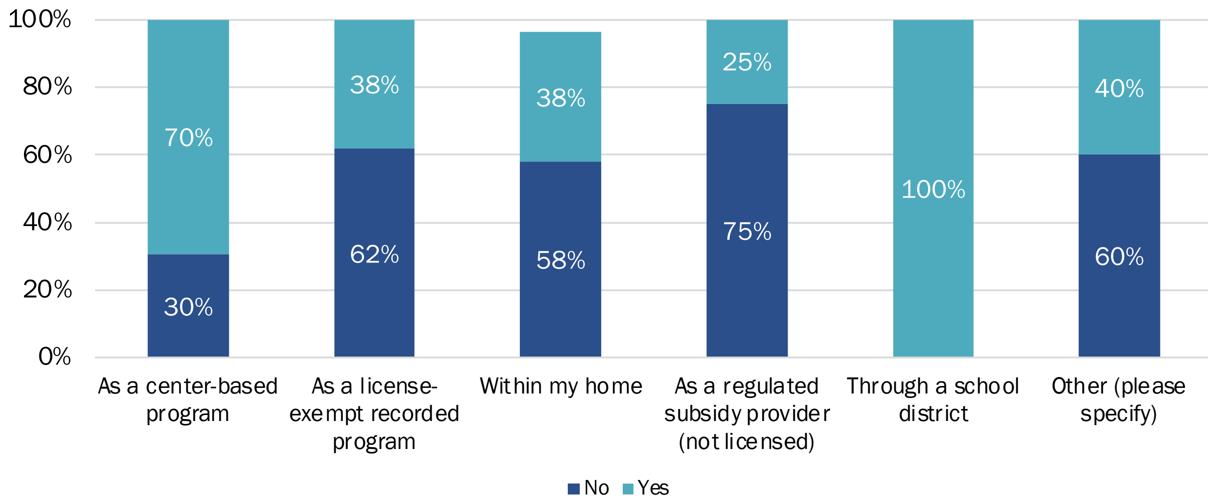
Data source: Childcare Provider Survey. Note: Response choices were not mutually exclusive.



To better gauge provider capacity, the survey asked providers about waitlists. In all, 71 providers (42 percent) indicated that they had a waitlist and 90 (54 percent) indicated that they did not have a waitlist; 7 providers (4 percent) chose not to answer the question. Of those that responded to the survey, center-based providers were more likely to have waitlists than home-based providers.

Exhibit 23. Providers with waitlists, provider response counts, by provider type

Data source: Childcare Provider Survey.

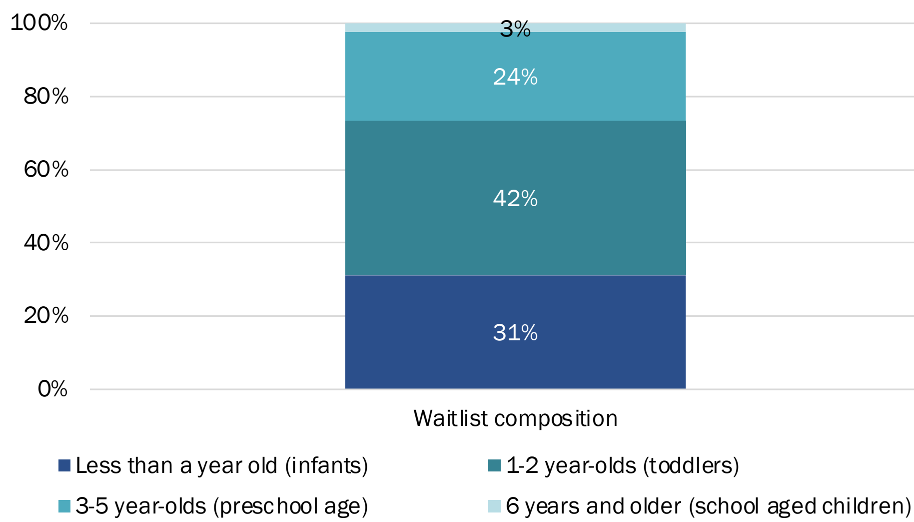


Providers were asked to break down their waitlists by age group.

73 percent of waitlisted children are infants and toddlers.

Exhibit 24. Waitlisted children by age group

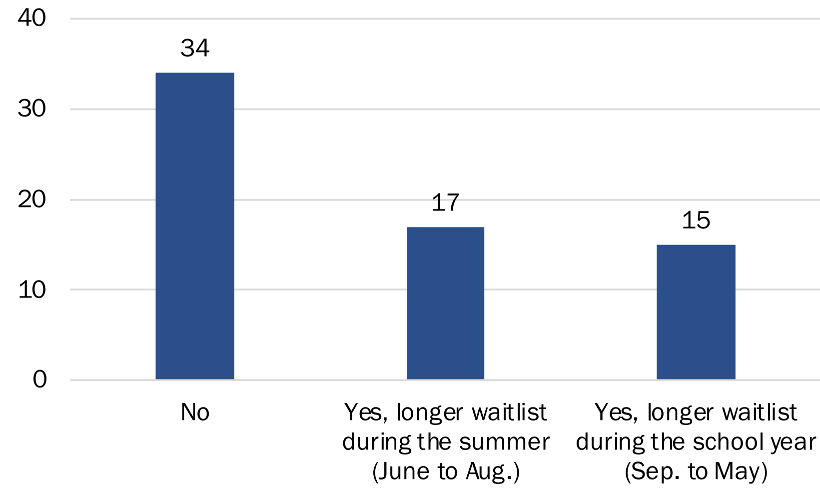
Data source: Childcare Provider Survey.



Most providers with waitlists indicated that they do not have longer waitlists at different times of the year.

Providers that did report having longer waitlists at different times of the year were nearly evenly split between having longer waitlists in the summer and longer waitlists in the school year.

Exhibit 25. Waitlist length by time of year, provider response counts
Data source: Childcare Provider Survey.



Barriers to Start-up and Operation and Interest in Expansion

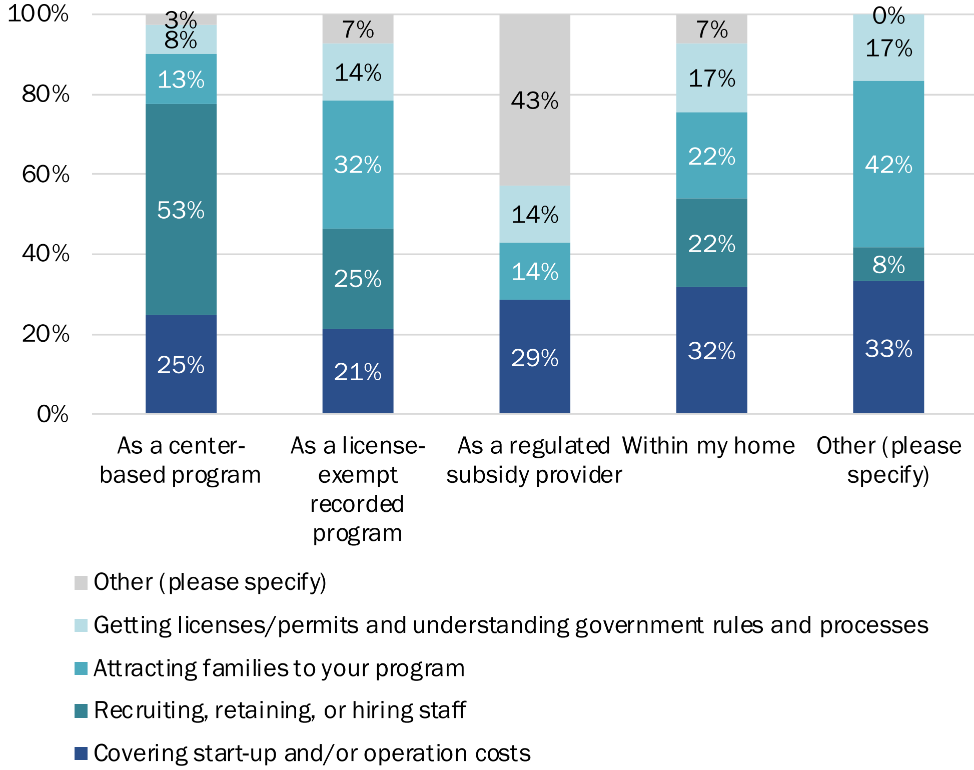
When surveyed providers were asked about what was difficult about starting or running their childcare business, they indicated that the biggest challenges were covering start-up/and or operations costs, recruiting, retaining, or hiring staff, or attracting families to their programs (see Exhibit 26).

Barriers varied by provider type. Center-based providers reported their greatest barriers are around recruiting, retaining, and hiring staff. Providers operating license exempt recorded programs reported that their greatest barrier is attracting families to their programs. Regulated subsidy providers most frequently stated that they face other barriers but chose not to elaborate on what those barriers were. The second greatest challenge these providers reported facing was covering start-up and operations costs. For home-based providers, covering start-up and operations costs was the greatest barrier to running their business while other providers reported their greatest challenge was attracting families to their programs.

When providers were asked to elaborate on these barriers, they had a wide array of answers. Generally, operating costs were more difficult to cover than start-up costs. Specifically, providers indicated that costs related to rent, hiring, and supplies for children were difficult to cover.

For recruiting, hiring, and maintaining staff, providers almost overwhelmingly answered that it was difficult for them to provide competitive pay and benefits. Many also commented that the labor pool was too small to find and retain qualified staff. Most providers attributed their struggle in attracting families to the difficulty of and expense of advertising and outreach. Others commented that they are aware they are not able to provide care for an age group where care is demanded (i.e., infants) or at times parents demand care due to staffing challenges, the inability to meet licensing requirements, or the limited profitability associated with younger children.

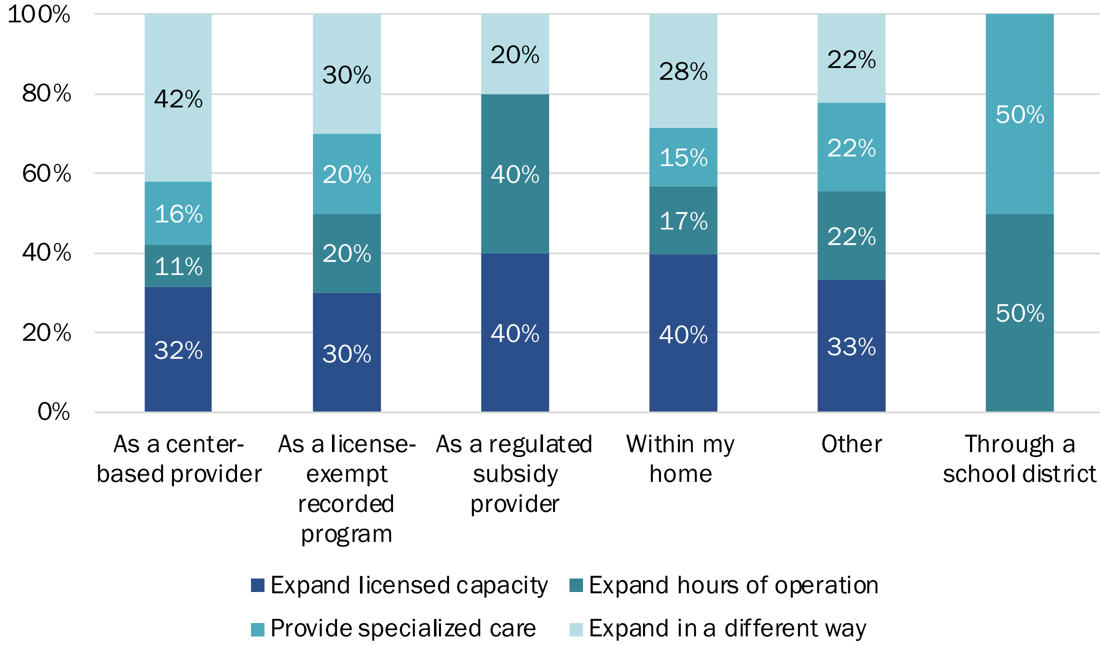
Exhibit 26. Barriers to childcare expansion for providers, provider response counts
Data source: Childcare Provider Survey. Note: Response choices were not mutually exclusive. Note: No school district-based providers answered this question.



When asked if they were interested in expanding their business, nearly two-thirds of providers answered yes, indicating that given the right supports, existing providers in Washington County are eager to expand.

Most commonly, providers were interested in expanding their licensed capacity. For providers that specified a different expansion interest, many providers indicated they would like to open a second location, a center, or commented on why they are interested in expanding their licensed capacity.

Exhibit 27. Provider interest in expansion, provider response counts
Data source: Childcare Provider Survey. Note: Response choices were not mutually exclusive.



Open-ended Survey Responses

Providers were invited to expand on their responses through open-ended questions. The answers to these questions provided additional nuance concerning the challenges providers face and also supplied additional detail about providers' interests in expansion, and their concerns about the industry generally. In particular, providers shared many details concerning barriers to expansion:

- **Regulatory challenges.** Providers commented that regulatory requirements are difficult to understand, unnecessarily burdensome, inconsistently applied, or inefficient. Providers commented that obtaining fingerprints for new staff, navigating the sanitation inspection process, and inspection processes in general are expensive and time consuming. Providers stated that the regulatory requirements for different types of providers were often unclear. One provider mentioned it was so difficult to find information on the requirements for recorded programs, they almost gave up on the industry entirely.
- **Startup/operating costs.** Most providers commented that operating costs were more difficult to cover than start-up costs, particularly when it came to buying childcare supplies (games, diapers, craft supplies) and furniture. Many providers also mentioned that covering their rent or mortgage was an ongoing challenge. Other operating costs included costs related to hiring and retaining staff.

"The rules and regulations for daycare are constantly changing and the cost to make those changes can be expensive. The cost of living has increased causing supplies and food costs to go way up. The cost to run my business has increased by 20% in the last year."
-Washington County childcare provider

- **Difficulty recruiting, hiring, and retaining staff.** Providers commented that it is often difficult to find and attract qualified staff. Staff are either unwilling or unable to work full-time, the lag time between hire date and start date is protracted due to regulatory requirements (such as obtaining fingerprints from new staff), and it is difficult to hire enough staff to provide relief time for existing staff. Providers also mentioned that covering costs related to staffing can be a challenge, including keeping up with the cost of ongoing training. One provider called handling payroll taxes and worker's compensation a "nightmare." In addition, providers mentioned that competing with school districts that can afford to offer "huge payouts" to would-be staff and substitutes is difficult.

> "The regulations around hiring are extremely difficult. Background checks need to be processed within 72 hours, qualifications for teachers need to include nanny, Sunday school, and other applicable experience. Regulations make it impossible to hire and onboard staff effectively."
> -*Washington County childcare provider*

- **Difficulty attracting families.** Providers commented that slots are more difficult to fill post-COVID. One provider commented that they hardly receive calls now compared to before COVID, and another wrote that there are "not enough kids to go around." Another commented that they do not understand why their program has not attracted families. While these comments represent a limited subset of providers, it is important to note that some providers struggle to fill their capacity, particularly in a post-COVID environment.

> "It is difficult to factor in marketing costs to spread the word about our program. It would be nice if there were more preschool/childcare fairs in the area to attend."
> -*Washington County childcare provider*

When asked how they would like to expand, providers most commonly reported that they would like to open a second location or expand their licensed capacity. Many providers indicated interest in opening a center. A couple of providers commented that they would like to add capacity for infants, but one cited the statutorily required staffing ratios as a problem, commenting that "four infants is not enough income to pay an employee." Others commented that they would be interested in expanding their capacity for preschool-aged children or moving into the kindergarten space.

> "Infant Toddler care is in very high demand. We would like to open a program that is dedicated to children 2 months to 3 years. However, with such low teacher to child ratios the cost would be much more than what ERDC is offering for CF programs. To offer high quality care and a living wage to staff we [would] have to charge more than $2,000 per child which is about [a] $350 gap from what ERDC pays."
> -*Washington County childcare provider*

A couple of providers commented on the difficulty of operating in the post-COVID environment. One provider commented that they used to have a waitlist prior to COVID, but now have trouble filling slots, and that advertising is expensive. Another called these "exceptionally hard times" for providers, noting that before COVID, they had a thriving program with a waitlist and now they are "lucky" to have eight children in their care each day.

Describing the difficulty they face in filling slots and covering operating expenses, particularly post-COVID, many providers expressed frustration or hesitation about local and state efforts to expand capacity through new programs or publicly provided slots. Some providers stated that competing with publicly run programs is difficult.

"Not one person that is not in a childcare desert should get a single penny in subsidies to open a business. Numerous long term providers I know are struggling hard or shut down. As all of us have sacrificed for YEARS to make it, it's pure madness to allow it. I fear I have little time left too."
-*Washington County childcare provider*

Overall, respondents advocated for an environment that supports existing providers, rather than encouraging new providers to enter the industry. Respondents mentioned that they would like more assistance with applying for grants and expressed that greater availability of grant dollars would make it easier for them to expand. Overall, providers expressed a need for reduced regulatory barriers, greater support and technical assistance, and a need for more affordable, centralized advertising.