

# Expanding child care in Tompkins County, NY

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June 2022



## Executive Summary

Tompkins County is considered a child care desert, with more than three children for every available child care slot.<sup>1</sup> This issue was exacerbated during the pandemic when child care providers had to maintain the same number of employees for fewer children to abide by social distancing protocols. The lack of child care supply and accessibility caused women to disproportionately drop out of the workforce in the past two years. An expansion of the County's child care slots can have positive effects on the economy, labor force, and equity. Investing in child care is investing in economic development.

Our research finds there is interest in expanding among family providers and child care centers, but there is not a source of capital. Working with the local nonprofit Child Development Council, we researched and wrote a proposal that lays out a strategic approach to expanding child care supply in Tompkins County.

## Child care is Economic Development: it is not only a family issue

**3.6 million**

Jobs lost during the pandemic in the U.S.<sup>2</sup>

**59.2%**

of job losses are women's<sup>2</sup>

**26% of women**

who lost their job during the pandemic reported it was due to lack of child care<sup>3</sup>

**\$7.3 return**

for every dollar invested in quality early education<sup>4</sup>

- Child care is critical social infrastructure that supports children, parents, and the regional economy, as illustrated in the trillium flower above.<sup>5</sup>
- By investing in child care we are supporting the economy in the short term by meeting parents' needs allowing them to work and contribute to the economy.
- Investing in quality child care and early education contributes positively to children's development and ensures the future of our economy

**Child care is a critical social infrastructure to the economy in the short and long term**

**Child care providers are small businesses; investing in them is economic development**

## Barriers to expansion<sup>6</sup>

To identify and respond to the needs of child care advocates, providers, and legislators, we conducted multiple interviews with the different stakeholders in the child care sector.

*"We were lucky. We had money behing us, but most people don't"*  
FDC provider<sup>7</sup>

*"The problem with the desert grant is capital investment. You have to have the site, license, secure funding first, and they use the grant as reimbursement"*  
GFDC provider<sup>7</sup>

*"[As it is right now], child care is a dying industry for people to go into"*  
Child care center provider<sup>7</sup>

### Licensed Providers in Tompkins County:

#### Family Day Care (FDC)

16 providers, 126 slots  
Capacity: 6 young children plus 2 school-age children

#### Group Family Day Care (GFDC)

22 providers, 334 slots  
Capacity: 12 young children plus 4 school-age children

#### Child Care Center

20 providers, 1,356 slots  
Capacity: depends on size and staff

- Capital Needs
- Lack of qualified child care workers
- Lack of technical assistance for FDC expansion
- Lack of assistance navigating changing regulations

## A Strategic Approach to Expand Child Care Supply

1

### Expanding Family Day Care Providers

There is a largely untapped potential that requires minimal upfront costs compared to building new child care centers. By supporting the providers' capital needs, they can double their current slots. This initiative covers the notable lack of funding opportunities available for initial capital needs.

2

### Expanding Child Care Centers

Centers have insufficient capital funds to complete the necessary expansions. Some of them lost Regional Development grants due to the COVID-19 pandemic. The proposal prioritizes one center in the most advanced stage, but also includes another five centers' projects

3

### Establish a Revolving Loan Fund

It is very difficult for providers to access financing from traditional sources. Low-cost financing through low interest loans is an innovative strategy to keep resources always available for child care providers' needs.

4

### Hiring Two Child Care Developers/Planners

Child care is a highly regulated business. Providers need support navigating the regulations and technical aspects. There are three categories that unify the different providers' needs: regulations, technical assistance, and strategic liaison.

The developers/planners can serve as a bridge between child care providers and services they need through strategic alliances with local businesses. There is potential for a new type of transformational partnership to strengthen the local economy.

*"When you are trying to get people to open a child care center or get to GFDC, they have to make it as easy as possible, and [the right resources] would go a long way"*  
GFDC provider in the process of becoming GFDC<sup>7</sup>

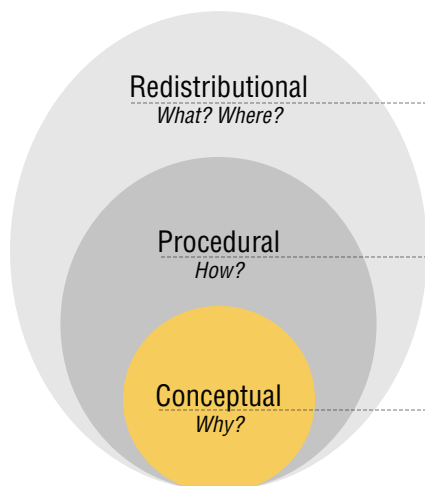
*"All I knew [before opening a GFDC] was how to take care of kids"*  
GFDC provider hoping to expand to a Center<sup>7</sup>

### Child Care Expansion Advisory Committee

To offer a permanent support to providers, the CDC can establish an Advisory Committee with specialists from the community with various skillsets that could benefit child care providers. The Committee will include CDC Staff and contractors that can support providers in six main areas:

- Lawyer
- Staffing Specialist
- Tax Specialist
- CDC Representative
- Payroll Specialist
- Construction Specialist

## Advancing Equity<sup>8</sup>



Increasing child care supply benefits parents, especially women. Most government efforts are focused on the demand-side (i.e. subsidies for children) but less often supply-side support to providers.

Existing grants and subsidies are often difficult to access, many providers report having difficulty with the timing of child care subsidy payments. Funds for capital costs are limited and sometimes subject to reimbursement. This proposal addresses these barriers.

Many child care providers have difficulty imagining greater government support since child care has historically been a private sector business. Strategic and continuous support can have a transformational impact.

### Resources

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