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LEGISLATOR EDUCATION & ACTION PROJECT

Roundtable Agenda

1. Welcome
2. Learning in Early Years is Critical
3. Child Care by the Numbers
4. Child Care Impacts Business/Economy
5. Legislative Response
6. Group Questions/Discussion
7. Technical Assistance for Employers

Learning in the Early Years is Critical



Learning in the Early Years is Critical

Science should drive policy

- Get it right in the first five years. (Starts prenatal and continues from there.)
- 95% of brain development occurs in the first five years of life.
- Life-long impact on language and social/emotional development.
- Quality matters.

The Benefits

- Children who enter school ready to learn are more likely than their peers to attain higher levels of education, higher earning power as adults, have better health, a more secure financial future, and less involvement with the criminal justice system.
- A strong and fair start for children leads to better workers and a strong continuing workforce.
- Strong return-on-investment. Proven outcomes of high-quality early learning far outweigh the costs.
- More than one-half of Washington's children show up at kindergarten already behind

Child Care by the Numbers



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Child Care by the Numbers

COSTS

Median Costs in Centers

- Infant care: \$13,620
- Toddler care: \$11,592
- Preschool care: \$10,404

Per K-12 Student

- All funds:
\$18,466

University Tuition

- EWU: \$ 8,139
- TESC: \$ 8,750
- CWU: \$ 8,845
- WWU: \$ 8,967
- UW: \$12,242
- WSU: \$12,701

Child Care by the Numbers

State Budget Allocation

Child Care System

- \$2.4 billion

K-12 System

- \$34 billion

Post Secondary System

- \$18 billion

Child Care by the Numbers

What Drives Costs in Child Care?

- Infants – Toddlers – Preschoolers
- Need more supervision/caregivers: Watching, guiding, protecting, and teaching
- Need more health & safety: Clean floors and surfaces, gates, locks, fences, disinfectants, walking ropes, etc.

Child Care by the Numbers

The Demand & Supply

- 15% of total workforce (528,000 workers) have children under 6
- 61% of households with children under 6 have all adults in the labor force
- **300,000** Washington children under 6 may need care since all parents work
- **178,702** licensed or exempt child care spaces for children birth to age 12 (2018)

Child Care by the Numbers

Reduced Supply

- 5% decline in child care slots since 2014
- 1,500 decline in child care slots since 2020
- 150 net loss in providers (40% from centers) since 2020

Child Care by the Numbers

Survey of Parents with Children Under 6

- 63% of children live in area with inadequate supply of child care
- 49% of those looking for care found it “difficult” or “very difficult” to find and keep
 - 50% found no openings near home or work
 - 37% did not find nearby care that fit their work schedule
 - 33% did not find nearby care of good quality
 - 12% did not find nearby care that accepted state child care subsidies

Child Care by the Numbers

Workforce in Child Care

- Earn less than \$15/hour
- Lowest earning of any post-secondary credential
- 43% annual employee turnover

Child Care IS a Business Issue



Child Care Impacts Business/Economy

U.S. Chamber of Commerce Review (Dec. 2022)

- 33% of U.S. employers cannot find qualified candidates
 - 58% of parents leaving the workforce were unable to find child care solutions that met their needs
 - 32% of women cited the need to be home to care for family members as a barrier to returning to work.

Child Care Impacts Business/Economy

AWB Member Survey

- Child care consistently ranks as a top ten challenge facing employers.
- 13% of AWB members surveyed rank it as the most important issue overall.
- 67% of AWB members surveyed report that child care issues caused absenteeism among their employees.

Child Care Impacts Business/Economy

Washington State Survey of Parents with Children Under 6

- 59% arrived late or left work early in the last six months
- 48% missed an average 5 work days in the last six months
- 29% declined a job or promotion
- 27% reduced work
- 18% quit a job

Workforce Impacts of Child Care Issues

Washington's Economy

- \$2.03 billion – employee turnover, missed work, lost productivity (2017)
- \$6.5 billion estimated direct and indirect costs in (2017)

Legislative Response



Child Care Collaborative Task Force

- Created by the Legislature in 2018 (SHB 2367) and expanded in 2019 (2SHB 1344).
- 11 voting members & 13 non-voting members.
- Tri-chairs
 - Amy Anderson (Association of Washington Business)
 - Luc Jasmin (Washington Childcare Centers Association & Parkview Early Learning Center)
 - Ryan Pricco (Child Care Aware of Washington)

Child Care Collaborative Task Force

SHB 2367 (1)(12) 2018 - Develop Policy Recommendations:

- Potential tax incentives and other incentives for private businesses providing employer-supported child care;
- Streamline permit and license requirements for child care facilities;
- A "bring your infant to work" model policy program; and
- Address racial, ethnic, and geographic disparity and disproportionality in service delivery and accessibility to services for families.

Child Care Collaborative Task Force



2SHB 1344 (2019) - Develop Implementation Plan Recommendation

- Achieve accessible, affordable child care for all Washington families by 2025.

2SHB 1344 (2019) - Develop the Following Reports

Report #1 2019: Improve access to employees & incentivize employer-supported child care

Report #2 2020: Child care industry assessment & facility needs assessment

Report #3 2020: Child care cost estimation model; workforce & subsidy recommendations

Report #4 2021 Child care access strategy for 2025

Report #5 2022 Cost of quality care study & model

Review of Legislation 2021

- **E2SSB 5237**- Expands Eligibility and Decreases Co-Payments (FSFKA)
- **SHB 1331**- Allows Waiver of Local Impact Fees for Early Learning Facilities
- **SSB 5151**- Eliminates State Fees for Childcare Licenses Until July 2023
- **SB 5023**- UI is not counted for eligibility and co-payment for Working Connections Child Care Program

Review of Legislation 2022

Budget Enhancement - \$125.7 million

- 16% rate increase for child care centers starting July 1, 2022
- Cost of care adjustment for Family Child Care Homes for FY23
- One-time Enrollment Based Payment April – June, 2022
- Budget for waiving of co-payments from July – Sept. 2021

Early Learning Facility Fund

- \$48.5 million

Review of Legislation 2023



Transitional Kindergarten (2SHB 1550)

- Codifies Transitional Kindergarten as Transition to Kindergarten (TTK).
- Allows TTK programs to blend and co-locate with other early learning programs.
- Directs DCYF to make administrative changes to better align early learning programs.

Lack of Child Care – The Results

| Individual Parents | Businesses | Taxpayers |
|--|---|--|
| <p>Lost earnings now from lower productivity and less work experience</p> <p>Extra costs of job search for alternative work and child care arrangements</p> <p>Lost earnings in the future from lower productivity, less work experience, and lower skills upgrading</p> | <p>Lost revenues now from lower output</p> <p>Extra costs to rehire quits and cover absenteeism</p> <p>Extra costs to manage disrupted workers</p> <p>Lost revenues in the future from lower output</p> | <p>Lost tax revenue now from lower GDP</p> <p>Lost sales and consumption tax revenue</p> <p>Lost tax revenue in the future</p> |

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Family-Friendly Workplaces

Employer-Supported Child Care Technical Assistance Program

Paige Coleman, Department of Commerce



Washington State
Department of
Commerce

We strengthen communities

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HOUSING AND HOMELESSNESS



INFRASTRUCTURE AND BROADBAND



SMALL BUSINESS ASSISTANCE



ENERGY



PLANNING AND TECH ASSISTANCE



COMMUNITY SERVICES AND FACILITIES



CRIME VICTIMS AND PUBLIC SAFETY



ECONOMIC DEVELOPMENT

Employer Technical Assistance Program

Tangible Solutions

Range of strategies

- Different levels of investment- time, money

Fact Sheets, Templates

Interactive ROI tools

Referrals to funding sources

Professional Expert Consultations

Assessment and Feasibility on which solutions to consider for your workforce

No cost to employer

Use QR code to sign up

One of three childcare related programs at Commerce

[Child Care Partnership Grants](#)

[Early Learning Facilities Program](#)

[Family-Friendly Workplaces Washington - Washington State Department of Commerce](#)

Family-Friendly Workplaces

The Employer-Supported Child Care Technical Assistance Program (also known as Family-Friendly Workplaces) offers professional, no-cost business consultations that support employers in becoming family-friendly.



The current labor shortage in Washington state is directly associated with the lack of access to affordable, sufficient, quality child care. Availability of and access to child care helps people go to work, but many working families, parents, and caregivers participating in educational pursuits, job training, apprenticeships, or job-seeking struggle to find care in their community and flexibility within their workplace.

Research shows that implementing family-friendly policies and practices is good for business, company culture, employee recruitment and retention, and the companies bottom-line.

Family-Friendly Workplaces program consults employers as they consider, assess, and implement, if feasible, family-friendly employment policies and practices. This program strives to reduce the tension between work and family, creating a work-life harmony and building a workplace culture that enables employees and businesses to thrive.

Contact

To sign up for an initial consultation, please fill out the [Family-Friendly Workplaces Contact Form](#). For more information, please contact Program Manager Paige Coleman directly.

Paige Coleman, Program Manager
Email: Paige.Coleman@Commerce.wa.gov
Phone: 206-256-6118

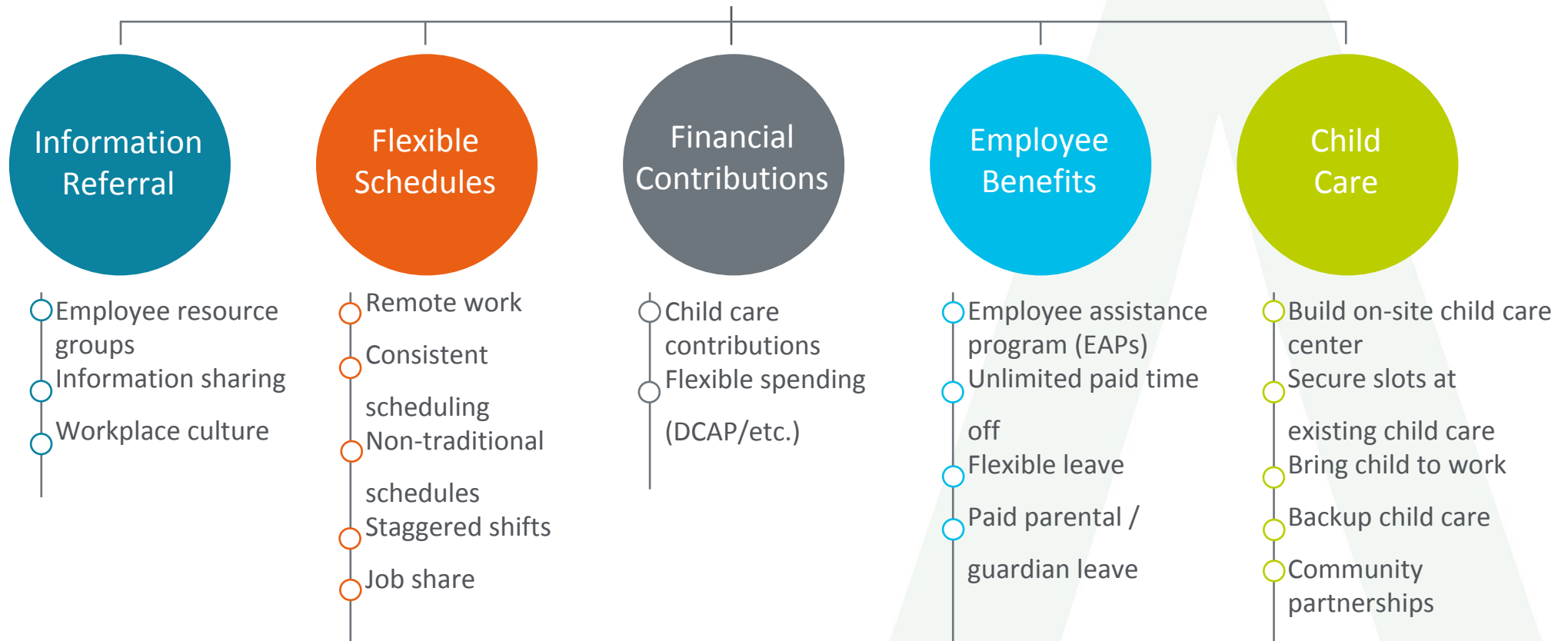
Resources

- [Family-Friendly Workplaces Print Flier \(PDF\)](#)



Range of solutions

Employer Strategies



Information Sharing

Investment

Cost \$ \$ \$ \$ \$

May vary with: How often information is shared, how it is distributed, and need for translation or additional formats.

Time ⌚ ⌚ ⌚ ⌚ ⌚

May vary with: How often information is shared or updated, and the number of places it is shared.

What is this?

Sharing child care information and resources with employees – either printed, digitally, or verbally.

How does this strategy help employees with child care?

Increases affordability of child care

Increases availability of child care

Information sharing minimizes the research and time employees spend trying to find credible child care information on their own. It also leads to an increased awareness of available child care centers in the area.

How does this strategy work?

Sharing information can take many forms and may include posting on bulletin boards; leaving material in break rooms; including information in new employee orientation, employee newsletters, or emails.

The type of information shared may include policies or strategies already in the workplace that support child care; resources on how to find child care; information on vetted child care in the area; or outreach about available benefits.

June 2023

Child Care Contributions

Investment

Cost \$ \$ \$ \$ \$

May vary with: Level of contribution for employees.

Time ⌚ ⌚ ⌚ ⌚ ⌚

May vary with: Level of administrative complexity.

What is this?

Providing funds to offset the cost of childcare.

How does this strategy help employees with child care?

Increases affordability of child care

Increases availability of child care

Providing financial contributions directly to employees with child care needs increases the affordability of child care. This strategy has no impact on availability of childcare.

How does this strategy work?

There are many types of contributions depending on the needs of the employer and staff. Each of these types include various levels of restrictions and requirements. For example, contributions may require a certain level of employment, duration of employment, or purpose of contribution.

The common element is the employer providing cash for staff with child care needs. Examples of two common types include:

June 2023

Info & Referral



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Information Sharing Strategy

Guidance on what and how to share
Childcare Aware WA Provider [Search](#)
Working Connections:

[Child Care Subsidies](#)

[Early Childhood Education & Assistance Program](#)
[Family, Friend & Neighbor Care](#)

Employer Child Care Contributions Strategy

Fact sheet outlining ways to provide funds to offset
the cost of childcare.

What to consider

Securing Slots at An Existing Child Care Center

Investment

Cost \$ \$ \$ \$ \$

May vary with: Financial agreements with child care center.

Time ⌚ ⌚ ⌚ ⌚ ⌚

May vary with: Number of facilities contracted with, and number of slots reserved at each facility.

What is this?

Employer secures preferential access to a predetermined number of slots at existing child care facilities.

How does this strategy help employees with child care?

Increases affordability of child care

Increases availability of child care

Securing slots at an existing child care center increases the availability of care for an employee by guaranteeing access. This strategy has minimal impact on affordability but is a good match with subsidies [link](#) to help with affordability.

How does this strategy work?

The employer develops a collaborative relationship with one or more child care providers in the area where employees work or live. The two parties sign a formal agreement or memorandum of understanding that defines the relationship. The relationship can take many forms such as fully paid slots, payment for right of first refusal to openings, or the use of a third-party vendor to manage the relationship. The cost accounting for these relationships should be determined in advance and documented. This would include if the cost will be subsidized for the employees and how the cost will be accounted for when slots are not utilized.

June 2023

Community Partnerships

Investment

Cost \$ \$ \$ \$ \$

May vary with: Possible member and hosting fees.

Time ⌚ ⌚ ⌚ ⌚ ⌚

May vary with: Number and complexity of partnerships.

What is this?

Creating or joining community partnerships to help information sharing, building community assets, and pooling expenses. This is usually a medium to long-term strategy.

How does this strategy help employees with child care?

Increases affordability of child care

Increases availability of child care

Community partnerships may increase availability and affordability of child care depending on the nature of the partnership. Multiple employers and organizations working together toward child care related goals will likely have a greater impact than a single employer implementing a strategy. A community partnership can spread priorities, effort, and resource needs across a group so no single employer absorbs all the cost or risk.

How does this strategy work?

Typically, one organization is a catalyst for convening employers with the same interest in child care. Often the Chamber of Commerce, Economic Development Council, or another professional business association is the convener of issues that have broad impact across one or more communities. Forming a partnership requires commitment from all partners as well as a clear understanding of the purpose of the group. Each partner needs to be clear about their

June 2023

Partnerships & Funding

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Securing Slots at an Existing Child Care Center

[Child Care Partnership Grant Program \(CCPG\) Notice of Funding Opportunity \(NOFO\) - Washington State Department of Commerce](#)

To assess and plan for expanding child care slots.

Deadline for applications **8/31/23**

[Community Capital Facilities - Early Learning Program \(wa.gov\)](#)

To expand, remodel, purchase, or construct early learning facilities and classrooms

Pre-Applications must be received by **8/22/23**

Interactive ROI Tools

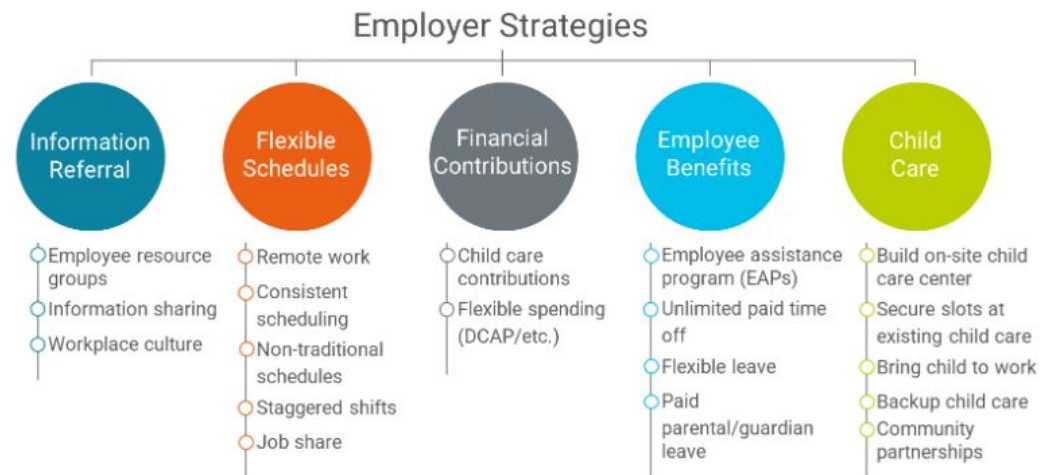
- **Assessment of strategy investment**
 - Compare all 19 strategies
 - Weigh investment impact on child care
 - Evaluate the scale of investment
 - Identify top three strategies to consider for your business

Family Friendly Workplaces

Expanding Family Friendly Workplaces through Employer Supported Child Care

Employers see positive returns when they invest in strategies that support employee child care needs. Many of these investments benefit employees with other care needs as well.

Nineteen strategies listed below are proven methods for supporting employees with child care needs. At the bottom of the graphic, click on the tools to find out more which strategy best suits your business needs.



Tools for researching different aspects of employee child care strategies

[Click Here to compare all child care strategies](#)

[Click Here to weigh investment impact on child care](#)

[Click Here to evaluate the scale of investment](#)

ROI for Family-Friendly Policies



- *Improve recruitment and retention.*
 - Being understaffed reduces productivity: Fewer sales, less open hours, more burn out...
- *Solutions for businesses of all sizes*
- *Workforce perspective:*

“Is what you’re offering better than what I have now?”

 - Home
 - Another employer
 - Current employer
 - Another region, state

Employer Resources: Family-Friendly Workplaces



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- For employers of all sizes, industries
- HR and Finance Experts
 - To help assess workforce needs and feasibility of solutions based on ROI
- Use QR code to sign up



Manufacturing Testimonial:
American Paper Converting Inc.
https://youtu.be/JDFR3G_qV8E (3 minutes)





Washington State
Department of
Commerce

www.commerce.wa.gov



Thank you!

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Use QR code
to sign up or
for more info