Update on the ARPA Childcare Recovery Working Group

December 8, 2021

Agenda

- Participants and Purpose

- What do the data tell us about gaps in Harris County?

- What is the goal and how do we get there?

We have assembled a diverse group of our key early childhood stakeholders

Participant	Organization
Christy Serrano	First 3 Years/Houston Infant Toddler Coalition
Kim Kofron	Children At Risk
Christina Triantaphyllis	Texas Policy Lab
Mike Temple	Gulf Coast Workforce Board
Melanie Johnson	Collaborative for Children
April Crawford	Children's Learning Institute
Rene Solis	BakerRipley
Missy Herndon	Interfaith of the Woodlands
Jaciel Castro	Community Preschools
Quianta Moore	Baker Institute
Katy Butterwick	Episcopal Health Foundation
Bobbie Henderson	TSU
Patricia Osborn	YMCA
Linda Nunnery	PNC Bank
Tim Kaminski	Gingerbread Kids Academy
Steve Sandweiss	Grandma's House Child Care
Teresa Granillo	AVANCE
Luz Flores	AVANCE Houston
Shauna Harris	United Way Bright Beginnings
Cassandra Anderson	Kandy Stripe Academy

Purpose

Childcare has been broken for decades

Child care is a broken system for all of those involved/impacted.

Children	**Vast majority, especially low-income children, do not have access to high-quality child care.** Major consequences for child development + other outcomes.
Families	**Parents, especially low-income parents, cannot afford/access high-quality.** Parents cannot afford to pay more, and even at high prices, battle waitlists, lack of good options.
Child care workers	**Workforce is in crisis.** Compensation is abysmal, teacher shortage and turnover inhibits high-quality interactions.
Child care businesses	**Child care business model is not viable, especially where it matters most.** High-quality providers can't operate in highest need areas.

COVID-19 has exacerbated all of these, leaving families without care, catalyzing the workforce crisis and decimating enrollment/revenue for already struggling child care businesses.

ARPA = Opportunity to build a proof point for a better system

ARPA funds for high-quality care can demonstrate that public dollars can tackle these challenges by:

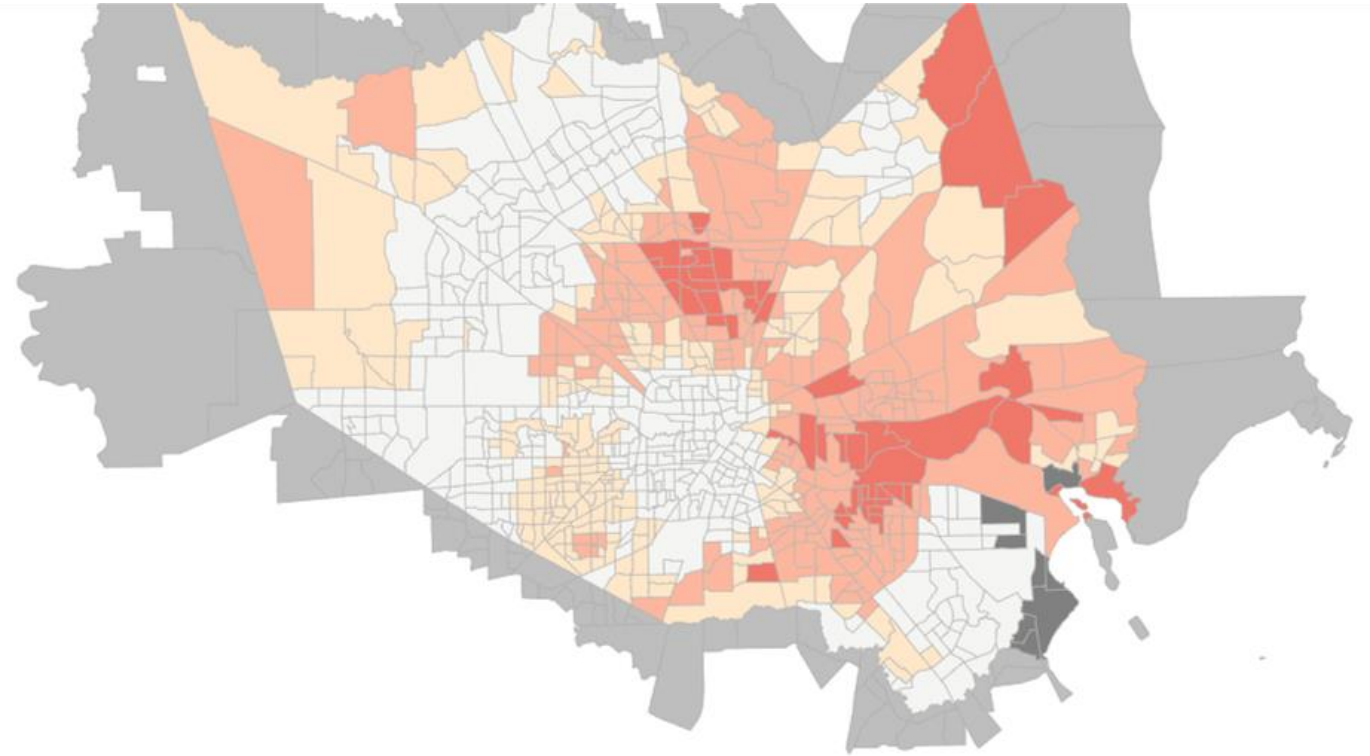| **Children**	➡	**Ensuring disadvantaged children attend high-quality programs** that deliver measurable, positive outcomes that break cycles of poverty and produce significant social and economic returns.
Families	➡	Funding innovative approaches that enable **high-need families to access care in their neighborhoods.**
Child care workers	➡	**Tackling workforce compensation/retention by paying what it takes for quality.**
Child care businesses	➡	**Addressing market failures by funding the true cost of quality.** Meet the needs of entrepreneurs and existing high-quality providers in key deserts.

What do the data tell us about gaps in Harris County?

While there are supply-demand gaps for all children and all provider types...

Demand: <u>All 0-3 children</u> of working parents

Supply: <u>All licensed/registered</u> child care providers

Child care seats per 100 children
- < 5 seats
- >= 5 and < 15
- >= 15 and < 25
- >= 25 and < 33
- Not a desert
- Not enough children to estimate

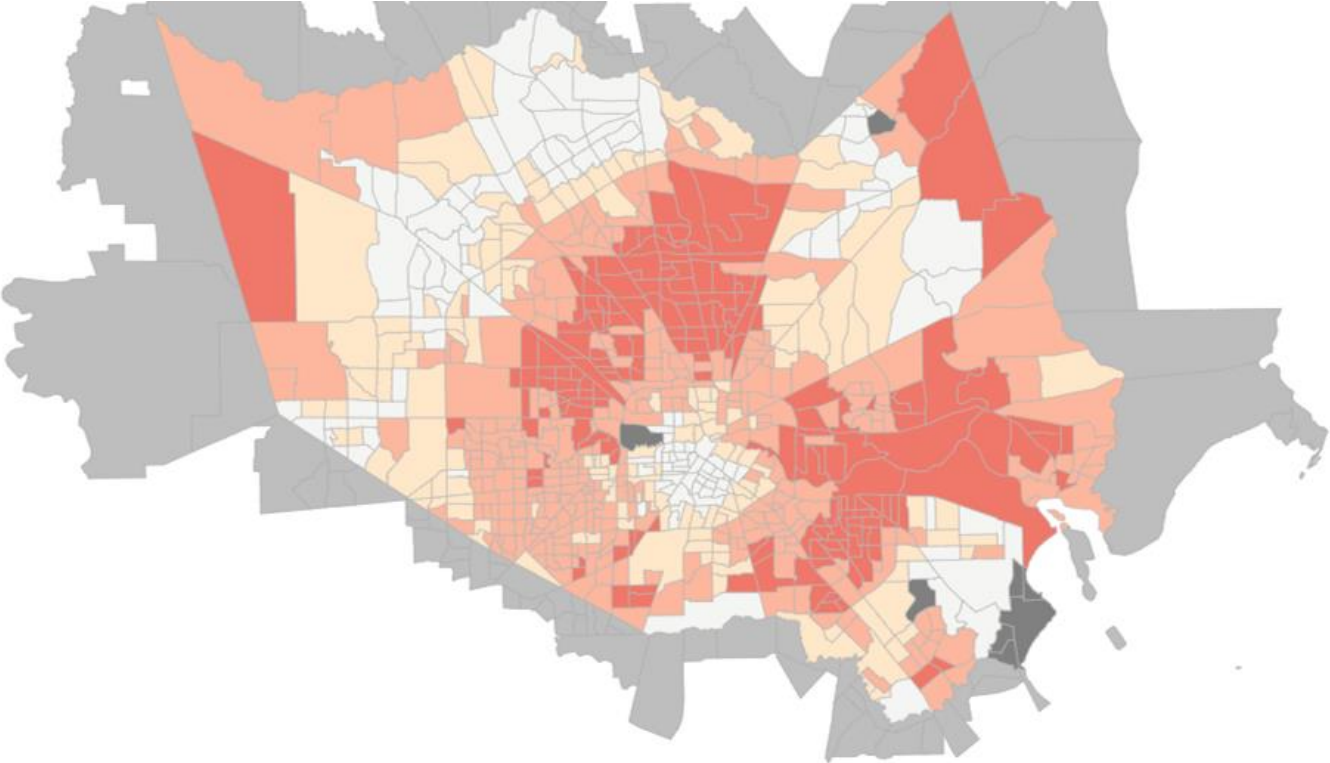| 2700	88991	280007	32
# providers	Estimated number of seats	Estimated children in need of care	Estimated seats per 100 children

Source: Texas Policy Lab

… gaps are more severe and widespread for low-income children

Demand: <u>Low-income, 0-3 yr old children</u> of working parents

Supply: All <u>providers that serve low-income children</u>

Child care seats per 100 children
- < 5 seats
- >= 5 and < 15
- >= 15 and < 25
- >= 25 and < 33
- Not a desert
- Not enough children to estimate

1350	23006	105433	22
# providers	Estimated number of seats	Estimated children in need of care	Estimated seats per 100 children

Source: Texas Policy Lab

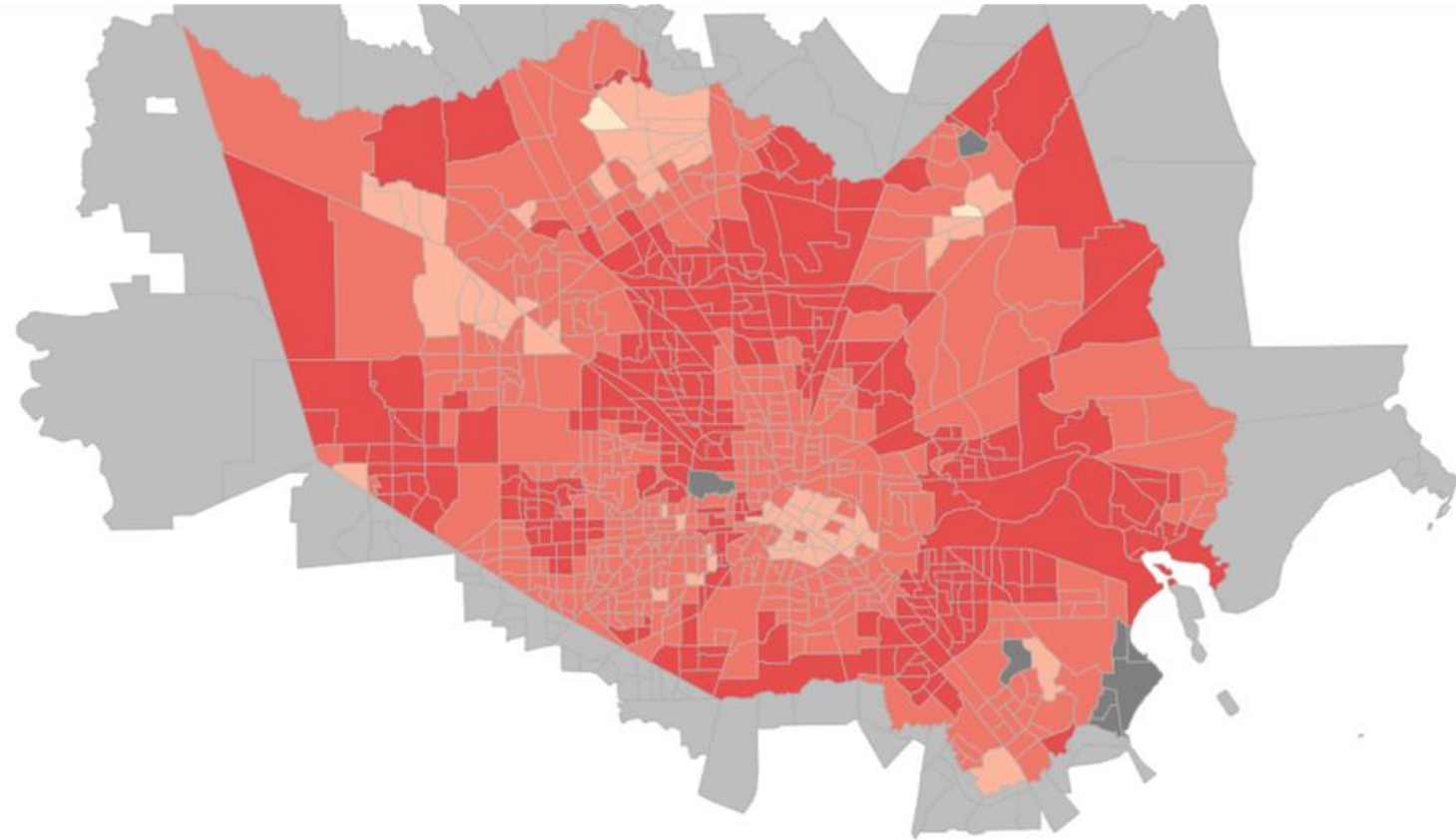# Gaps are most severe for supply of high-quality care for low-income children

Demand: Low-income, 0-3 year old children of working parents

Supply: All high-quality providers that serve low-income children

- TRS 4
- NAEYC (that accept subsidy)
- Head Start/EHS

Source: Texas Policy Lab

Child care seats per 100 children

- < 5 seats
- >= 5 and < 15
- >= 15 and < 25
- >= 25 and < 33
- Not a desert
- Not enough children to estimate

285
\# providers

7005
Estimated number of seats
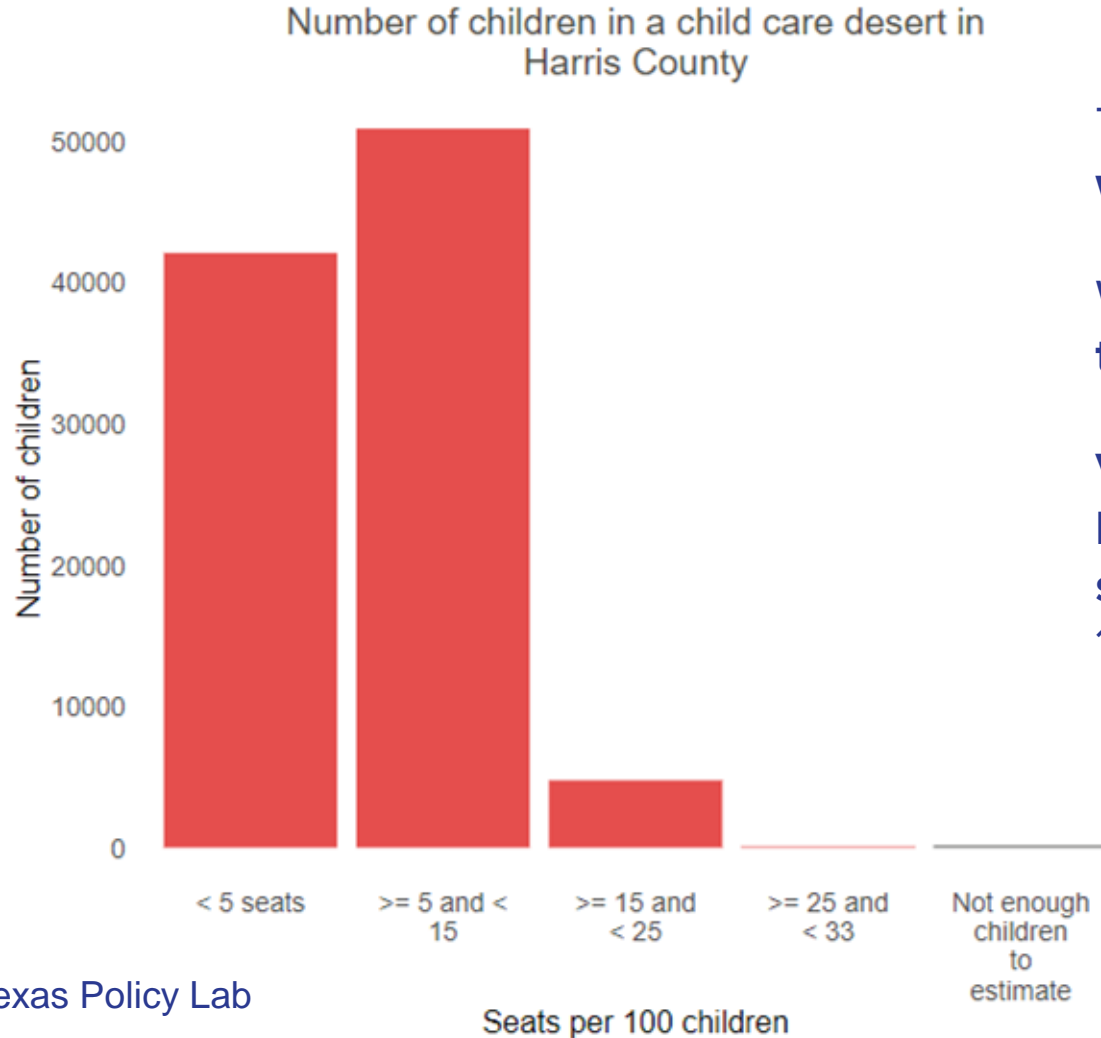
105433
Estimated children in need of care

7
Estimated seats per 100 children

How many low-income children are impacted by high-quality deserts?

Number of children in a child care desert in Harris County

Y-axis: Number of children (0, 10000, 20000, 30000, 40000, 50000)

X-axis: Seats per 100 children
- < 5 seats
- >= 5 and < 15
- >= 15 and < 25
- >= 25 and < 33
- Not enough children to estimate

There are ~**105,400 low-income children 0-3 with working parents** in Harris County.

We estimate that **97,900** (93%) live in a **market that is a high quality provider desert.**

Vast majority of low-income children living in high-quality provider deserts are in very low supply circumstances, with only 5-15 seats per 100 low-income children.

Source: Texas Policy Lab

Child care market analysis reveals need for targeted approach in Harris County

There are ~20 neighborhoods in Harris County that are high-potential for investment because they are:

- High-quality childcare deserts*
- High Social Vulnerability Index
- Home to a large number of high-need, 0-3 year olds (~42,000 total)

*We have constructed child care markets with "clusters" of households and child care providers. Markets where demand exceeds supply by at least 3:1 are "child care deserts". We include four categories of severity [0,5) [5,15) [15,25) [25,35) seats per 100 low-income children of working parents are child care deserts.

Source: Texas Policy Lab

Which are the highest need neighborhoods?

There are **20 neighborhoods in Harris County that are high-need across many key dimensions:**
- **High supply-demand gap for high-quality seats** (<15 high-quality seats per 100 children)
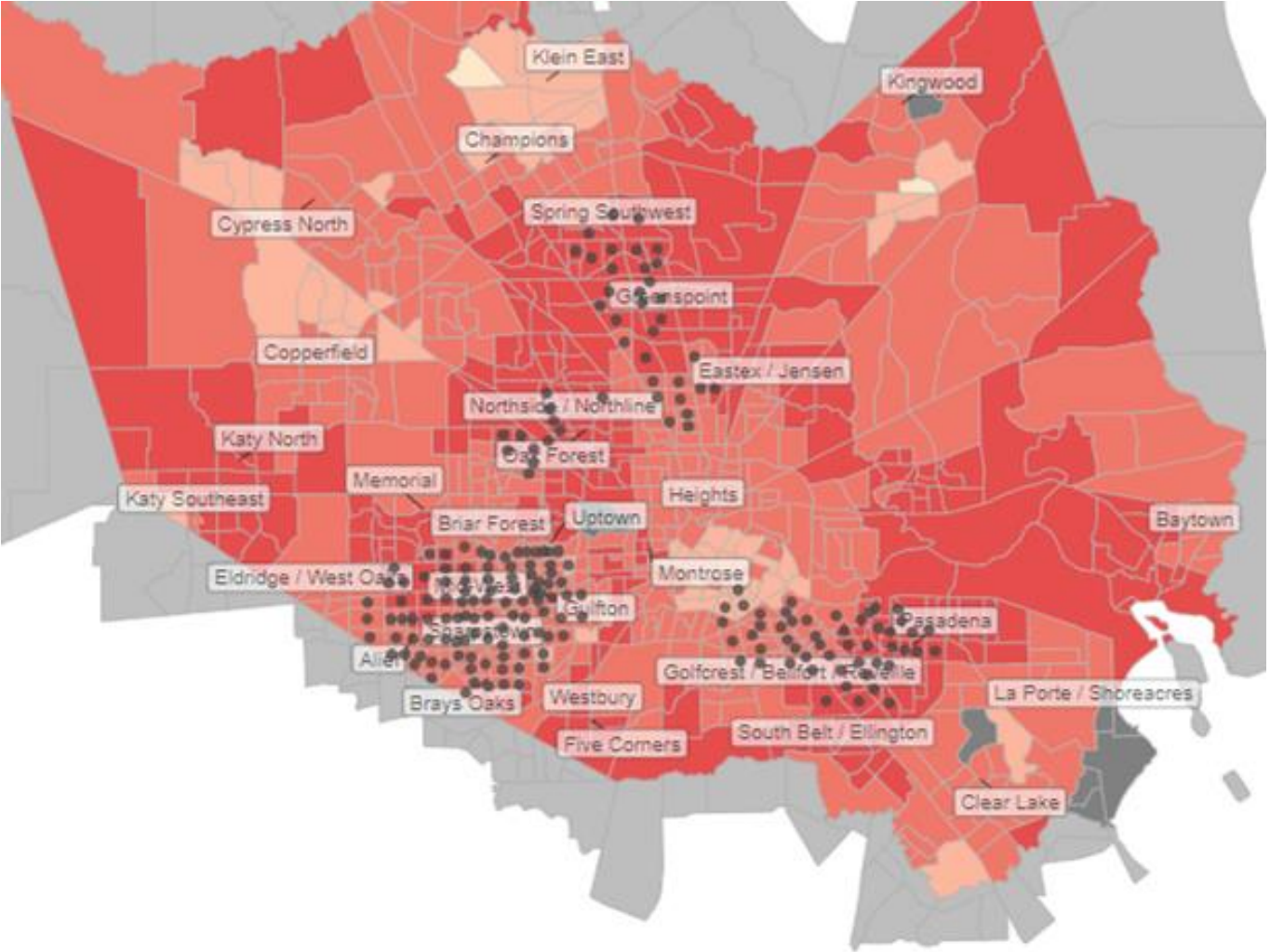- **High social vulnerability** (SVI >0.5)
- **High density of low-income 0-3 year olds** (at least 1,000)

<5 seats per 100 children

High-need neighborhood	Estimated number of eligible children	Median neighborhood SVI
Pasadena	4788	0.78
Alief	4570	0.81
Greenspoint	3088	0.90
Spring Southwest	2676	0.75
Northside / Northline	2436	0.78
Five Corners	2100	0.75
Baytown	1810	0.75
Eastex / Jensen	1615	0.90
Aldine West	1608	0.68
Aldine Northwest	1502	0.62
Brays Oaks	1184	0.66
Spring Branch West	1154	0.54
Channelview	1097	0.64
Westchase	1088	0.55

5-15 seats per 100 children

High-need neighborhood	Estimated number of eligible children	Median neighborhood SVI
Sharpstown	2865	0.82
Gulfton	2377	0.90
Golfcrest / Bellfort / Reveille	2062	0.82
Mid-West	1589	0.52
Sheldon	1233	0.64
Westwood	1066	0.92

This is a key group of vulnerable neighborhoods because there is a critical mass of eligible, low-income children. Child care businesses would have optimal conditions for enrollment recruiting for funded slots.

Source: Texas Policy Lab

Which are the highest need neighborhoods?

Children

Families

Child care seats per 100 children

- < 5 seats
- >= 5 and < 15
- >= 15 and < 25
- >= 25 and < 33
- Not a desert
- Not enough children to estimate

• More than 3900 children in need of care

Source: Texas Policy Lab

COVID-19 was devastating for child care enrollment rates; Providers are still experiencing under enrollment

September 2021 Enrollment rates (DESIRED CAPACITY)

Estimated enrollment as a percent of desired capacity by provider type and subsidy status
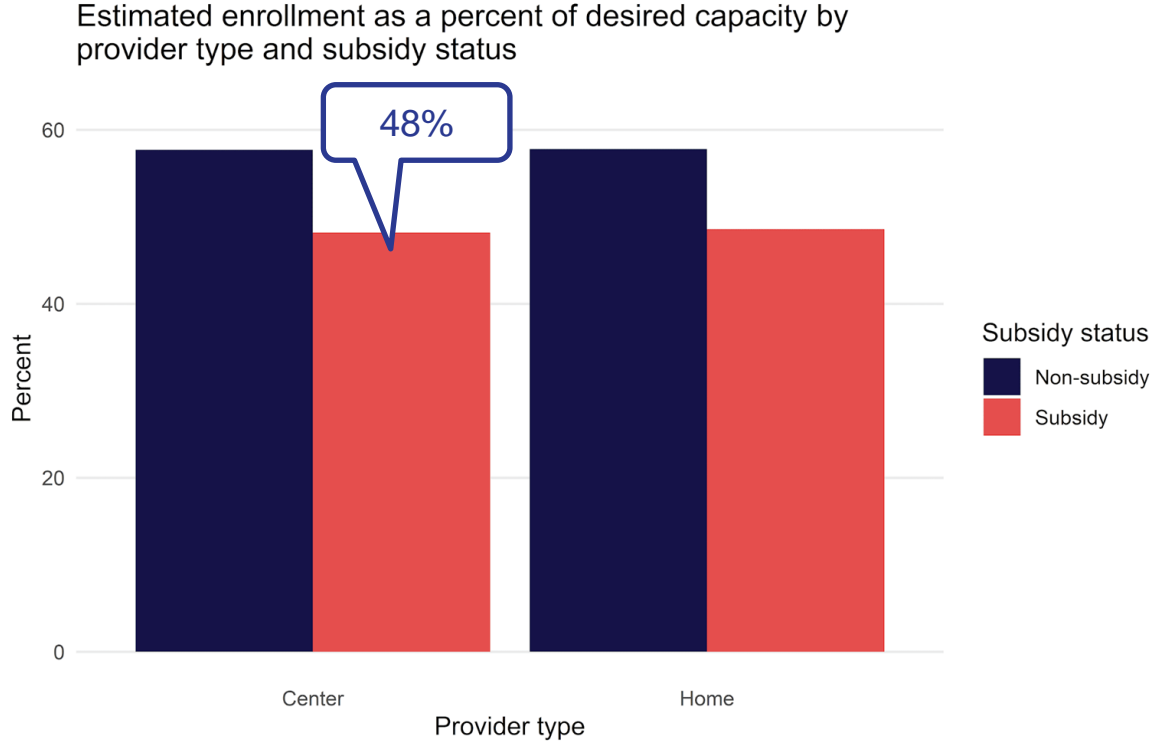
This analysis counts 668 open child care providers reporting enrollment between August 13 and September 11, 2021 out of a total of 13436 open child care providers. Providers who reported desired capacity of 0 were excluded because that causes a divide by zero error.

Source: Texas Policy Lab

What is the goal & how do we get there?

The Goal

Improve access to high-quality early childhood (0-3 years old) education for low-income children who live in childcare deserts.

- *Includes both center-based and home-based care*
- *Includes measurable improvements in socio-emotional, cognitive, and language development that can arise from receiving high-quality care*
- *Includes retention and appropriate compensation for childcare workers, which impacts quality and stability*

Goal and emerging recommendations

⭐ **Improving access to high-quality, affordable childcare for low-income 0-3 year-olds in childcare deserts.** ⭐

Create/fund additional high-quality seats in high-need locations	Raise the quality of providers in high-need locations	Optimize existing child care subsidy enrollment system	Leveraging state resources
Fill empty seats in existing, high-quality child care programs in high-need locations Adding new high-quality seats by establishing new, high-quality child care programs in high-need locations	Convert "lower quality" seats to high-quality seats by increasing number of TRS-3 and TRS-4 providers in high-need locations	Improve access and support for families applying for and renewing childcare subsidies	Build on the momentum of the group to leverage new state resources for child care in our region (e.g., TWC apprenticeship and shared services funding opportunities)

⬅ **Build support systems for home-based childcare providers** ➡

⬅ **Build up a specialized, stabilized 0-3 childcare workforce** ➡