Washington Works on a Foundation of Care

But that foundation is in danger... and without a strong system of early learning, Washington can’t get back to work

Updated as of 8/5/2020

Overview

Washington’s children and economy are threatened because the COVID-19 pandemic has put our early learning infrastructure at risk. Our state’s early education ecosystem was already fragile due to decades of underinvestment and now the economic impacts of the pandemic are destabilizing programs and compounding existing issues related to access, cost, quality, equity, and funding.

Families need early learning to be available and affordable, but many providers have been forced to close and many more are at high risk of closure due to the pandemic. The result is that families will not be able to find the care they need to go back to work and thousands of members of the early learning workforce will become unemployed, with many not returning to the field by the time the economy rebounds. For Washington to recover, the early learning system must be reinforced in this difficult time. All roads to recovery in Washington must go through a strong, viable early learning system.

1. Early Learning is the Business that Powers Business

Early learning has a profound impact on the economy of Washington State. A recent economic analysis completed before the pandemic found that the pre-existing lack of affordable, accessible child care cost Washington employers over $2 billion and the overall state economy $6.5 billion annually in lost revenue and growth. Workers with children under 6 make up 15% of the state’s labor force and all parents are working in 60% of households with children under 6 in the state.[1]

Access to affordable early education increases labor force participation and supports state and regional economic growth. The lack of available, affordable early learning options limits family economic security and the ability of employers to fill jobs. Workers with young children cannot return to work without safe and affordable early learning for their families.

2. The Economic Fallout of the Pandemic Is Forcing Many Providers to Close

Within the first few weeks of the pandemic, families began withdrawing their children from care, radically dropping enrollment across the state. The resulting loss of tuition revenue plus increases in the cost of operations associated with pandemic response have put an enormous financial strain on the early learning sector - businesses that were already operating on exceptionally slim margins with few, if any, financial reserves.

In addition to the major drop in enrollment and thus loss of revenue, programs have also closed due to direct exposures, concerns about exposure and lack of testing, cost or lack of access to sanitation supplies and personal protective equipment, and lack of adequate public resources providing financial support. Over a thousand programs have closed and many have furloughed or laid off staff. A significant share of the programs that have remained open are reporting risk of closure.

Across Washington:
- Enrollment has gone down by 48% statewide: 51% for centers, 28% for family child care homes, and 75% for school age programs.
- 19% of licensed child care programs, making up 25% of licensed capacity in the state, have closed.
- 33% of the child care workforce has been laid off (17%) or furloughed (16%)
- 46% of open providers reported risk of closure: 49% of centers, 45% of family child care homes, and 33% of school age programs[2]

<table>
<thead>
<tr>
<th>Child Care Closures in Washington State by Region</th>
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<tbody>
<tr>
<td>Region 1 (Adams, Asotin, Chelan, Douglas, Ferry, Garfield, Grant, Lincoln, Okanogan, Pend Oreille, Stevens, &amp; Whitman)</td>
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<td>--------------------------------------------------</td>
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<tr>
<td>Region 2 (Benton, Columbia, Franklin, Kittitas, Walla Walla, &amp; Yakima)</td>
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<td>Region 3 (Island, San Juan, Skagit, Snohomish, &amp; Whatcom)</td>
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<td>Region 4 (King)</td>
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<td>Region 5 (Kitsap &amp; Pierce)</td>
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<td>Region 6 (Clallam, Clark, Cowlitz, Grays, Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania, Thurston, &amp; Wahkiakum)</td>
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<td>Spokane</td>
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<td>Total by Type</td>
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Once closed, re-opening is no simple matter when staff have dispersed or found other jobs, accumulated back expenses must be paid, and there are additional start-up or staff recruitment costs. While Congress sent $58.6 million to Washington State in child care relief from the CARES Act, to date, only half the funds have been spent in direct grants to programs. The grant funds allocated were exhausted within the first two weeks and were only available to open programs. **The scale of the need is far greater than the resources made available.**
3. The Next Phases Will Increase Both Demand and Financial Strain on Programs

As communities in Washington move to reopen, more parents will begin returning to work and will need care for their children. However, those families will be coming back to a vastly different early learning system with hundreds of shuttered programs and many thousands fewer available spaces. Prior to the pandemic, Washington State ranked 6th in the country for the number of people who lived in a child care desert – in fact, 63% of people in Washington lived in a community where child care capacity does not meet demand.[4]

Current and emerging state and federal recommendations for health and safety protocols will further reduce capacity of programs and increase costs. Potential reduced group size and ratio guidance may mean open programs will only be able to serve half as many children as before and many will be forced to either substantially raise tuition, lay off staff, or both. More stringent cleaning and sanitation requirements increase supply and staffing expenses. Some programs housed in K-12 school buildings, such as many Early Childhood Education and Assistance Program (ECEAP) classrooms, are even at risk of losing their space under different scenarios for the re-opening of schools in the fall.

A recent economic analysis done by Child Care Aware of Washington projects that under reduced group size and social distancing guidance a medium-sized child care center receiving the highest child care subsidy reimbursement rates in the state will face a revenue shortfall of $26,000 every month. The economics of running a child care business simply do not pencil out when overhead increases and revenue falls significantly. **The child care deserts in our state are in danger of turning into child care wastelands.**

4. The Crisis in Early Learning Has Inequitable Impacts on Communities

Families with low-incomes and families in rural areas are disproportionately impacted by the child care crisis. Child care subsidy rates, which are already too far below market rate, will become less desirable for providers to accept in a market with decreased supply and increased demand making it harder for low-income families to access affordable early education. Child care closures will hit these communities especially hard because financial barriers and geography allow for few alternative options.

Women of color make up a larger share of the early learning profession, as compared to other professions and the state workforce, placing them on the frontlines of the pandemic caring for the children of essential workers and those who cannot stay home.[5] While compensation is low across the sector, white women in the early education field are often paid more on average than women of color educators.[6] Early learning is also one of the fields experiencing the largest job losses due to the pandemic and as more programs close, more women of color will join the ranks of the unemployed.[7]

By kindergarten entry and even before, the opportunity gap between children of color and their white classmates is already evident and left unaddressed these gaps persist and grow over time. However, research has shown quality early education can help close these gaps. Two-thirds of Hispanic/Latino children and 63% of Black children in Washington already lived in child care deserts before COVID-19 hit.[8] Early learning program closures and decreases in the number of children being served means many fewer children of color will have access to the kind of early opportunities that decrease racial opportunity gaps. **The need is stronger than ever for quality, culturally- and linguistically-relevant early learning to help build strong communities and dismantle barriers to opportunity.**

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Washington must prioritize these programs and take the following actions in order to make sure Washington works:

- **Provide immediate financial relief to child care providers:** (1) Direct additional financial resources to providers who have been able to stay open to continue providing services, and (2) Enable closed programs to re-open as soon as possible with targeted financial resources.
- **Extend temporary measures to increase flexibility in Working Connections Child Care,** including: enrollment-based pay for providers; covering family co-payments; and removal of unemployment as an automatic disqualifier for WCCC.
- **Maintain state investments in public early learning programs that deliver high-quality care and support to Washington’s children and families:** Working Connections Child Care, ECEAP, and Home Visiting.
- **Maintain eligibility to Working Connections Child Care during the crisis for parents and caregivers,** regardless of changes in income or employment status, to ensure continuity of quality care for children.
- **Make available additional financial support to providers to address impacts on revenue and expenses of any health and safety guidance,** such as reduced group sizes.
- **Apply an equity lens to all investments and outreach including targeting financial assistance to those disproportionately impacted by the current crisis and providing support and guidance in the state’s most commonly spoken languages.**
- **Ensure early learning professionals,** who are essential workers on the frontlines of this pandemic, have access to the healthcare, PPE, and supplies they need to keep themselves, their families, and the children in their care safe and healthy.

Washington cannot cut its way out of this crisis. Every cut to Working Connections Child Care, ECEAP, and Home Visiting means: fewer children will have access to safe, high-quality early education; fewer parents will be able to return to work; fewer families will have access to the critical resources and supports they need in this challenging time; fewer employers will be able to resume normal business operations; and more early education businesses will be forced to close their doors.

**Washington’s elected leaders must take the necessary steps to stabilize and strengthen our early learning system -- it cannot recover on its own and without it, Washington’s families and businesses cannot get back to work.**

Decades of research have proven that high-quality early learning, delivered by well-trained and well-compensated professionals, is both a smart use of public resources and gives kids what they need to thrive. Investing in a great start for children yields returns for all of us: more successful schools, stronger families, and more resilient adults prepared to contribute to a robust economy. Working Connections Child Care, ECEAP, and Home Visiting are each critical components of Washington’s early learning system.
Working Connections Child Care (WCCC) Spotlight

Working Connections Child Care (WCCC) is a subsidy program that makes it possible for families with low-incomes to access affordable, quality child care while they work or participate in approved work-related activities. WCCC covers a portion of a family’s child care expenses based on a sliding scale and parents may have a monthly co-pay depending on income. WCCC is an essential support for Washington’s working families and promotes healthy child development, family economic security, and economic growth.

- 79% percent of licensed centers and 60% of licensed family child care homes accept WCCC subsidies.
- 30% of centers and 24% of family child care homes limit the number of subsidized children accepted, many with a limit of ten percent or less of enrolled children.[9]
- 80,955 children were served in Washington’s subsidized child care program in FY 2018.
- Of the children under age 5 served by WCCC in 2018, at least 50% were children of color and 10% spoke a language other than English at home.[10]

The federal Administration of Children and Families recommends setting subsidy rates at the 75th percentile of private tuition (market rates) in order ensure equal access for families receiving child care assistance. However, due to limited public investment, WCCC reimbursements are well below market rates. Accepting subsidized families presents an economic hardship for providers resulting in revenue loss being recouped through increases in tuition for other families, slim operating margins, and/or poor wages and benefits for employees. A recent appropriation for WCCC in the FY21 budget increases rates to the 65th percentile for licensed providers participating in Early Achievers, the state’s quality rating and improvement system.

Access to high-quality child care benefits children, families, and our economy – it promotes healthy child development, makes it possible for parents and caregivers to work, results in long-term positive outcomes for children and society, and boosts businesses. The relationship between educators and children is the cornerstone for development and learning, yet low-subsidy rates make it increasingly challenging for early learning providers to make ends meet and attract and retain staff. Increased subsidy rates help preserve Washington’s high-quality and diverse community-based workforce while making it easier for families to find care options.

ECEAP Spotlight

Washington’s Early Childhood Education and Assistance Program (ECEAP) focuses on the whole child by combining strong early education with comprehensive services including individualized, trauma-informed health and family support to the most vulnerable of Washington’s three- and four-year olds – those living in extreme poverty, experiencing complex trauma, furthest from opportunity, or all three. ECEAP is also recognized as one of the highest quality prekindergarten programs in the nation by the National Institute of Early Education Research (NIEER) in which children who attend ECEAP are more likely to have greater success in school and life.

ECEAP currently serves 14,000 children across Washington State. Between ECEAP and Head Start, only 53% of the most vulnerable and lowest income children in the state are reached, leaving over 20,000 children unserved.

Of ECEAP children and families:
- 95.5% are under 200% of the federal poverty level
- 66% are families of color
- 32.5% of children are dual language learners
- 9.1% are experiencing homelessness
- 30% throughout the school year are involved in the child welfare system
- 11.5% are children with disabilities [11]

Research has proven the benefits of ECEAP, including:
- Strong gains in age-level achievement
- Improved kindergarten readiness
- Lasting benefits in academic performance
- Improved access to health and dental care
- Strengthened and supported families [12]

During the COVID-19 pandemic, ECEAP transformed to a hybrid model - providing virtual education and support to children and families while also providing on-site child care to a small number of essential workers and priority populations such as homeless families, children with special needs, and children engaged with the child welfare system.

ECEAP is a critical lifeline and touchpoint for supporting families in navigating this challenging time. As the economy re-opens and Washington rebuilds, ECEAP is an essential part of ensuring that parents with low-incomes have access to high-quality early learning for their children.

Home Visiting Spotlight

Home Visiting is a proven, voluntary program where trained home visitors and parents work together to strengthen and support families in the child’s first years of life. In Washington State, 10 home visiting models provide services in 33 counties to 7,329 families with federal, state, local, and private funding. Less than 6% of eligible families receive home visiting services leaving over 118,000 unserved.

Research has proven the benefits of home visiting, including:
- Improved birth outcomes
- Early detection of health issues and developmental delays
- Improved coordination and referral for other community services
- Improved parenting practices
- Improved kindergarten readiness
- Improved family self-sufficiency
- Reduced child abuse and neglect
- Reduced crime and domestic violence [13]

In response to the pandemic, home visitors quickly pivoted to provide telehealth/virtual visits. Most recent data show strong retention of participation families after the shift to virtual visits as well as continued enrollment of new families. As families navigate the many stresses of parenting during a public health pandemic, home visitors continue to serve as a valuable and trusted resource and support.