

Town of Norwich Childcare Committee
February 1, 2021 Meeting
Minutes

Attendance: Members Rebecca Holcombe, Mary Layton, Brian Loeb, Bob Haynes, Neil Odell

1. The **Agenda was approved** as written.
2. There were no **Public Comments**.
3. Minutes of the January 7, 2021 were approved with amendments:

Amendments were to sections 10.2, 10.3, and 10.4 to “include financial analysis” and to section 11.1 to add “and to plan a preliminary report to the Selectboard”.

Loeb moved, second by Odell to **approve the minutes** as amended.

Vote: Yes Layton, Holcombe, Loeb, Odell Abstain Haynes (he did not attend the meeting described in the minutes)

4. Layton moved, second by Odell, to **accept correspondence** from Brian Loeb (email exchange with Lisa Sjostrom of Childcare Center of Norwich regarding Lets Grow Kids); Bob Haynes (email regarding interview with Reevea Sullivan Murphy, Heart of a Child Early Care and Learning Consultation: questions about technical expertise available, sources for grants, town level data, family access to childcare, proportion of families that use CCFAP); Tracey Hayes (regarding The Family Place Specialized Childcare Coordinator); Rebecca Holcombe (regarding COVID-19 RESPONSE: Child Development Division 1/21/21 testimony for House Human Services DCF Commissioner Sean Brown) (Draft document to gather background information and Draft Work Plan, both working documents of the Childcare Committee).

Vote: Yes, Unanimous

5. Layton reported on **financial resources available** including funding or tools for communication. There is no money allotted via the Committee line item and there may be extremely limited money via Professional Services. She is not aware of a town survey account but will check with Miranda.
6. **Build out research plan.**
The Committee reviewed the document **TON Childcare Committee Draft Work Plan** compiled by Rebecca Holcombe from input by members. The document includes several sections: **Section 1** is an Outline and Timeline. **Section 2** “What is the current supply, capacity of childcare used by Norwich Families.” **Section 3** “What is the estimated demand or need for childcare and what is the gap between supply and estimated demand? **Section 4:** “What are potential barriers to increasing access to affordable, high

quality care in Norwich? **Section 5** “What are models for how municipalities have expanded access to affordable care? **Section 6** “What tradeoffs or considerations should the Selectboard weigh as it evaluates options and considers whether to municipally fund child care?

The **Timeline** is as follows:

Conduct 2, 3, and 4 simultaneously by interviews and surveys, with a standardized and unified set of questions, to be initiated before Town Meeting. Presentation to the Selectboard in July 2021 preliminary report. Final report to Selectboard by December 31, 2021.

Discussion:

The Committee will need the extended time frame described above to complete its work. There will be a draft of letter describing progress to the Selectboard to be considered for Committee approval at its March 8, 2021 meeting. It will consist of an “abstract” style letter with the Draft Work Plan and Draft Background on Childcare in VT documents attached.

Bob Haynes related his experience with the Green Mountain Economic Council in helping to develop a nonprofit child care center in Randolph, Vermont that serves 100 children. It was built at no cost to the Town. The process included a citizen committee that met several times and then decided to apply for a Planning Grant to hire a consultant, Reeva Murphy, to develop a survey of childcare needs and supply in the Randolph area. Brian Loeb expressed the idea that the Norwich Childcare Committee not immediately move in this direction as there may be particular elements of need of Norwich parents and guardians that should be identified by an in house survey. Evidence of regional differences in supply and demand were noted by Rebecca Holcombe. The Committee decided to review the Randolph survey and other materials that will be provided by Bob Haynes and circulated by Rebecca Holcombe before the March 8th meeting. The analogy of a “Market Study” was discussed, and the argument was made by Bob that “what you think is true may not be,” as an argument for issuing an RFP for a consultant to do this work. It is apparent that assessing Norwich supply and demand has to incorporate need and availability within some reasonable radius of Norwich beyond the Town itself, and that the types of care and time available for care must be taken into consideration.

Broad themes: the supply statewide of Registered family day cares is in decline. State mandated preschool may have shifted more “toddlers” away from the home providers, leaving the home providers with infants who need more intensive and expensive care. The supply of licensed childcare centers is up. This may be related in part to the issue of “scale” which came up several times in discussion. Overhead, administrative, and licensure costs are more apt to be reasonable in childcare facilities of a certain scale. Affordable fees for parents and equitable compensation for teachers/caregivers can be provided in the case of centers with a certain number of children enrolled. In cases where there is “unused space” as in the Bridgewater, Vt school a childcare center was able to reduce costs while using municipal space. Two

possible but unknown funding streams may become available over the next few years as the State of Vermont and the Federal Government may be able to provide funds. Pending restructure of the funding formula for the Vermont education fund is likely to penalize the Town of Norwich as Town residents include fewer low income families. This issue intersects with the Town's need for affordable housing as identified in the Town Plan. Development of affordable housing and increased childcare capacity may be in the best financial interest of the Town as well as fulfilling actions defined by the Town Plan.

7. The Committee agreed that Mary Layton will write a draft letter to the Selectboard. The draft will be sent to the Committee members and edits will be sent to Rebecca Holcombe to relay to Mary. The final draft of the letter will include the attachments **TON Childcare Committee Draft Work Plan** and **Draft Background on Childcare in VT.**
8. Draft agenda for March 8, 2021 to include:
 - Approve letter to Selectboard and attachments (Layton)
 - Research and report of legislation (Holcome)
 - Test out a draft "template" survey (Loeb)
 - Review methodology for MCS enrollment predictions (Odell)
 - Review Randolph, VT survey and documents (Haynes)
9. Adjournment
 - Haynes moved, second by Odell to adjourn. Vote: Unanimous yes

Enclosures:

TON Childcare Committee Draft Work Plan 1/1/21

Draft Background on Childcare in Vt

TON Childcare Committee Draft Work Plan

2/1/2021

Outline:

Overview of state and regional data on supply, demand and financing of childcare, with relevant implications for considerations of Norwich work

What is the current supply/capacity of childcare used by Norwich families? Stakeholders and respondents/How to reach them Stakeholders and respondents/How to reach them

What do we need to know?

Action steps with timeline

What do we know about the **estimated demand or need for childcare (and any gap between supply and estimated demand?)**

Stakeholders and respondents/How to reach them

What do we need to know?

Action steps with timeline

What are potential barriers to increasing access to affordable, high quality care in Norwich?

Stakeholders and respondents/How to reach them

What do we need to know?

Action steps with timeline

What are models for how municipalities have expanded access to affordable care?

A. Stakeholders and respondents/How to reach them B. What do we need to know?

C. Action steps with timeline

What additional tradeoffs or considerations should the Selectboard weigh as it evaluates options and considers whether to municipally invest in child care?

Stakeholders and respondents/How to reach them

What do we need to know?

Action steps with timeline

Timeline:

Report with plan in March 2021

2 and 3 and 4 simultaneously by interviews and surveys, with a standard and unified set of questions, to be initiated before town meeting, Presented by July 2021 in a preliminary report to selectboard

4 and 5 through interviews and document review, work to be completed in Fall 2021?

Report to selectboard by Dec. 31, 2021

2. What is the current supply/capacity of childcare used by Norwich families?

A. Stakeholders and respondents:

Licensed childcare facilities in Norwich surrounding towns Registered Childcares/home based providers (if any)
Marion Cross School pre-K (how many, where children enrolled) After-school providers: CCCN (active) & Rec. Dept. (proposed) Home-based providers

Individual caregivers/nannies
Informal care (e.g. “baby sitting coops”)
MCS may have data regarding where pre-K funding is going.
State(s) should have listing of approved child care providers in our area. (not sure about NH?)
Perhaps inquiries to major employers – DHMC & Dartmouth also run childcare centers so they may have some data on need/supply

B. How will we reach them?

Providers: Interviews and emails with center directors & staff, Distribute a survey/template with desired information to providers, focus groups

Family Place/Parent Child Center: Seek guidance from the Family Place for how to map informal providers

For parents: listserv postings, focus groups. word of mouth, through providers, social media ads, announcement at town meeting?, handout at voting?, MCS/RMS/HHS principals weekly report, transaction ads in VNEWS?, Norwich Times?, Zoom, Demo’s Newsletter, flyers (with QR code for Survey Monkey) at various locations in town (including existing child care providers, Montshire, pediatrics offices, Haven, D&Ws, Family Place)?

C. What do we need to know from them?

1. Current Capacity (e.g. providers, number of slots, PT or FT, location, age group, type of program, age groups, formal or informal, number of “stars”)
 2. Accessibility: do they serve all students, including students with disabilities and/or challenges
 3. Current and historical costs, and current and historical enrollments and capacity
 4. Current/typical openings
 5. Avg. time to fill openings
 6. Length of waitlists for various ages
 7. Number/% of families who live in Norwich
 8. Current funding supports, who is eligible
-
1. How many Norwich families are using Norwich childcare options vs. other UV options v. private care
 2. How many non-Norwich UV families are using Norwich options
 3. How do families select or determine in which option to use, pain points
 4. How equitable is access in Norwich? What is the impact, if any, of Norwich patterns of use on equity in other settings?

D. Action steps with timeline?

Note: To the extent possible we should combine the questions from all chapters into a single outreach to stakeholders so that we don't annoy folks with multiple requests (target to get initial questionnaires out to families/parents by Town Meeting)

Build a list of stakeholders with contact information

Recruit volunteers to assist with outreach?

Identify tools for collecting and storing responses

Exploratory interviews and focus groups with key stakeholders to vet plan, test scope Create and test survey/questionnaire for parents/families, refine

Build list of questions for providers, to ensure formal and consistent responses Decide on methods of outreach and assign to individuals to execute. Determine where we'll collect the data we receive. Possible options:

Survey Monkey, Google Forms,

Town email address (i.e. childcare@norwich.vt.us?), paper responses go in Tracy Hall drop box, old fashioned mail service to Tracy Hall?

Virtual town halls

3. What is the estimated demand or need for childcare (and what is the gap between supply and estimated demand?)

A. Stakeholders and respondents:

i. Similar to Section 2 above. In addition:

j. MCS, RMS can provide historical enrollment figures and future projections, census data (state and federal?), Childcare, local

birthrate data? Town reports

Marion Cross School staff and board, MCS PTO

B. How will we reach them?

Similar to for section 2. In addition:

Request briefing from School district on their research and projection methods and current calculations

C. What do we need to know from them?

1. Estimation of current demand and any unmet need. (e.g. number of slots, PT or FT, age groups, type of program, formal or informal, number of “stars”)
 2. Funding gaps: for whom? To what extent?
 3. To what extent we can estimate demand by location, income level, etc.
 4. Impact of unmet need on family decisions, affordability of town, decision to remain in the workforce, etc.
-
1. See Chapt. 2- UV vs. private vs. Norwich supply and demand
 2. Why are some families not choosing to use childcare through Norwich or UV?
 3. How many households have 2 working parents vs. 1 working parent?
 4. Equity considerations? What is access like for students with specialized needs?

D. Action steps with timeline? (Same as for section 2 above)

Note: To the extent possible we should combine the questions from all chapters into a single outreach to stakeholders so that we don’t annoy folks with multiple requests (target to get initial questionnaires out to families/parents by Town Meeting)

Build a list of stakeholders with contact information

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Build list of questions for providers, to ensure formal and consistent responses Decide on methods of outreach and assign to individuals to execute. Determine where we’ll collect the data we receive. Possible options:

Survey Monkey, Google Forms

4. What are potential barriers to increasing access to affordable, high quality care in Norwich?

A. Stakeholders and respondents:

Town Planner to describe land use regulation and other issues pertinent to opening a new center or expanding one Childcare center directors, again

Parents/Nannies

Employers, including employers who sponsor childcare: DHMC, Dartmouth,

VT/NH State Agency re: requirements for childcare providers School Board/School Funding

B. How will we reach them?

Providers: Interviews and emails with center directors & staff, Distribute a survey/template with desired information to providers, focus groups

Family Place/Parent Child Center: Seek guidance from the Family Place for how to map informal providers

For parents: listserv postings, focus groups. word of mouth, through providers, social media ads, announcement at town meeting?, handout at voting?, MCS/RMS/HHS principals weekly report, transaction ads in VNEWS?, Norwich Times?, Zoom, Demo’s Newsletter, flyers (with QR code for Survey Monkey) at various locations in town (including existing child care providers, Montshire, pediatrics offices, Haven, D&Ws, Family Place)?

C. What do we need to know from them?

What are the barriers?

Are these different for different providers, demographics and age groups?

What is the cost model of offering childcare and after-school care across age groups?

D. Action steps with timeline?

Suggested: schedule “focus groups” a few weeks after initial outreach for data on Chapters 2 & 3 from above. Assuming we’re still operating with COVID restrictions schedule a series of Zoom meetings where we can gather the most providers together at once to have this discussion.

5. What are models for how municipalities have expanded access to affordable care?

A. Stakeholders and respondents:

k. UVM/Dartmouth/Other universities that have studied this before?

l. MCS PK

m. Non-US approaches to the issue? Innovative employer based approaches? (Risk: different regulatory environments) n. Maine/National Partnership models:

<https://www.educareschools.org/about/develop-an-educare-school/>

o. Burlington: 2 prong approach: a) subsidies to support scholarships and b) grants to providers to expand slots

<https://vermontbiz.com/news/2020/february/20/burlington-double-enrollment-early-learning-initiative>

p. Randolph project

q. RNESU partnership with ARK childcare: [https://vtdigger.org/2019/05/12/school-enrollment-declines-empty-classrooms-](https://vtdigger.org/2019/05/12/school-enrollment-declines-empty-classrooms-used-daycare/)

[used-daycare/](https://vtdigger.org/2019/05/12/school-enrollment-declines-empty-classrooms-used-daycare/)

r. Community partnership in Bridgewater: [https://www.vnews.com/Bridgewater-Nonprofit-to-Lease-Former-Village-School-](https://www.vnews.com/Bridgewater-Nonprofit-to-Lease-Former-Village-School-20577309)

[20577309](https://www.vnews.com/Bridgewater-Nonprofit-to-Lease-Former-Village-School-20577309)

s. Family Place, in its role as a parent child center

t. ACCD and LGK for information on planning grants and assistance

B. How will we reach them?

Providers: Interviews and emails, document review

State Agency listings of providers and partnerships, to identify a range of models, document review and calls Calls to National public policy entities that can share models (e.g. Educare)

C. What do we need to know from them?

What are the viable ways municipalities have supported expansion of access to affordable childcare: Municipal provision
Contracting (public/private partnerships, shaped by contracts
Market subsidies for residents

Zoning and planning
Regulatory barriers and challenges
Sources of fundings for planning (e.g. ACCD and LGK) Sources of funding for operations.

D. Action steps with timeline?

Suggested: schedule “focus groups” a few weeks after initial outreach for data on Chapters 2 & 3 from above. Assuming we’re still operating with COVID restrictions schedule a series of Zoom meetings where we can gather the most providers together at once to have this discussion.

6. What tradeoffs or considerations should the Selectboard weigh as it evaluates options and considers whether to municipally fund child care?

A. Stakeholders and respondents:

- u. School District/Education Finance issues and operational issues v. Local childcare providers
- w. The Parent Child Center (The Family Place)
- x. State Agencies and their reports
- y. Likely Legislative action
- z. Local Employers
- aa. Impact of housing market on demand for child care

B. How will we reach them?

Providers: Interviews and emails, document review Local Employers: focus group, calls and meetings, listerv, WOM, mailings
State Agency - document review, calls

Legislative reports

C. What do we need to know from them?

Factors related to:
Program size and impact on per pupil cost
Age ranges served (0-3, 3-5, 0-5, market impact of different models and policies that target differ age cohorts)
Role of municipal dollars vs. state dollars
Long-term anticipated fiscal implications for Norwich in particular of state policy decisions and pending legislation on municipal finances, and on property and/or income taxes (e.g. education property tax reform, new proposed investments in private childcare businesses out of the education fund, weighting study, pension funds, health care)
Public perception and willingness to fund child care in Norwich, vs. other strategies to address

affordability

considerations related to pension funds, health care)

Considerations of sending local tax \$\$ to other VT and NH businesses/communities vs. investing in Norwich

Range of options for providing the resource as a town service?

- What is the value of affordable, high quality care for Norwich families? How will it benefit Norwich as a town? Norwich businesses? What is the impact?- need statistics/studies

D. Action steps with timeline?

Complete in Fall 2021, with preliminary report to the Selectboard by December 31, 2021?

Note: To the extent possible we should combine the questions from all chapters into a single outreach to stakeholders so that we don't annoy folks with multiple requests (target to get initial questionnaires out to families/parents by Town Meeting

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DRAFT — Document to gather background information Norwich Childcare Committee

Introduction: Charge

The TON Childcare Committee was appointed and charged with gathering and presenting information the Norwich Selectboard could use to evaluate whether childcare should be part of the core municipal funded activities, as well as a set of possible opportunities or strategies for Selectboard engagement in child care.

To do this, the committee identified a set of tasks it would need to complete:

Review existing state and local data on availability of child care, demand for child care, available financing for child care, and policy options for municipal investment and/or management of child care. This included review of the TON strategic plan and data gathered in the process of developing that plan, as well as state and regional documents related to the supply and demand of child care.

Reach out to local Norwich stakeholders to define, at a more granular level, current demand and access for Norwich residents, as well as capacity and level of use by Norwich residents in regional and local providers.

Evaluation of evidence of any gaps in care, as well as reasons for any gaps

Review of any current examples or models for municipal support for childcare that could inform TON efforts

Summary of any tradeoffs, opportunities and risks the TON should evaluate while considering its role in enhancing access of TON residents to affordable, quality care

Evaluation of the value to Norwich residents of enhancing access to affordable, quality care (to be compared with other potential activities to support residents) (e.g. why child care, not another strategy)

What is the motivation for evaluating if and how the town of Norwich should invest in child care for resident children?

During the process of developing the Norwich 2020 Town Plan, and a related community forum, child care was identified as an acute area of need. Data for Norwich from the 2011-15 ACS indicates that “only 8 percent (55 of 687) of school-age children and 49 percent (50 of 102) of preschool-age children live in a household that includes a parent who is out of the labor force.” Parents and guardians who work must know their children are safe when they are not in their care, and a lack of quality, affordable care prevents parents from working.

Although Norwich is home to a few child care programs, and Norwich families also enroll in cares in other towns, the supply of care is inadequate to meet need. Existing data suggests that the shortage may be most acute for children ages 0-3, though more analysis is needed.

As the town plan explained: “At all of these facilities, open enrollment spaces are severely limited. Norwich parents report waiting months or even years on multiple wait lists. By choice or necessity, some parents use the services of home daycare providers (i.e. not located in a dedicated facility)...Across age levels, demand consistently outstrips supply, presenting an

opportunity for the town to explore deepening its own role and commitment to the issue.” This evidence motivated the Norwich Selectboard to look into whether there is a municipal role in increasing the availability of high quality, affordable care for the town’s youngest children.

Childcare supply in the state of Vermont and in Windsor County:

In November of 2018, the Vermont General Assembly’s Joint Fiscal Office published a “Child Care and Prekindergarten Capacity Baseline Report.” This report found that between, at a time when the state was making significant new investments in early care and learning, and increasing quality standards, overall number of regulated slots decreased by 1,693, and number of providers decreased by 214. (See table 1 below.)

Table 1: Change in regulated childcare capacity from Dec. 2015 to Jun. 2018 in all providers.

All Providers	# Providers	Infant Slots	Toddler Slots	PreK Slots	School Age Slots	Total Slots
Jun. 2018 Capacity	1,096	3,177	3,397	11,761	3,959	22,294
Chg from Dec. 2015	(214)	(254)	(258)	(305)	(876)	(1,693)
% Change	-16.3%	-7.4%	-7.1%	-2.5%	-18.1%	-7.1%

This decline was driven most significantly by a reduction of capacity in home care providers (see Table 2 below), whose total capacity declined by 26% between 2015 and 2018.

Table 2: Change in childcare capacity from Dec. 2015 to Jun. 2018 in Vermont Registered Home Providers

The capacity of school and center based programs had a different profile. (See Table 3 below). The JFO report noted: “Licensed care has been less volatile with net closures on the private side and with public programs partially offsetting private closures. There has not been a net loss of infant and toddler slots in this segment. There has been a small decrease of pre-K slots despite a nearly 8% increase in public prequalified pre-K programs and a 53% increase in prequalified private centers.”

In sum, when total slots in home cares, private child cares and school-based programs are combined, between 2015 and 2018, the state experienced a decline of about 1693 child care slots overall , or 7% of capacity, but these were concentrated in programs for children aged 0-5, and for school-aged children. This suggests care gaps may be most profound for children aged 0-3. (Check) The school aged decline needs further evaluation, as it may reflect reductions that were offset in some communities by the introduction of PK and/or school-run and federally funded afterschool programs.

Registered Home Providers	# Providers	Infant Slots	Toddler Slots	PreK Slots	School Age Slots	Total Slots
Jun. 2018 Capacity	564	1,052	1,072	1,257	2,046	5,427
Chg from Dec. 2015	(204)	(368)	(336)	(377)	(773)	(1,854)
% Change	-26.6%	-25.9%	-23.9%	-23.1%	-27.4%	-25.5%

Table 3: Change in capacity in school and center based programs from Dec. 2015 to Jun. 2018

Center & School Based Providers	# Providers	Infant Slots	Toddler Slots	PreK Slots	School Age Slots	Total Slots
Jun. 2018 Capacity	532	2,125	2,325	10,504	1,913	16,867
Chg from Dec. 2015	(10)	114	78	72	(103)	161
% Change	-1.8%	5.7%	3.5%	0.7%	-5.1%	1.0%
Private Centers subset	# Providers	Infant Slots	Toddler Slots	PreK Slots	School Age Slots	Total Slots
Jun. 2018 Capacity	394	2,117	2,289	7,551	1,796	13,753
Chg from Dec. 2015	(20)	109	59	(142)	(134)	(108)
% Change	-4.8%	5.4%	2.6%	-1.8%	-6.9%	-0.8%

The JFO study did not break out capacity by town, but it did provide county level data, which roughly mirrored state level data and patterns. In Windsor county, declines in numbers of slots were concentrated in regulated home cares, and in particular, in slots for 0-3 year olds. Meanwhile stable numbers or slight increases in center based care and school programs were not large enough, or targeted at capacity for 0-3 year olds, in ways that would have offset losses.

In addition, losses were most significant in home cares. Losses in private, center-based care were partially offset by new slots in public school programs. Notably there was no significant loss of 0-3 slots in center based programs— a stark contrast with the loss of 0-3 slots in private home cares.

As Norwich considered possible investments, it's worth noting although the number of programs providing PK increased, the number of PK slots decreased, even as the state increased funding for prekindergarten. This is a cautionary reminder that simply adding more revenues to the current child care market may not yield more child care nor greater access. Investments need to be strategic.

(NEW) Impact of pandemic on supply:

A 1/21/2021 presentation by DCF Commissioner Sean Brown to the VT House Human Services committee presented recent information on the impact of the pandemic on the supply of childcare by region. (See table 4) These data suggest two patterns worth noting. While the state as a whole lost slots, the Hartford region offset those losses by increasing slots by 154 during the pandemic. In addition, statewide, losses were overwhelmingly concentrated in Registered home providers, not licensed providers. (Note: Norwich currently has no registered home providers.)

Table 4: Change in childcare slots by region during the pandemic, from a presentation by Commissioner Sean Brown to the House Human Services Committee, 1/21/2021

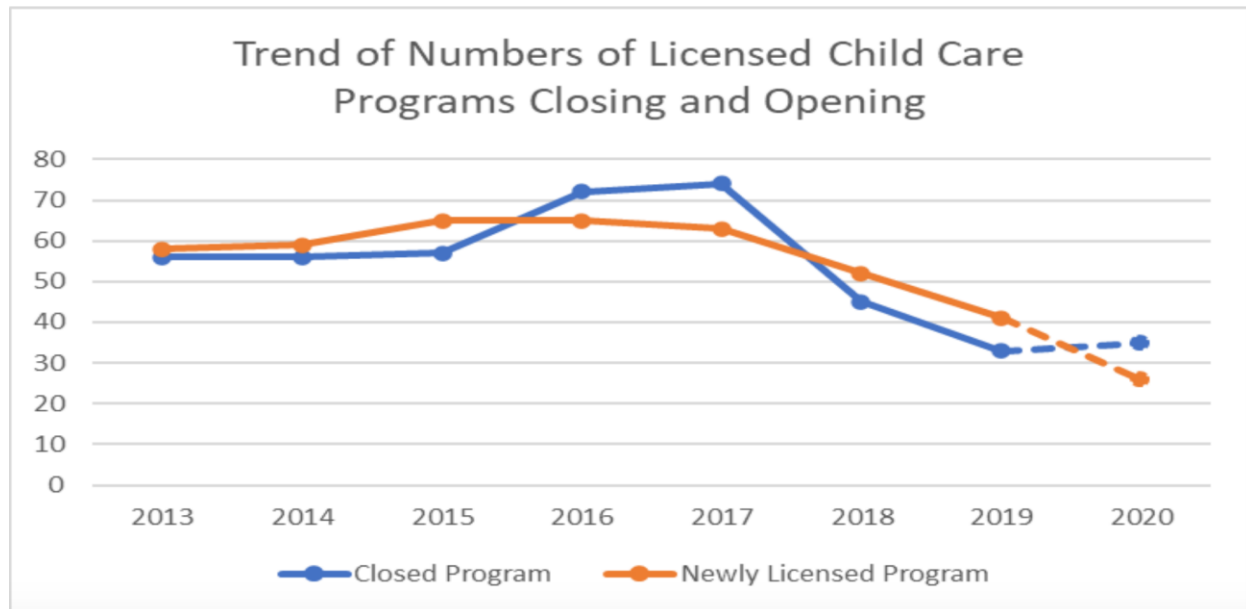
Impact of the pandemic on the childcare system:
How many child care spaces have been lost?

Change in Desired Capacity by Program Type in Calendar Year 2020									
AHS District	Dec-19			Dec-20			Difference		
	Licensed Provider	Registered Home	Grand Total	Licensed Provider	Registered Home	Grand Total	Licensed Provider	Registered Home	Grand Total
Bennington	1319	272	1591	1382	252	1634	63	-20	43
Burlington	9308	723	10031	9439	651	10090	131	-72	59
Montpelier	2610	617	3227	2537	565	3102	-73	-52	-125
Morrisville	1442	326	1768	1449	297	1746	7	-29	-22
Middlebury	1358	290	1648	1292	260	1552	-66	-30	-96
St. Albans	1428	742	2170	1463	688	2151	35	-54	-19
Newport	679	402	1081	516	395	911	-163	-7	-170
Springfield	1405	244	1649	1473	251	1724	68	7	75
Hartford	2259	172	2431	2431	154	2585	172	-18	154
St. Johnsbury	1373	308	1681	1295	332	1627	-78	24	-54
Rutland	2778	395	3173	2700	365	3065	-78	-30	-108
Brattleboro	1439	130	1569	1391	122	1513	-48	-8	-56
Grand Total	27398	4621	32019	27368	4332	31700	-30	-289	-319

In addition, this presentation suggests that during the pandemic, closures of programs have slowed relative to pre-pandemic, perhaps aided by the significant introduction of CARES Act dollars, PPP and state subsidies. (See Figure 1 below.) This should preserve capacity for post-pandemic.

Figure 1: Child care closures and openings during the pandemic, from a presentation by Commissioner Sean Brown to the House Human Services Committee, 1/21/2021

Impact of the pandemic on the childcare system:
How many child care programs have closed?



Summary of trends in supply and demand in the state and regionally:

Overall, registered cares now serve fewer children, while licensed cares now serve more children, suggesting a shift in the market provision.

The average number of children receiving CCFAP has been decreasing since 2015, and decreased by 25% during the pandemic.

The number of slots in the state has been decreasing, driven by decreases in slots for children aged 0-3, and concentrated in the registered cares.

Increases in School-Based PK have offset losses of slots in the 3-5 year old market

While slots were lost in most regions during the pandemic, state records show that the Hartford region was an anomaly, with a net increase of 154 slots, all in licensed providers.

Supply in Norwich

As part of the town planning process, the select board was informed that the region generally has a shortage of about 1700 child care slots. This does not specifically speak to the challenges or access of Norwich residents.

Regulated child care programs and school programs are required to register with the state, which maintains records for programs and their capacity. These records identify providers of child care in Norwich: The Family Place, the Child Care Center of Norwich (which runs both care for 0-5 and a school-age program in the Marion Cross facility, and the Marion Cross School's PK program.

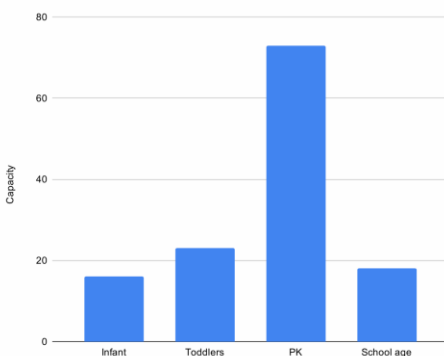
These records do **not** identify care, whether informal or formal, that occurs in other settings in town that are not regulated childcares. These other settings include the Norwich Public Library, the municipal recreation programs, and private nonprofit or business-run programs such as Lighting Soccer, Ford Sayre or Arts programs, or care by nannies or babysitters, nor does it reflect any camps that occur in the summer.

The state records suggest total regulated capacity in Norwich of 16 slots for infants, 23 slots for toddlers, 73 slots for prekindergarten students, and 23 slots for school-aged children (afterschool), with a reported 2 vacant infant slots, 2 vacant toddler slots, and 4 vacant PK slots at the time of reporting.¹ This total capacity can be compared with a typical kindergarten cohort at the Marion Cross School that is has hovered just over 40 students. (See Figure 2)

Figure 2: Regulated childcare slots in Norwich as of January 2021.

¹ Note: State records don't account for any current proposed expansion. They also don't reflect potential plans for a Spanish language immersion PK and Kindergarten with possible plans to locate in Norwich.

Capacity of existing Norwich licensed childcare programs by age group.



In sum, the number of slots for PK is comparable to the slots used per cohort at the Marion Cross School. To the extent there is a gap, it is more likely to be in care for 3-5 year olds beyond the PK program, and for children too young to be eligible for PK.

However, this reported capacity is a crude measure of actual capacity for Norwich children in child care, as it does **not** address:

How many residents of Norwich are enrolled in slots in other towns?

How many of the seats in Norwich providers are occupied by Norwich residents, as opposed to residents of other towns?

How much unmet demand there is for childcare slots by Norwich residents (e.g. are there waitlists for these programs?)

What plans, if any, do current providers have to expand capacity? For what ages and hours?

What constraints do they face in doing so?

Whether or not demand for the slots is distorted or shaped by other factors, including affordability, number of course or days per week, or fit with parent schedules and commuting corridors.

Financial Dimensions of Demand:

Demand has multiple components. At the simplest level, it is an analysis of how many people want child care. In economic terms, it is a measure of how many families can afford care at the current level of supply and price.

For that reason, any Selectboard decision needs to be informed by an understanding of current rates, the capacity of families to purchase care at those rates, and the financial “demand side” subsidies available to help families purchase care.

Statewide, licensed program rates increased an average of 8.02% from 2015 to 2017, while registered programs increased an average of 11.24%.² In general, rates have continued to rise faster than the rate of inflation and faster than the rate overall of local school budgets.

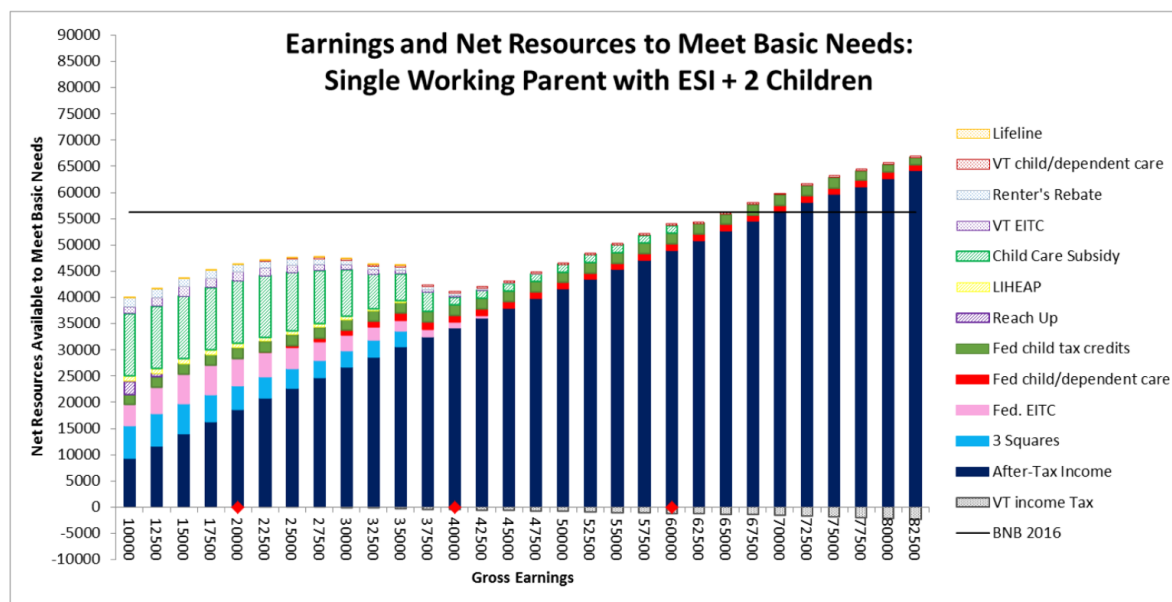
Families have different capacities to pay for childcare. While Vermont provides relatively generous subsidies to the lowest earning families, an analysis of Vermont’s “benefits cliffs” — thresholds at which individuals or families begin to lose eligibility for subsidies— suggest that some of the most acute cost pressures of child care may fall on working families, and not on families with the lowest incomes. For example, Figure 3 below, which was prepared for a recent legislative study³ related to the minimum wages shows that the cumulative benefit of subsidies begins to taper for a single parent household with two children at around \$27,500 in earnings.

²

https://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Market_Rate_Survey_2017_Statewide_Report.pdf

³ <https://ljfo.vermont.gov/assets/Subjects/Minimum-Wage-Study-Committee-2017/3>

Figure 3: Analysis of benefits cliffs, prepared by Deb Brighton for the VT JFO



A single parent who earns above the “cliff”, is actually worse off than individuals earning below that level, until his or her income reaches about \$50,000.

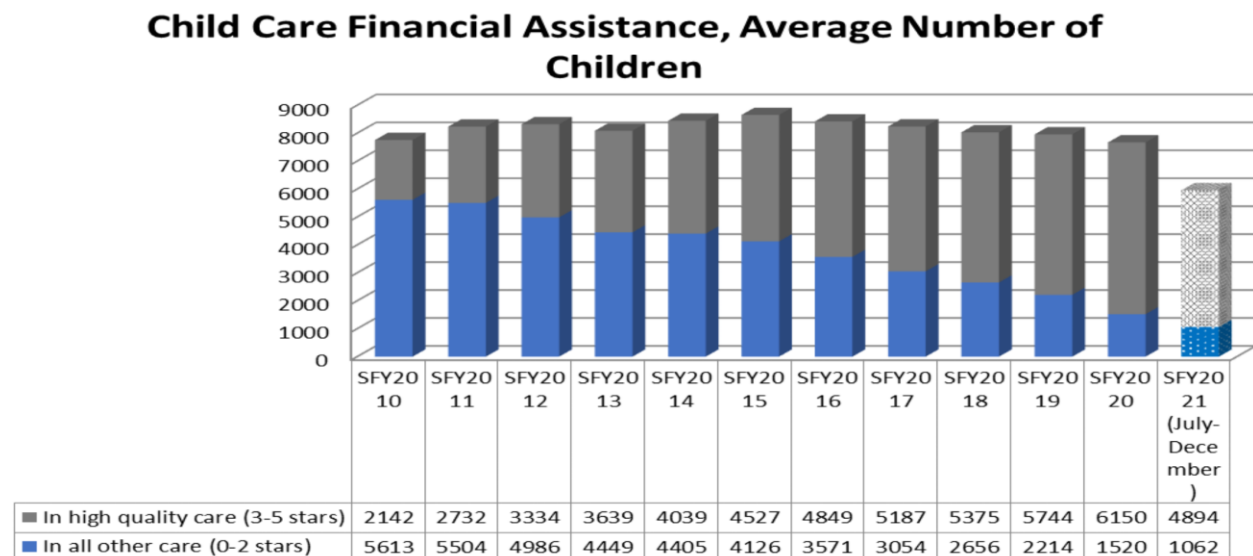
We have few accurate measures of actual for Norwich, as well as imperfect evidence of how demand is shaped by family resources, or by the nature of available slots. However, notes from a town forum on childcare, conducted as part of the process for developing the town plan, suggest that there is a shortage of care, that the care available is inadequate in the numbers of slots and the desired breadth of offerings, and that the costs can be high. At the first meeting of the Norwich Child Care committee, committee members suggested additional research was needed to get a better understanding of what actual demand there is in Norwich, as well as what factors drive or shape that demand.

The pandemic had significant and yet not fully understood impacts on demand as well. Parents who were newly unemployed or working at home may have changed their child care use in ways that are not fully clear, and the longer run impact of this is still being evaluated.

Commissioner Brown did note however, that the average number of children using CCFAP, the state subsidies, was down about 75% during the pandemic. His presentation also illustrates that the number of children using CCFAP has been dropping since 2015. This finding also needs more exploration, as several other indicator suggest the proportion of the state population that is economically disadvantaged is growing. See Figure 4 below.

Figure 4: Impact of the pandemic on CCFAP utilization (and utilization trend since FY10), from Commissioner Brown's presentation to the House Human Services Committee, 1/21/2021

Impact of the pandemic on the childcare system:
What is current (subsidy) utilization looking like?



Other dynamics of the child care market that shape supply or demand.

Preliminary analysis suggests that in the child care market, as in many business sectors, scale may affect cost per slot. In addition, the economics of supporting care for the youngest children (aged 0-3) are more challenging than the economics for PK aged children. There is some evidence that suggests that re-connecting care for 0-3 year-olds to care for 3-5 year-olds allows for cross subsidization of administrative costs for 0-3 and operation at scale in ways that protect capacity for younger children.

(Add data from BRC and DC?)

Considerations of municipal involvement in early care and learning:

The TON Childcare Committee to identifying a range of range of possible options for municipal involvement in expanding access to early care and learning for Norwich residents. This approach reflects the appropriate governance of this work. Government entities have responsibilities that are distinct from private sector providers they must regulate and with which they contract. The Selectboard is accountable to town residents, not to market actors that serve residents. And, municipalities/government entities have a range of options for supporting the provision of public goods through markets. These include:

Municipal Provision of care Example:

- (e.g. MCS Prekindergarten)

Municipal supply side partnership or contracts to increase slots

Examples:

- Partnership with the Child Care Center of Norwich to provide a program in the MCS

facility

- RNESU/Whiting school: school district partnership with private provider to put full day

care for 0-5 year olds into the Whiting school

- Burlington grants to selected private partners to expand slots
- Maine model bringing together school district, Head Start and other funds for

comprehensive care <https://www.educarecentralmaine.org>.

<https://www.educarecentralmaine.org/about/develop-an-educare-school/> <https://www.kvcap.org/wp-content/uploads/2018/07/KVCAP-2018-Community-Needs-Assessment-Final-Report.pdf>

Demand side subsidies for care paid to private partners for care for resident children

Examples:

- PK vouchers from the school budget that follow PK aged children to the provider of the parent's choice,
- Burlington subsidies for economically disadvantaged families.
- State CCFAP vouchers which economically disadvantaged families can use to

purchase care on the market)

Market management/Contracted services

Example?

- Orleans Central, pre act 166: school districts partnered with a subset of providers,

sometimes supported enrollment and (e.g. the municipality could contract with a subset of providers to provide care for a designated number of Norwich residents, this could include expansion of slots).

Private sector solutions that require municipal action on zoning, permitting or infrastructure

?? Bob, does your example fit here?

It is the Selectboard's responsibility to propose direction. The child care committee will work to lay out options for the Selectboard to evaluate.

