San Luis Obispo County Collaborative Child Care Study



February 2021



ABOUT THE SAN LUIS OBISPO COUNTY COLLABORATIVE CHILD CARE STUDY

This San Luis Obispo County Collaborative Child Care Study Report ©2021 is a publication of the Low Income Investment Fund (LIIF), This study was undertaken to inform the San Luis Obispo County Study Partners of options to consider to address the goal of expanding high quality, affordable child care. LIIF is a nonprofit community development financial institution with a more than 35-year history of providing child care funding and technical assistance throughout California and nationwide. LIIF's early care and education philosophy includes the following tenets:

- High-quality child care assures the strong start necessary for a child's success in school and life.
- Children in stimulating child care programs are more likely to be academically successful.
- Quality, affordable child care is an investment that enables the whole family to succeed.

This Child Care Study Phase 1 Report was commissioned and funded by a partnership of four Child Care Study Partners (Study Partners) in response to the "Where's the Care? Town Hall" event in May 2019:

- The City of San Luis Obispo (City of SLO) is home to 47,300 people with a daytime population of 72,770 (in 2017) accounting for the City's workforce and students at California Polytechnic State University (Cal Poly). The City recognizes child care as an essential part of the economic recovery from COVID-19. Through the Parks and Recreation program and utilizing a supplemental staff team, the City provides direct state licensed child care to over 1,000 school age children each year, with before and after-school programming, as well as camps during normal school year closures. In addition, the City provides child care enrichment and recreational opportunities through Contract Class community partners and Sports and Aquatics offerings. City child care is enhanced through partnerships with San Luis Coastal Unified School District and CAPSLO, as well as staff workforce development through Cal Poly and Cuesta College.
- The County of San Luis Obispo (County of SLO) is a local government agency made up of dedicated elected officials, skilled employees, and devoted volunteers who are committed to public service. Together, they provide a variety of essential public services that contribute to a safe, healthy, livable, prosperous, and well-governed community. The County, which employs 2,643 permanent and 204 temporary employees, has the ability to influence child care through policies and services provided by the Social Services, Planning and Building and the Health Agency Departments most notably.
- California Polytechnic State University (Cal Poly), San Luis Obispo is one of 23 public California State University (CSU) campuses located in the state. Founded in 1901, "Learn by Doing" is at the core of Cal Poly's philosophy. This is a deliberate process in which students acquire knowledge and skills through active engagement and self-reflection inside the classroom and beyond. The Child Development Department within Cal Poly supports this type of student engagement in the child care field and Cal Poly also maintains two high quality early education/child care programs located on campus; the Preschool Learning Lab (PLL) and the Associated Students Incorporated (ASI) Children's Center which are available to student-parents, faculty/staff, and the community.
- San Luis Coastal Unified School District (San Luis Coastal) represents the communities of Avila, Edna Valley, Los Osos, Morro Bay, and San Luis Obispo and currently has an enrollment of approximately 7,500 students. The district serves students in preschool through twelfth grades and Adult Education. The district maintains two preschools and five Transitional Kindergartens classes. The Adult School offers three Cooperative Preschools for families. Career Technical Education programs in the Education, Child Development, and Family Services workforce sector are offered at both our comprehensive high schools. The district partners with local agencies to provide child care before and after school on our elementary campuses.

Support and coordination for the project were provided by:

- First 5 San Luis Obispo County (First 5)
- San Luis Obispo County Child Care Planning Council (LPC)

Together, these public agencies invested in identifying collaborative solutions to address the child care crisis for their employees, and in San Luis Obispo County. A Study Team worked with the LIIF Team to ensure that the vision and urgency of the effort was addressed. This report provides the Study Partners with the Findings and overarching Options that the LIIF Team suggest all Study Partners consider, select from, and work collaboratively to accomplish. It also provides Options for each individual partner organization. Woven through the report are many examples, links to online resources, and documents available in a <u>shared drive</u>.

Acknowledgements:

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- Shannon Messerly, We Are The Care Initiative Leadership Team

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INTRODUCTION

Statewide in California, about four million children need child care, but less than one million slots are available. In San Luis Obispo (SLO) County, nearly two-thirds of children of working parents from birth through age 12 do not have access to the quality child care that can help them succeed in school and beyond. The SLO County child care stakeholders are encouraged by recent work at the state level to shore up California's early childhood education systems. They are also poised to creatively mobilize local resources in both the public and private sectors in a shared effort to unlock child care capacity across the Central Coast. A May 2019 town hall called "Where's the Care?" brought together families, child care professionals, and leaders from business, education, and government to examine local solutions to the child care crisis. In response, the initiation of this collaborative child care study is a commitment of four public sector partners, as policy developers and major employers, starting with this report.

The ongoing coronavirus pandemic has impacted this study since the permanent impacts on the local or state child care landscape cannot be estimated and considered in proposed Options for action. At the same time, the public sector partners are addressing significant challenges and face uncertain future conditions. Keeping the long-range vision, while implementing strategies as feasible, will be the key.

Every day, families across San Luis Obispo County are making difficult decisions about who will care for their children. Some choose center-based programs. Others select providers who care for children in the provider's home. Yet others choose to have family, friends, or neighbors care for their children.

Regardless of the provider and setting, families want high quality, affordable child care where their child is safe, happy, healthy, and learning. Too often, however, families experience challenges when trying to access quality child care, which in turn makes it

difficult to maintain employment and/or education or training. High costs price some families out of the child care market.

Finding child care that is open during work hours can be especially difficult for families who work second or third shifts. These challenges cannot be overcome by families and providers alone. Child care must be part of a broad County-wide effort to improve early learning and development as a way to improve the prosperity and quality of life in The County.

¹ San Luis Obispo Child Care Planning Council Needs Assessment 2018-22 pg. 22

"Child Care"

The term "early care and education" is the most descriptive and most encompassing term used for the care of young children outside the home, and the preferred name for many of those in the field.

For brevity's sake, the term "child care" will be used in this report and refers to licensed and license-exempt early care and education programs for children from birth to 12 years, including centers for young children, afterschool care and family child care homes.

Care by family members and others (Family Friend and Neighbor) is also mentioned. Regardless of the name or type, children need high quality care for optimal development and learning in part or full day settings that meet care and supervision needs of their families.

This Report focuses on three Study Component areas of interest to the Study Partners:

- A. Employer child care benefits/options for public sector partner agencies
- B. Planning/zoning and/or other local public policy options to unlock child care capacity; and
- C. Child care workforce pipeline enhancement options.

For this first phase of the Study, LIIF was asked to study, refine, and analyze the child care needs and capacity of Study Partners, the state of the broader child care field in some cases, and provide a suite of policy and/or programmatic opportunities within the three Study Component Areas for the public sector partners to consider as viable pathways toward an improved local child care system. The second phase will allow Study Partners to select the most impactful strategies, build structure to support the work, and begin implementation.

Understanding high-quality, affordable, and accessible child care

The tensions around the child care "trilemma" of accessibility, affordability, and quality exist in most communities nationwide, with no universal system or guaranteed access to services. Until there is a comprehensive state or federal system, high-quality, affordable child care is only achievable with significant investments beyond parent tuitions and the current limited state and federal subsidies. *Existing child care programs are being subsidized by the low wages and benefits of teachers and by free or low-cost (often inadequate) facility space.*

California's new "Master Plan for Early Learning and Care" (MPELC) provides a vision that all California children thrive in their early years and a 10-year framework to achieve that vision. MPELC focuses on access to high-quality early learning and care resources; equitable opportunities for the workforce that advance equitable outcomes for children; and greater efficiencies through continuous improvement. The plan recommends many steps to address the needs, for which communities can and should prepare. Communities can prepare now for the implementation of the plan by adopting aligned strategies and helping current families and children with child care needs while building for the opportunities that the plan will bring.

The information presented above is critical for San Luis Obispo County families, residents, businesses, and other organizations to hear. A public awareness effort about child care affordability is critical and must include information about the true cost of quality. Such a campaign can help set parent expectations about the cost of care and can act as a call for all stakeholders, including organizations not traditionally seen as interested in this work, to join the cause for a collective impact. The results can include direction/redirection of existing resources and tracking and capturing of new ones, as well as a culture shift regarding the value of child care.

Changes in federal and state policy around the early care and education system are underway both in reaction to the COVID-19 pandemic and as part of a pre-pandemic shift in understanding the value of child care for families, children, and the economy, including state and federal policy changes and potential funding. It is important that Study Partners understand the existing system and are informed about state, federal, or other changes in the works. While no one can be sure of new funding opportunities or policy provisions, this study can help Study Partners prepare for new opportunities by highlighting resources and preliminary steps their organizations can take now to be positioned for future growth.

Included in the MPELC plan is targeted universal preschool achieved by combining Transitional Kindergarten and Title 5 preschool in school and community classrooms. Planning conversations can begin

now between school districts and community child care providers of all types. Such partnerships and the identification of interested parties and available/needed resources are some steps that can be taken to increase readiness. Where possible, specific MPELC and federal investment notes are included in this report. The transfer of most child care programs from the Department of Education to Social Services in July 2021 is another major change with as-yet unknown impacts.

Methodology

For this report, the main data used was qualitative and collected through interviews and focus groups. Secondary data came from existing reports and studies in San Luis Obispo County and other communities.

The SLO County Study Team selected the individuals to be interviewed and introduced them to the LIIF Team, who conducted the interviews. Nineteen individuals, including Study Partners and Study Team members, were interviewed, along with nine stakeholders related to the three Study Components.

- Partner agency representatives included organizational leaders, human resources, planning and community development, property/facility managers, and direct services providers
- Study Team members
- Key community stakeholders/partners:
 - San Luis Obispo Chamber of Commerce (Chamber)
 - Economic Vitality Corporation² (EVC)
 - REACH 2030 (REACH)
 - Trust Automation
 - Cuesta College
 - Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO)

Two focus groups were held virtually: one with early care and education center directors and one with family child care providers. Outreach to the child care community was conducted through emails from the Child Care Planning Council and CAPSLO. The emails provided information about the study and requested participation in the focus groups. The center focus group had four participants and nine participated in the family child care focus group.

Study Limitations

The report focused on the four County of SLO public Study Partners, but with some analysis and Options for broad, countywide efforts to resolve issues beyond the purview of Study Partners. However, the report is not intended to be a comprehensive study of child care in the County of SLO. Because the focus of the study was on Study Partners and broad systems, we could not fully research the needs of low-income families in The County. These families likely feel the effects of the lack of child care spaces, high costs of child care and cost of living, and are often in jobs that are deemed "essential" during COVID-19, so must be at work. Pandemic-related impacts on the child care supply and on families' needs change weekly. While data from national and other surveys shed some light, it will be some time before an assessment of lasting effects in SLO can be done.

² As of December 2020, REACH and the San Luis Obispo Economic Vitality Corporation Boards have voted to consolidate under the REACH banner, uniting efforts to create a brighter future for the local economy. The consolidation provides momentum and capacity for tackling the pressing issues of economic recovery and working together to grow the collective impact on important initiatives such as expanding broadband access, supporting The County's industry clusters and supporting the child care industry.

OVERARCHING FINDINGS AND OPTIONS

There is not one solution to all aspects of the child care puzzle for Study Partners, employers, and the community, but with the momentum and partnerships already in place in San Luis Obispo County great strides can be made on all fronts. The key will be to prioritize short-term or urgent strategies, while building towards longer term projects that require more time and resources. The Options are generally organized this way, with current opportunities listed first. Some strategies overlap across the three components. Where this occurs, we have cross-referenced for clarity and connection.

We have included "Findings and Options for All Study Partners" where the information would have been duplicative if listed for each partner. Specific information for each partner then follows, as appropriate. As such, each Study Partner is asked to consider the "All" items in addition to those specific to their organization. Due to the variety of component topics and the differing partner functions, some sections have more findings and Options for some Study Partners and fewer for others.

The Study Team's selection of short- and long-term Options for implementation will occur in Phase 2 of the Study. A team of key stakeholders can be created for guidance, coordination, and accountability.

Overarching Findings

- Although there are just four public agency Study Partners for this study, these organizations have the potential to greatly influence the trajectory of the child care work in The County. By taking on the work laid out in this report, they can also influence and engage other public and private organizations to learn from their work, and potentially partner to expand the impact.
- With over 7,000 employees combined, the Study Partners employ close to 10% of the entire
 workforce in The County of SLO. If the Study Partners can address the child care needs of 10% of
 The County's workforce, they will significantly impact the child care capacity in The County. They
 will also provide inspiration for other public sector agencies and private organizations.
- The public sector Study Partners have major pieces of the child care puzzle available to them buildings and land, relatively larger size workforces, control of land use, ability to set child carefriendly policies, and significant influence.
- The Study Partners' ability to set child care-friendly policies and align resources with child care can
 improve the social fabric of the whole community. With additional support and fewer barriers, child
 care providers are more likely to be able to grow and sustain their programs. Partner employees
 and community families will benefit personally and professionally from having greater access to
 more high quality child care, which also helps employers and the economy.

"City leaders are responsible for promoting a city's economic vitality, making it a place where their constituents can be productive, engaged citizens. They are best positioned to champion the issues of the early education workforce because they are closer to constituents and more in touch with their challenges than state and federal policymakers."

National League of Cities: Cities Supporting the Early Childhood Workforce

Overarching Options

We encourage Study Partners to consistently view their operations, policies, and resources through a child care lens, continually asking how policies or practices will affect child care. If the partner organizations make child care a priority throughout their departments, they can use their resources, policies, and political influence to affect positive change in child care accessibility and quality in the following areas:

1. Build infrastructure for the Selected Strategies

Throughout the implementation of each component, develop infrastructure within each partner organization for that work, along with strong relationships among Study Partners, and policies to ensure sustainability.

- Broaden the connections. Connect and share resources with state and national organizations that support public sector efforts around child care and support for children and families.
 - i. The National League of Cities (NLC) provides a robust child care focus, including:
 - Early Learning Nation
 - Afterschool and Summer Learning: A City Strategy for Workforce Development
 - Early Learning Community Action Guide
 - A Guide for Equitable Early Care and Education

NLC has <u>invited the City</u> of San Luis Obispo to contact them directly to explore all of the resources and opportunities provided.

- ii. The <u>National Association of Counties</u> (NACO) has launched a new Early Childhood Initiative and website, <u>Counties for Kids</u>, which serves as the hub for information and resources.
 - NACO has <u>invited The County</u> of San Luis Obispo to contact them directly to explore all of the resources and opportunities provided.
- iii. The National School Boards Association provides <u>background</u> and <u>advocacy</u> around early care and education
- iv. A similar association to those above for universities could not be found, but much of the NLC and NACO strategies and advocacy positions can be adopted by colleges and universities. As well, other models where higher education focuses on child care can be replicated, such as the University of South Carolina College of Education's Child Development Research Center.
- b. Form strong partnerships with local child care agencies for strategy design. For example, the LPC would be a good partner with the Early Learning Nation, where the City would be the lead, as a member, and can partner with the LPC in planning and implementation of activities to ensure the strategies are designed for the SLO county child care industry.
- c. Consider operating or expanding child care programming to serve Study Partners and/or the community.
- d. Dedicate staff to lead the selected strategies from the study. Consider collaborative contributions and/or long-term funding streams to fund staff positions to support all Study Partners to implement the plan.

- e. Search for opportunities for strategic partnerships between a subset of Study Partners to achieve specific goals
 - i. Example: City of Santa Monica's <u>Child Care Master Plan</u>, in partnership with Santa Monica Malibu Unified School District and Santa Monica College. This plan is "the framework for a long-range strategy to address critical needs like the shortage of child care facilities, protection of existing child care and increased care for infants and toddlers."
 - ii. Example: The City of Irvine and the Irvine School District created the <u>Irvine Child</u>

 <u>Care Project</u> through a Joint Powers Agreement to address after school child care. A summary of the partnership is <u>here</u>.

2. Secure Funding for the Work

- a. Study Partners can track and capture every available source of funding for all child care in The County a creative and dedicated focus and team effort can uncover opportunities that might have gone undetected. Sources can include federal, state, and local government funds, as well as foundations and private funding. For example, housing funding can be considered more broadly to incorporate child care.
- b. Develop a concerted effort to ensure all eligible child care providers apply for, and receive, any COVID-19 relief funds available.
 - i. One fund that is available at the time of the writing of this report is the <u>California Small Business COVID-19 Relief Program</u>. SBDC is listed as a local technical assistance provider. Individual and special training and support sessions can be provided to ensure all eligible providers submit successful applications. (This resource is listed in Component C as well). Have experts who are knowledgeable about funding opportunities as well as child care facilities development, operational funding and other grant funds to facilitate conversations and connections to make projects and deals happen.

"Counties play a major role in shaping local child care systems and investing in core services for infants and toddlers that help to support a thriving community and positively impacting outcomes into adulthood."

National Association of Counties

- c. Engage funding partners, in addition to First 5, who can not only secure financial support, but can also serve to distribute program funds. Consider foundations, United Way, District Education Foundations, etc. The National Association of Counties offers ideas on how to build the case for investing in early childhood programs.
- d. Identify, and study the feasibility of, regional tax and other revenue-generating strategies. One example is San Francisco's <u>Measure C</u>, the Early Care and Education for All Initiative, which supports the child care workforce, parent tuitions, education, and quality.

3. Set Child Care-Friendly Policy

- Most policies set by public agencies can be amended to impact child care. Applying a child care lens across the entire organization will guarantee good child care policies across all departments.
- b. Cultivate child care expertise in key departments, such as human resources, planning,

community development, economic development, and public works. With knowledge and a child care lens, staff can pinpoint ways to remove barriers and increase access to high quality child care.

4. Refocus Economic Development

- a. Coalesce economic development efforts around child care and include the economic development agencies such as the Chamber(s), REACH and Cal Poly University's Center for Innovation and Entrepreneurship (CIE).
- b. Use a child care focus in all economic development initiatives within the organizations.
- 5. Advocate for child care Study Partners can advocate broadly for high quality child care, and specifically, for state and federal subsidies for low-income families. The value of local government and business advocacy for child care support at the state level cannot be overstated, so local Chamber involvement is key. Communicate with government and elected leaders about the need for child care in The County. Define and track data that will help tell the story. The US Chamber of Commerce Foundation and the Bipartisan Policy Center have resources and examples.

Equity in child care

High quality child care can be a tremendous lever to ensure equity for children and families. The MPELC focuses on strategies that will ensure equity within the child care system. References to resources that support equity are shared throughout this report. For public agencies, nearly every action offers an opportunity to ensure equity. For example, city and county community development departments can plan for child care where needs are the greatest, and resources can be distributed using data-informed equity formulas. And, child care design models can be encouraged where children of all economic backgrounds can participate together through blending and braiding of funding sources. The National Association for the Education of Young Children offers equity guidance for public agencies. The Study Partners are encouraged to plan together, find metrics, and track the success of their child care strategies through an equity lens.

COVID-19 Pandemic and child care

The impacts of the COVID-19 pandemic on child care have been tremendous. Many programs have had to shut down, temporarily or permanently. Public agencies have their own budget constraints and impacts to staffing and services during the pandemic. Some Options for responses from the Study Partners are included throughout the report. Three supporting resources are:

- US Chamber Foundation report on impact of COVID-19 on child care
- County responses to the COVID-19 Crisis Child Care
- <u>Legislative Brief</u> on addressing the COVID-19 child care crisis

COMPONENT A

CHILD CARE BENEFITS/OPTIONS FOR PUBLIC SECTOR PARTNER AGENCY EMPLOYEES

SUMMARY

Families find it challenging to arrange for child care while working or attending school. Family-friendly policies can boost employee engagement and promote work-life balance and flexibility. When employees do not need to worry about who is caring for their children, they are better able to focus on their jobs. This is also true for employees responsible for aging adults or others with special needs. The Study Partners, and all employers, can provide support through policies that respond to the diverse needs of employees.

Component A focuses on employer-sponsored child care support, including internal policies for parent employees with young children, as well as direct child care initiatives, such as the provision of child care. The LIIF Team looked at individual partner Options, as well as possible partnerships with other agencies. Also included in this component, and in Component C, are strategies the organizations can implement to impact child care across The County, which will positively impact their employees and community families.

The cost of family-friendly policies has traditionally been looked at as an expense to an organization, as well as a direct individual employee benefit. But these policies should be considered business strategies that benefit the entire organization. Return on Investment (ROI) results for organizations with good family-friendly policies include improvements in recruitment and retention, reductions in lost time, improved reputation, and tax benefits. When employers invest in child care, whether for their employees or for other families, the entire community benefits. Studies show the societal effects of supporting high quality child care for families, with returns of 12% to 14% in greater financial success for children and reduced need for, and lower costs of, social services. And the earlier the investment is made, the greater the return.

Public sector organizations have a critical role to play in developing and supporting child care for the community. They create systems, can prioritize their resources and focus on what young children and families need, and have tremendous influence on residents, businesses, and other organizations. Every public entity that takes on such a role serves as a model for other similar organizations, creating a ripple effect of change.

COMPONENT A: STUDY QUESTIONS AND FINDINGS

The specific questions posed for this Component of the Study were:

- What opportunities exist for enhanced family-friendly workplace policies among the partner public agencies, in relation to expanded access to quality affordable child care?
- What opportunities exist for partner public agencies either individually or jointly with other entities to build or open additional child care capacity for the children of local government employees?
- What existing local government facilities might be repurposed for suitable use as a child care center?
- What potential multi-organization options exist for shared development and/or repurposing of existing facilities to expand child care capacity for public sector employees?
- What is the cost and the potential return on investment for innovation in the above two opportunities areas? (e.g., talent attraction, employee retention, productivity, child-centered outcomes)

For this study area, three main topics were explored in key informant interviews and focus groups to address the questions above.

- Return-on-investment data
- Family-friendly workplace policy
- Public sector employer-sponsored facilities or arrangements



RETURN ON INVESTMENT FOR EMPLOYEE CHILD CARE POLICIES

Return on Investment (ROI) measures, when applied to family-friendly workplace policies (or Work/Life policies), can highlight the organizational benefits of policies, such as flexible schedules and teleworking. When measuring such effects from employee child care strategies specifically, some base employee data will be required, as well as specific data from employee surveys and focus groups. Using this type of data, the <u>US Chamber Foundation project</u> analyzed the impact of child care breakdowns across 5 states and found that each state loses over \$1 billion annually in economic activity as a result.

The following are two formulas that can be used to calculate ROI for child care strategies:

- 1. The cost of breakdown in child care arrangements can be determined by asking employees how many days of work they missed in the previous year for this reason. The cumulative number of days reported by employees can be multiplied by the average salary of the respondents to measure the financial impact on the organization. Helping employees secure more stable child care arrangements can be accomplished through a number of the child care policy alternatives listed in Appendix C, with the costs of those strategies factored in. For example (using combined County and City average salary):
 - o 100 employees missed x days in the past year due to child care breakdown.
 - O The average of the responses is 4.3 days.
 - O The average annual salary of all employees is \$65,000 (\$250 per day)
 - 0 $100 \times 4.3 \times 250 = $107,500$ lost for the organization in one year.

Responses can be set up to be filtered by groups of employees' responses and salaries so that calculations can be made more specific.

- 1. Employees who are experiencing the stress of caring for a family member or cobbling together child care arrangements often consider quitting their job as a solution to the issue. The number of employees who consider leaving their job can be multiplied by the average salary of the employees plus 50-200% of salary just for rehire costs to understand the impact should those employees quit. Offering solutions to relieve their child care issue can reduce the impact. For example:
 - O 100 employees respond that they have considered quitting due to child care challenges. * (This question can offer a scale to indicate seriousness of consideration.)
 - O The average annual salary of all employees is \$65,000.
 - O The average cost to replace an employee at 125% of annual salary is \$(81,250).**
 - o If just 5 of those employees actually quit, the cost to the organization would be \$406,250.

Supportive child care and caregiver policies can impact business outcomes, employee loyalty, turnover, productivity, and retention. With over 7,000 employees between the four Study Partners, the collective effect of solid, data-driven child care solutions could be considerable.

Notes:

- * In a ReadyNation study, 13% of respondents had actually quit a job due to child care challenges.
- **According to Gallup, the cost of replacing an individual employee can range from one-half to two times the employee's annual salary. ("This Fixable Problem Costs U.S. Businesses \$1 Trillion." March 2019). An average of 125% is used here.

FAMILY-FRIENDLY WORKPLACE POLICY

The Findings and Options for this element of Component A are combined for all Study Partners, with any specific Findings and Options for each listed in the Study Partner Findings and Options section below.

All Study Partner Findings and Options

Findings:

- All four Study Partners have varying degrees of family-friendly policies in place, and all have an interest in including additional supports for child care and caregiving.
- The Study Partners currently do not regularly gather data specifically about child care and caregiving needs of employees.
- All organizations have cultures that would likely categorize family-friendly policies, such as child care, as individual benefits for employees rather than organizational strategies, although all seemed open to thinking of such strategies differently.
- The four Study Partners have reflected that they have heard a great deal about the child care
 needs of employees, especially during the pandemic and have shifted quickly to
 accommodate work situations, which has brought child care to the forefront of organizational
 discussions about employee needs.

Options:

1. Build employee child care into the organization's policies

- a. Immediately add child care questions into relevant planned employee surveys/data gathering.
- b. Conduct self-assessments of the organization's readiness to implement child care policies and gather necessary data. The <u>Organizational Work-Life</u> <u>Assessment</u> and <u>Checklist</u> are offered as tools to help with this process.
- c. Work with child care experts, such as the LPC and San Luis Obispo Child Care Resource Connection (CCRC), to determine the impacts that the pandemic has on the San Luis Obispo County child care industry, and on the child care needs of employees in general. For example: will there be a reduced need, or a change in location of child care need, if more employees continue to work from home?
- d. Utilize the new <u>Family Friendly Workplace Toolkit</u> from We Are The Care to guide organizational planning and make use of the resources provided.
- e. Develop a plan to introduce employees to the organization's commitment to Family Friendly policies, engage employee parents, and identify and track child care needs on a regular basis.
- f. Include these types of questions in an initial child care survey and routine followup surveys.
 - i. Need for child care for ages birth through age 12
 - ii. Type of care families need, by age of child (full day, part day)
 - iii. Type of care families would use if the organization offered it. Include options from Appendix C, along with a full list of work/life policies
 - iv. Location where child care is needed (near home vs near work).

- g. Incorporate questions on other caregiving needs, such as care for an elderly person or a child with special needs.
- h. Survey examples:
 - i. With pandemic questions: https://hicleo.com/blog/nows-the-time-to-check-in-with-employees-with-caregiving-responsibilities/
 - ii. Without pandemic questions: <u>file:///C:/Users/emona/Downloads/covid-</u>19-pulse-survey-results-caregiver-crisis.pdf
- 2. Build a strong, lasting family-friendly structure in the organization.
 - a. Sustain current support for family-friendly policies and child care by:
 - i. Assigning staff to oversee the effort (consider a Work/Life Coordinator)
 - ii. Providing family-friendly-specific training for Human Resources employees
 - iii. Allocating funding for the effort
 - iv. Forming an employee committee to help guide the work
 - v. Putting policies in place that reflect the intent and commitment of the organization's leadership
 - b. Begin, or continue, a shift within the entire organization to think about family-friendly policies as business or organizational strategies rather than employee benefits.
 - c. Adopt a broad view of employee needs and consider a range of policies and offerings that fit the specific needs of employees in different life stages from early career to retirement age.
 - d. Learn about, and use, metrics to build individual business cases for how family-friendly policies improve the organization's bottom line. Share this data with other businesses to encourage them to adopt child care and other family friendly policies. (See overview above)
 - e. Engage managers in the process and provide support and training to help them shift to the new way of managing that embraces employee work/life balance.
 - f. Join with partners to share strategies and build a support system for the development and sustainability of family-friendly policies.

PUBLIC SECTOR EMPLOYER-SPONSORED FACILITIES OR ARRANGEMENTS

The findings and Options for this element of Component A are combined for all Study Partners, with any specific Findings and Options for each listed in the Study Partner Findings and Options section below

All Study Partners Findings and Options Findings:

- The City of SLO and San Luis Obispo County YMCA (YMCA) currently provide school age care on San Luis Coastal campuses.
- School-age child care needs support coordinating with schools during and after COVID-19, addressing the conditions of current facilities, and securing new facilities.

- All Study Partners have property that is currently in use, planned for use, and/or not planned for use. San Luis Coastal and Cal Poly had, prior to this study report, identified properties that could serve to locate a child care center, separately, or as part of housing.
- A number of other findings, Options and examples regarding child care facilities strategies on public land and in mixed-use developments can be found in Component B.

Options:

- 1. Conduct an analysis of all Study Partner properties (individually or together) and determine which might be viable options for child care facilities.
- 2. Begin planning with Study Partners for the potential of one or more collaborative child care options. Make use of the information gained from Component B on facility development and assess the feasibility of various child care options for employees, such as creating a consortium child care center or contracting for slots in local child care programs. Begin conversations first with current partner providers, including the City of SLO and YMCA. Consider a sliding fee scale where higher paid employees pay the true cost of quality, allowing lower fees for other families. A summary of Options is listed, along with benefits and considerations, in Appendix C. Select strategies based on the surveys and other employee data-gathering to ensure employees want and will use these benefits. Potential facility options are described in Component B.
- 3. Consider various models to support employee child care, such as vouchers or scholarships. The Early Learning Coalition of Miami-Dade/Monroe has created a <u>School Readiness Match Program</u>, where employers provide subsidies for employee families.
- 4. Include centers and family child care options in housing developments and research building or allocating housing for child care employees. More in Component B.
- 5. Build a strong child care knowledge base across the departments by offering training and resources, as well as incorporating child care into job descriptions and department responsibilities.
- 6. Track all employer child care efforts and learn from the successes and challenges and take advantage of opportunities to support or expand child care.

INDIVIDUAL STUDY PARTNER FINDINGS AND OPTIONS

City of San Luis Obispo

Findings:

- The City of San Luis Obispo has 576 employees and values diversity, equity, inclusion, affordable
 housing, engagement of families, and support for work/life balance for all employees. The City's
 culture promotes a sense of purpose and attracts people who want to serve their community.
- The current City Council has a priority to advance child care for employees and for the community. Employee child care needs have been discussed over the years, but the pandemic has brought the issue to the forefront, resulting in a rapid change in employee work policies, many of which support families with young children.
- The City surveyed employees in the summer of 2020, asking about the impacts and needs as a
 result of the distance learning plans of the local schools. Sixty employees completed the survey
 and the HR and Parks and Recreation Departments collaborated on creating a resource page for

- the City's website, specifically geared towards helping parent employees with their child care challenges.
- The City is seen as a leading partner in school-age child care in San Luis Obispo County through
 the services they offer. The City's Parks and Recreation Department offers robust school-age
 programming, including licensed child care, sports, and classes. In partnership with San Luis
 Coastal, the City's licensed programs are offered on campus at a number of schools, although few
 City employees use the service, as most live outside the City and have their children in
 neighborhood schools.
- The City has been able to quickly adapt and respond to the COVID-19 pandemic, with the support of San Luis Coastal, ensuring that child care is available for school-aged children.

Options:

- 1. Ensure the City staff and leadership know the breadth of child care programming currently provided and understand the value to the organization and the community. Consider this a resource for City employees, as well as community members. Track the need for both, adapt to fill the need, and partner to share the responsibility and the benefit.
- Continually assess and reimagine City property as potential child care space in case the
 need for office space is different post-COVID. Consider "shared work space" options for
 employees who work most of the time from home, eliminating the need for individual
 office space and freeing up space for conversion to child care.

County of San Luis Obispo

Findings:

The County of San Luis Obispo has 2,643 permanent and 204 temporary employees and is a family-focused workplace, a perspective supported by the Board of Supervisors.

- The County offers a broad range of family friendly workplace policies including flexible schedules, telecommuting, disability benefits, and voluntary dependent care flexible spending accounts.
- The HR department has been studying employee turnover and the return on investment of various strategies to mitigate the impact of turnover. With COVID-19, the turnover rate has reduced from 14.05% to 10.48%, but may be a factor post-pandemic. Employees typically leave for private sector jobs.
- The unions representing County employees conduct surveys asking about employee needs. As a result of the surveys, The County created a scholarship fund to support summer child care expenses.
- In a recent survey of all staff where 70% of employees responded, child care was ranked 6th of 25 choices in response to a question about "Primary challenges you are facing".

Options:

- 1. Study the impacts of the summer scholarship fund, and if significant, continue to offer the program. Consider expanding to more employees and/or other times during the year.
- 2. Continually assess and reimagine City property as potential child care space in case the need for office space is different post-COVID. Consider "shared work space" options for

employees who work most of the time from home, eliminating the need for individual office space and freeing up space for conversion to child care.

Cal Poly University

Findings:

- Cal Poly has approximately 3,000 employees and has formed a child care initiative committee to
 investigate creative ways of providing child care exploring sites, considering ways to partner with
 businesses, etc.
- Employees are attracted to Cal Poly for its diversity, equity, and inclusion, the opportunity for advancement, work/life balance, and competitive compensation and benefits. Cal Poly also offers up to one-year maternity/paternity leave of absence for permanent faculty, flexible work schedules, dependent fee waivers for Cal Poly classes, and two on-campus child care options and a preschool lab program.
- A plan is in the works, but currently on hold, for workforce housing with an onsite child care center for Cal Poly employees and the community. (referenced in Component B)
- The Sacramento child care model referenced in Component B was identified by Cal Poly as a possible partnership model.

Options:

- In addition to Options in Component B, consider joining forces with other Study Partners
 to develop the housing child care center and/or the Sacramento model. Identify
 interested parties and conduct a feasibility study for a consortium child care center
 through one or both options.
- 2. Consider offering extended maternity/paternity leave of absence for more staff beyond permanent faculty.
- 3. Work with the LPC, CCRC, and Cuesta College to track and plan for federal funding for child care from the new administration, especially workforce supports.
- 4. Work with REACH to conduct a Child Care Economic Impact Report (see more under Economic Development below).

San Luis Coastal

Findings:

- There are 1,224 employees in the San Luis Coastal School District. The District's salaries and benefits are strong recruitment tools and job sharing is a popular option for employees.
- Current employee challenges around child care are more acute as a result of COVID-19 and the District is temporarily providing tuition subsidies for parents.
- The District hosts child care provided by the City and other providers.
- As mentioned in Component B, the District has surplus sites that could be redeveloped for housing and may be suitable for child care for employees, the community, and/or the Study Partners.

Options:

1. In addition to the Options in Component B, consider joining forces with other Study Partners to conduct a feasibility study for a consortium child care center at one of the District's surplus sites.

2. Proactively track and plan for the Universal Preschool expansion included in the Master Plan for Early Learning and Care, which aligns preschool and Transitional Kindergarten (TK). From the onset of planning, including the LPC, CCRC, the City, state-funded programs, and other providers to ensure programs are high quality, are integrated across private, public, and school district offerings. Consider working with the LPC to initiate a County-wide effort to plan across all districts.

County-wide

Economic Development

- Work with Study Partners to conduct a Child Care Economic Impact Report to determine
 the role child care plays in the San Luis Obispo economy. Use the report to
 communicate the benefits of child care and the urgent need for solutions. REACH has
 lined up a firm to conduct such a report in partnership with Cuesta College and has
 secured a portion of the funding needed.
 - i. The Committee for Economic Development produces state-level reports, the metrics of which can be calculated at the county level. Also included are talking points and a "Business Case" document. https://www.ced.org/childcareimpact
- 2. Chambers can participate in the U.S. Chamber of Commerce Foundation's Early Childhood Education initiative, which is full of resources, technical assistance, advocacy support and training. The Study Partners can encourage at least one Chamber leader to join the <u>Business Leads Fellowship</u>, which offers year-long training and sharing with other Chambers on ways to effect positive change in child care.
- Conduct intensive and specialized outreach to engage and support child care providers in accessing customized resources, grants, federal stimulus funds and other businessrelated supports.
- 4. Begin conversations with employers across The County to assess the interest levels and opportunities for child care solutions.
- 5. Support businesses to take advantage of Federal Tax Credit for Employer-sponsored child care facilities and Services Form 8882
- 6. PG&E is partnering with a local child care program for employer-sponsored child care. Track and support the development and offer as a Model or Demonstration site.

Child Care Experts

The Study Partners will need child care experts, such as the LPC and CCRC, along with local consultants, who are trained and ready to be intermediaries available to support the Study Partners and businesses as they address child care for their employees. These types of experts also will be needed to offer technical assistance for child care providers navigating the systems and applying for funding, some of which will come from the Study Partners.

Provider Perspectives

All of the providers who participated in the study focus groups confirmed the great need in the community - some shared that they typically have very long waiting lists. A few are interested in expanding and are likely representative of other child care providers who were not able to participate in the focus groups. They are ready to fill the need by expanding and/or opening additional sites if they have the assistance and resources needed.

COMPONENT B

PLANNING/ZONING AND/OR OTHER LOCAL PUBLIC POLICY OPTIONS TO UNLOCK CHILD CARE CAPACITY

SUMMARY

All too often, child care business start-ups or existing child care businesses need help expanding their services and must find their way through a confusing maze of codes, regulations, financing requirements, building requirements, and construction challenges. The goal of this Study Component Area is to identify potential current and future sites for new child care center-based facilities. (While increasing the numbers, and avoiding loss, of Family Child Care Homes is equally important, those are reliant on availability and condition of housing.) Secondarily, reducing barriers and creating policies, practices and incentives that encourage or support facility development are also addressed.

Strategies to address the shortage of physical facilities must be considered in context of the complexity of program operations and current conditions. Public and private agency partners, including the child care provider community, must work collaboratively to inform actions.

- Child care facilities are costly and time-consuming to develop due to multiple state and local requirements and lack of financing. Converting vacant retail, office or other space is not a simple solution. (Appendix B provides some basic information.)
- Ensuring that there are public or private child care agencies/companies potentially interested in (and with capacity for) operating new sites is critical.
- The impact of the current pandemic on the supply of child care centers and family child care programs is unknown. It is important that existing center programs and their facilities are not lost from the supply. Ongoing efforts by CAPSLO staff and others support both center- and home-based operators, including regular virtual network meetings and communications about COVID-related resources. When facilities are difficult to build, retaining them, even with a different operator, is desirable. Community Care Licensing and CAPSLO track temporary and permanent closures.
- "High-quality, affordable" child care cannot be expected or envisioned without addressing teachers' low compensation and the high cost to properly maintain facilities (or build new ones).

STUDY QUESTIONS AND FINDINGS

The specific questions posed for this Component of the Study were:

- What opportunities exist in the county/cities/education campuses to update land use policies to facilitate creation of new affordable/accessible child care capacity?
- What opportunities exist to link planning for affordable housing with planning for affordable child care?
- How might public sector relationships with developers (residential and/or commercial) be used to address the child care challenge in San Luis Obispo County?
- What options exist to retrofit existing facilities or structures that do not require new construction?

- What public-private partnership opportunities might be pursued, such as government facility lease arrangements with child care operators at subsidized rates?
- How might additional local public funds be generated to support expanded access to quality affordable child care in San Luis Obispo County?
- What viable opportunities might be pursued to update General Plan or Strategic Plan language that reinforce public sector prioritization related to quality/accessible/affordable child care?
- What existing planning and zoning barriers do child care providers face in finding facilities, and what role can local government play in improving and expediting access to facilities?

For this study area, four main topics were explored in key informant interviews and focus groups to address the questions above.

- Publicly-owned properties of partner agencies
- Development activity under Study Partners' purview
- Land use policies and practices
- Financing sources

INDIVIDUAL STUDY PARTNER FINDINGS AND OPTIONS

City of San Luis Obispo

Publicly owned properties

The City currently leases space, at a nominal rate, to CAPSLO for their Head Start program at the City's Ludwick Community Center. A future financing measure could support replacement of aging buildings and include child care space. The city, county and district could partner on a joint facility.

Parks & Recreation-sponsored activities occur in other community centers. Their after school child care programs operate on five City school campuses, leased from the District under a joint use agreement. Many operate in classrooms shared by other users. Dedicated rooms would be ideal and could allow them to address long waitlists. Staff would be interested in expansion after the pandemic.

Public Works and GIS staff manage property inventory and sometimes identify land that could be used for housing. All sites are challenging to develop.

The Airport Land Use Plan has been a barrier but is in the revision process and the City will update its plans, as noise and hazard conditions have changed.

Options:

- Investigate a list of city-owned vacant land as well as existing buildings that might be used for future child care facilities. Underutilized office, library, community centers could be converted and leased to operators. Properties identified in an initial scan, using the criteria below, would need a closer assessment of Building and Fire Code, ADA, and Child Care Licensing regulations to determine feasibility and initial cost estimate. (See Appendix A. <u>Property Search Criteria</u> and Appendix B for more information.)
 - i. 4,000-10,000 square feet of building space, all/mostly ground floor

- ii. Outdoor space to accommodate playgrounds (approx. equivalent to indoor space) and parking
- iii. Appropriate zoning (residential or nonresidential)
- iv. No known environmental hazards
- 2. In collaboration with the School District, explore feasibility and site capacity for locating modular classrooms to expand after school care after the pandemic, should facilities funds become available.
- 3. Longer term, consider including child care space in future city buildings, financed with bond or other tools. Collocating with senior centers can be an option.

Development landscape/opportunities

Significant development projects are underway or in the pipeline. Developers ask if child care is an allowable use, and the City encourages it. The large Froom Ranch proposal includes a child care center. Diablo Ranch and San Luis Ranch are among other large developments. The City is allowing child care use at Trust Automation's new offices and is making Specific Plan amendments as needed.

There are no child care centers currently located in existing affordable or market rate housing developments. All affordable housing developments that use Low income Housing Tax Credit (LIHTC) financing must include a community center/space and many use that space for after-school activities, tutoring, computer labs, etc. for resident families. Broad Street Village and South Hills Crossing are examples.

It is likely that some licensed Family Child Care Home providers (as well as exempt Family Friend and Neighbor care) are operating in all types of housing units, as this is considered a residential use of property under state law.

Options:

- 1. Support inclusion of licensable child care facilities in large developments, like Froom Ranch, as well as co-location in smaller residential and commercial projects.
- 2. Consider incentives, such as increased density bonus and impact fees.
- 3. Assign staff to review all development proposals to identify potential opportunities for colocation, and ensure that child care centers and homes are appropriately addressed (e.g., no requirements or prohibition of licensed family child care homes)
- 4. Negotiate child care space in development agreements where possible.

The Housing Authority of the County of Santa Barbara is including a child care center in its low-income housing redevelopment in Guadalupe. The traditional community center has been designed as a second story, with a child care center underneath.

Land Use Policies

General plan: There are no child care programs in the Housing Element. Since the Child Care Study was underway, at a recent meeting, Council decided to wait to consider the study Options before making changes to the Housing Element. Appropriate programs for implementation will be incorporated at that time.

The Land Use Element (2014) includes policies that support development of elder care and child care; encourage new developments to fund them; consider incentives. Program 3.16 (pg. 1-58): "The City shall provide zoning incentives and investigate a program coordinating commercial and industrial development for the provision of child care and elder care for workers."

The City **Zoning Code** was revised in 2018. Child Care Centers are allowed in most zones, either by right or with a Minor Use Permit. Centers in housing or other developments are allowed by right, whether over or under the land use threshold, such as Trust Automation's. A development impact fee for child care was considered about two years ago.

LIIF Team analysis finds child care-supportive policies overall. Zoning Code changes are needed to align with SB234, effective 1/1/20, and others are suggested for clarity. For example, definitions of the two types of licensed child care facilities are inconsistent and in places combined with adult day care.

Options:

- Revise zoning code to align with Large Family Child Care Home exemptions in SB234 (eff. 1/1/20), including use /home occupation permits, parking requirements, and business license. (Sample language from Goleta is provided in Appendix A.)
- 2. Include Family Child Care Home information (per SB234) in fair housing information (see CDSS on Housing Discrimination and Appendix A. Project Sentinel brochure)
- 3. Create website page (e.g. <u>San Mateo</u>) or <u>summary document</u> (e.g. Goleta's, in Appendix A) with child care planning /development information for potential applicants; work with CAPSLO to update "Planning for Child Care Centers" document (in Appendix A)
- 4. Consider reducing permit requirements and fees for child care centers and expediting and coordinating with other relevant departments (e.g., Building, Fire).
- 5. Immediately identify any child care projects in the development pipeline and provide technical assistance, expedited process, and resources to ensure the project is successful. Use each as a case study to inform and streamline the City's processes and policies.
- 6. Encourage other jurisdictions in The County to take the above steps.

Financing facilities

Child Care impact fee on development was considered about two years ago. The City could include child care space in future community centers or other projects supported by a new financing measure. Family child care home providers who are homeowners are eligible for city home improvement programs such as weatherization projects.

Options:

 Reassess adopting a child care impact fee on new development, as well as inclusionary ordinance for large developments. (See Keyser Marston table of <u>linkage programs</u> in Appendix A)

- 2. Explore use of Community Development Block Grant (CDBG) funds for home improvements for licensed Family Child Care Home providers. (Model: Rebuilding Together Peninsula, that receives CDBG funds from county and cities, carries out repair/renovation projects in Community Facilities including family child care homes and centers.)
- 3. Along with partner organizations (CAPSLO, First 5, etc.), monitor availability of new state child care facilities funding and discuss potential projects.
- 4. Long-term: consider inclusion of child care space in future community center, library or other facilities financed by a new measure.

County of San Luis Obispo

Publicly owned properties

The County has leased land for many years to Child Development Resource Center of the Central Coast (CDRC), a local nonprofit child care agency that serves 80 children and specializes in therapeutic services. CDRC maintains the building and depends on the nominal land lease to support sustainability and affordability. The County has plans to redevelop the larger site and has agreed to either accommodate the existing CDRC building or work to find alternatives if future buildout necessitates moving CDRC.

The County's Real Property/Central Services Department staff can identify other underutilized buildings or vacant land for future child care programs. (See Appendix B for more information.)

Within the County's borders are state-owned land and buildings which can be used for child care facilities. State facilities (Atascadero Hospital and CA Men's Colony) are two of the largest employers in The County and may have child care onsite. Employment numbers are used in determining Regional Housing Needs Allocations (RHNA) among eight jurisdictions, for Housing Elements.

Options:

- Direct Real Property staff to screen inventory of county-owned land and buildings to identify
 potential future locations for child care (as described in Option 1 for SLO City). Child care
 design experts and building officials can do initial feasibility assessments.
- 2. Explore state-owned properties as potential sites.

Development landscape/opportunities

A large number of development projects are in the pipeline. Affordable housing developers (e.g., People's Self-Help Housing, Housing Authority) try to incorporate child care as there is tax credit for it.

<u>Dana Reserve</u> in South County (Nipomo) is early in its entitlement process (June 2020 submittals) and proposes to donate land to a nonprofit developer to build low income housing. *Child care is a need for all residents, not just those with lower incomes. Also, only 75 of 1195 units are proposed as affordable, meeting the requirement. Note that restrictions on Family Child Care Homes in Single- and Multifamily Housing components appear to be inconsistent with state Health and Safety Code.*

Options:

- 1. Provide guidelines and resources on child care to developers or refer to CAPSLO for assistance.
- 2. Ensure that references to child care homes or centers in developers' plans are consistent with state law. (See zoning code note below.)

3. Consider adopting a child care impact fee on new development, and/or an inclusionary ordinance for large developments.

Land Use Policies

General Plan

The Housing Element revision was adopted by the Board on 11/17/20. It includes <u>Program DD</u> to be considered in 2025 and possibly implemented in 2026. (See Appendix A) No references to child care or early education were found in the Land Use Element.

Zoning Code: Staff plan to make amendments to zoning, etc. over the next eight years (related to the Housing Element). Conditional Use Permits may be required for child care, which can be a barrier as it is an expensive and time-consuming process.

LIIF Team review identified revisions needed to comply with SB234 Family Child Care Home exemptions, effective 1/1/20. Dana Reserve plans cite illegal prohibition of this use in residential properties.

Options:

- 1. Revise zoning code to align with Large Family Child Care Home exemptions in SB234 (eff. 1/1/20), including use /home occupation permits, parking requirements, and business license.
- 2. Consider streamlining permits and reducing fees for child care centers (as suggested in City Option #4).
- 3. Provide clear information for child care operators (as suggested in City Option #3)
- 4. Consider pre-2025 measures (per Housing Element) to support development of new child care facilities needed by new residents and workers.
- 5. Include child care language in future General Plan updates. (Appendix A includes a compilation from a countywide scan of cities in San Mateo County.)
- Consider adopting a child care impact fee on, or inclusionary ordinance for, new development

Financing facilities

The County receives Urban County CDBG grants and cities are entitled to a formula-based share. The Board of Supervisors has final say on projects but defers to cities. Amounts are large enough to do capital projects like community centers and ADA accessibility improvements.

The County partners with CAPSLO for a minor home repair program. Most funding sources are aligned with affordable housing.

Options:

- Identify potential CDBG-eligible child care facility expansion, repair/renovation projects, including adapting existing buildings for child care use. New state law requires lead testing of water in centers but does not fund mitigation if identified.
- 2. Ensure that Family Child Care Home providers (and other child care workforce) receive information about home repair programs to improve care environments.

Cal Poly University

Publicly-owned properties

The University currently has two child care centers operating in campus spaces: The Preschool Learning Lab school (30 student capacity.) and the Orfalea Family and ASI (Associated Students) Children's Center (120 student capacity.). They have explored extending the Learning Lab, or expanding the ASI center on the parking lot, which would be very expensive (\$1 million estimate). There is no vacant or unused space on campus. On campus construction is challenging (and around \$600/square foot), and they have looked at buying or leasing. They also own the Technology Park.

Development landscape/opportunities

Cal Poly's Technology Park houses tech companies: in the upcoming <u>expansion phase</u>, there may be an opportunity to include child care to support those companies and campus employees.

A developer's housing project is in the pipeline with 350 market-rate apartments and a 6,000-6,800 square foot child care space, with priority to Cal Poly employees. It has initial approvals but is on pause due to financial challenges.

The collaborative partnership of UC Davis Health, Sacramento State and SMUD to create and support a <u>new 200-child center for employees</u> is of interest (see sidebar).

Options:

- 1. Conduct feasibility analysis of including child care space in Tech Park expansion.
- 2. Study the Sacramento project model to identify potential partners and next steps.
- 3. Refer housing developer, as needed, to child care facilities design/planning experts to ensure program sustainability and external resource leveraging.
- Engage Cal Poly graduate students in City and Regional Planning for research projects. (<u>Master of City & Regional Planning Program</u>)

Land Use Policies

The 2019 <u>Campus Master Plan</u> includes the housing project and Tech Park expansion mentioned above. The increasing need for child care is described. "Additional locations can be identified as new projects are programmed." (pg. 2-65)

Center for 200 employee children

UC Davis Health, Sacramento Municipal Utilities District (SMUD) and Sacramento State University are partnering to create a new child care center at 6011 Folsom Blvd in Sacramento, to open mid-2021. It will replace the old Lighthouse/SMUD center.

The facility will be 17,000 square feet with an additional 15,000 square feet of outdoor space. The building is owned by University Enterprises, Inc. (UEI), a nonprofit auxiliary organization of Sacramento State that creates and manages programs and services for the college.

SMUD has signed a 15-year lease on the property and SMUD, Sacramento State and UC Davis Health will share costs equally. The anticipated 207 spaces will be shared between the three organizations. While the overall center will be subsidized by the SMUD/CSUS/UC Davis partnership to enable below-market tuition rates to their affiliates, individual rates will not be subsidized.

Options: Continue to identify both on- and off-campus opportunities and partnerships to address child care needs of employees and students.

Financing facilities

The CSU system has funding to maintain facilities, but Cal Poly did not get an allocation in the recent round. Bond funding is possible, but it is needed for other buildings; child care might not be a priority on a bond wish list. They have local facility maintenance funds, which is what would need to be used to enlarge the Lab school.

Options:

- 1. Consider expanded ASI and Lab school facilities in future bonds and for use of facility maintenance funds.
- 2. Along with partner organizations (CAPSLO, First 5, etc.), monitor availability of new state child care facilities (as well as child care workforce) funding, and discuss potential projects.

San Luis Coastal School District

Publicly-owned properties

All elementary school sites have dedicated spaces used for after school child care. Other spaces, like multipurpose rooms, could be adapted but currently have multiple users. The District could explore available land on operating campuses where portables could be added to expand child care capacity.

Options:

- 1. Identify potential land on operating campuses, where school-age care is at capacity (or in less desirable/shared space), to locate modular buildings. (Note the current push for universal Transitional Kindergarten may increase needs for before/after-school care.)
- 2. Work with the City and other interested school-age operators to envision expansion. Some may be willing to finance modular additions.

Development landscape/opportunities

The district has three surplus school sites; Morro Elementary is currently being used by a charter school, adult education, and a church. The District's proposal to build workforce housing on this property has city support but opposition from other groups; a community building with child care space may be included. The three campuses could be used for workforce housing. The development and state/local approvals process is extensive and time-consuming.

Options: Continue to engage partners to advocate for workforce housing with child care on surplus school sites. School districts in other communities are working to address teacher compensation/cost of living issues with teacher housing. (Cañada and Skyline Colleges in San Mateo County built staff housing on campuses; <u>Pacifica School District</u> has a project in the pipeline at a surplus school site.)

Land Use Policies

Child care spaces are not identified specifically in the Facility Master Plan or bond projects list (mentioned below).

Options:

- 1. Include spaces for before/after-school and preschool-age programs in future Facility Master Plans. State-funded universal TK (all four year olds) and preschool for low-income three year olds, as currently proposed, will need to be housed both on and off school sites.
- 2. Explore space/land leasing policies that could support child care/preschool, e.g., long-term nominal land lease in exchange for installation of modular classrooms.

Financing facilities

School districts are prime partners since they have the land and facilities, and can go for bonds, with state match. There are partnership possibilities. A \$177 million bond measure D was passed in 2014 which will fund only a portion of the facilities, technology and infrastructure needs identified in the District's Facility Master Plan.

Options:

- 1. Consider potential preschool and after-school care space as bond projects move forward. Partnerships with other public agencies and/or providers could bring added resources.
- 2. Anticipate potential impact of universal Transitional Kindergarten efforts, proposed in the state MPELC and new legislation, for all four year olds in a mixed-delivery system (LEA and private programs). Advocate for state funding for facility remodels that will be needed.

County-wide

Options for Other Cities:

- 1. Encourage other cities to investigate similar opportunities, analyze land use policies, advocate co-location and employer/developer participation.
- 2. City and county planners develop/share policy language for SB234 alignment (use permits, home occupations, housing discrimination, business license) for website/print use.
- 3. Continue to coordinate with We Are the Care's Local Government Engagement Task Force, and other local initiatives and agencies, to maximize efforts.

The Low Income Investment Fund report: <u>Housing</u>

<u>Development + Child Care Facilities: Strategies and</u>

<u>Financing</u> highlights the influence of local leaders, importance of public/private partnerships, and solutions to challenges of co-location.

Options for Others:

- 1. Explore the suggestion by Economic Development stakeholders that Building/Design/Construction business cluster could support facilities projects, e.g., conversion of existing buildings. Child Development Resource Center has benefited from such support over the years for maintenance. (One model: Rebuilding Together Peninsula has long-term relationships with construction companies and skilled labor that have done pro bono work in child care centers.)
- 2. Engage/survey the faith-based community to identify underutilized properties.
- 3. Identify potential facilities projects that might be eligible for state child care infrastructure grant funding, should funding be made available in the future, either for new spaces or renovation/repair projects.
- 4. Include priority for inclusion of child care space in any future RFPs for affordable housing developers on public land. (Model: <u>Arroyo Green</u> senior housing with child care facility will open this year in Redwood City. The City identified child care space as a desired component in the RFP.)
- Form a Child Care Facilities Task Force with agency representatives to coordinate implementation of Options; include We Are the Care's Local Government Engagement Task Force
- 6. CAPSLO should apply for any new CCIP funds available to support start-up/expansion of more family child care homes. Consider needs of families in rural areas and those who work nontraditional hours.
- 7. Consider options to address housing needs of child care teachers in workforce housing efforts. (Also addressed in Component C)
- 8. Advocate for state policy changes to support facilities grants, link to subsidy funding, and incentives for employers/developers.

Provider Perspectives

In focus groups and interviews, child care operators indicated interest in future expansion of services after the pandemic. This included private centers, family child care, and the City after- school program. Some interviewees had been working on projects before the pandemic, facing various barriers including lack of potential sites, costs of remodeling, building code/occupancy change impacts, etc. In addition to facing zoning barriers, one operator who looked for properties for over six years, reported that city staff discouraged locating child care centers in various places due to neighborhood opposition. Another asked that development fees be reduced, considering the inability of operators to bear the development costs. Family child care home providers were not all aware that their city cannot require permits or business licenses (per SB 234). For many, their renter status, especially those in apartments, leads to turnover and discourages or prevents facility improvements. Options offered earlier, especially for the City and County, address some of these barriers.

COMPONENT C

CHILD CARE WORKFORCE PIPELINE ENHANCEMENT OPTIONS

SUMMARY

To ensure there is high quality child care in The County of San Luis Obispo, the most critical component is the teaching staff. They must be well trained and compensated, consistent, and available to serve the children of study partner employees and families across the county. With the low profit margins of most child care programs and the relatively high cost to families (10% of the family income; 40% higher than "affordable"), there must be contributions from outside to make the finances work for child care programs and families.

A major challenge for the child care workforce in The County of SLO is the cost of living. According to the Child Care Planning Council's 2018-2022 Needs Assessment, approximately 48% of renters in the county are cost burdened: they spend more than 30% of their income on housing. And the median home price is 25% higher than that of California. These high costs affect not only child care staff themselves (one of the lowest paid groups of professionals in the nation), but the operators and owners as well. Staffing costs typically make up at least 70% of a child care center's operating budget, with high property and lease costs on top of that. There is not one solution to this challenge. The California Master Plan may provide some strategies and funding relief. However, until then, individual and collective efforts can be made locally to identify effective strategies to reduce other costs for programs and increase wages for staff.

Many factors influence the quality of child care and early education programs, but perhaps none matter more than the education and experience of early childhood providers. Developing the workforce in early care and education is central to the delivery of high-quality experiences and environments for young children - National League of Cities

Component C: Study Questions and Findings

The specific questions posed for this Component of the Study were:

- What options do local education partners (i.e., Cal Poly, San Luis Coastal Unified School District) have to increase the workforce pipeline for child care professionals?
- What local options/current models exist to tangibly address the low compensation market in the early care and education workforce?
- What role can municipal and county government partners (i.e., City of San Luis Obispo, County of San Luis Obispo) play to increase the child care workforce pipeline? Specifically, what policy and/or funding levers can they pull?

For this study area, two main topics were explored in key informant interviews and focus groups to address the questions above.

- Compensation supports
- Career pathways



All Study Partners Findings and Options

The findings and Options for this section are listed by study area first for all Study Partners and a county-wide effort, followed by partner-specific findings and Options as appropriate.

Findings for All Study Partners

San Luis Obispo County has a wealth of resources and expertise available to address the child care workforce challenge, both among Study Partners and in other organizations around workforce development, business support, finance, architecture, and other areas.

Study Partners understand the low wage issue, and child care is seen as a community good. COVID-19 has focused attention on the importance of child care, bringing to light the need for child care, the challenge of low compensation, and the impact to employers of a lack of capacity and affordability.

Many family child care providers remained open through the pandemic, while some centers closed, at least temporarily. The National Association for the Education of Young Children provides a <u>report</u> of the impacts nationwide.

Options for All Study Partners

- 1. Develop a comprehensive county-wide workforce development and child care business support system for all programs serving children birth through 12. The key will be a multipartner effort with specific long-term plans whereby each partner can find and take on strategies that fit their resources and capacity, although there are some strategies that Study Partners are well suited to undertake. Consider utilizing existing models, such as the San Francisco Office of Early Care and Education's Workforce Development initiative to design and implement a comprehensive system for workforce development.
- 2. As mentioned in other parts of this report, making COVID-19 relief funds available specifically for child care providers can help ensure that the loss of spaces is minimized.

Compensation Supports

All Study Partners Findings and Options

Findings:

As in most cities and counties, competition among child care programs for highly skilled staff is high. In a high-cost area like San Luis Obispo County, the pool of qualified staff who can work at the low wages typically paid in child care is even more limited.

Child care salaries are low compared to other industries in the county. Using the chart below, compared to the <u>Bureau of Labor Statistics data on industry salaries</u> in San Luis Obispo, child care salaries start just above the two lowest salaries listed, for food workers and farming.

Full Time	Part Time
Programs with State or Federal Funding	Programs with State or Federal Funding
Average \$23.20/hour	Average \$19.57/hour
Range \$15.00 - \$43.59/hour	Range \$14.00 - \$31.25/hour
Programs without State or Federal Funding	Programs without State or Federal Funding
Average \$22.65/hour	Average \$17.15/hour
Range \$15.00 - \$25.96	Range \$14.00 - \$22.5/hour

Source: CAPSLO (2018)

Options:

- 1. Utilize CARES COVID-19 relief funding to shore up the child care field, providing direct grants to child care providers. Some City, County and State examples include:
 - LA County: Grants to child care programs to offset losses during COVID-19
 - Spokane: Grants for child care programs and subsidies for families
 - New York: Grants to help programs reopen and restructure
 - Houston: Grants to help programs stay open
 - San Mateo: Relief funds for programs adversely affected by COVID-19
 - Long Beach: Grants for purchase of supplies
 - San Diego: Cash grants to help providers stay in business
- 2. Immediately consider the technical assistance needs of child care providers in applying for COVID-related funding, such as the Payroll Protection Program (PPP). Connect with economic development agencies to provide direct technical assistance or collaborate with local CDFIs that are distributing PPP or other economic relief funds.
 - One fund that is available at the time of writing this report is the <u>California Small</u>
 <u>Business COVID-19 Relief Program</u>. SBDC is listed as a local technical assistance provider.
 Individual and special training and support sessions can be provided to ensure all eligible providers submit successful applications.
- 3. Support child care with Work/Life strategies. As part of the Study Partners' Family-Friendly policy efforts, ensure there are models for employers to support employee child care options, such as employers paying to reserve spaces for employees in existing child care programs. Payments can go directly to increase wages of staff. See Appendix C for more options.

"Child care teachers can work at In-N-Out and within six months can be making \$20/hour with no education. During COVID-19, child care was deemed an essential service. After COVID, the providers need to be paid what they are worth." "Quote from the child care provider Focus Group

- **4. Utilize resources** such as the National League of Cities' Institute for Youth Education and Families, e.g. their <u>Toolkit for Cities Supporting the Early Childhood Workforce</u>, to find strategies and models that are appropriate for San Luis Obispo County. A strategy that Seattle took was to create a BA degree option at a community college by building in additional courses (pg. 5 of the Toolkit).
- 5. Reduce child care expenses. Create a long-term, County-wide, multi-partner effort to reduce operational costs for child care programs who agree to use their savings to raise wages of teaching staff. Work with a group of ECE providers to calculate cost of high quality care in SLO and create a list of specific costs that can be underwritten or subsidized through this effort. Use this information to create model budgets and resources needed to guide the effort. Strategies may include:
 - Source and make available materials PPE, landscaping materials, learning equipment, general supplies, etc. The cost of these items either deters providers from moving forward on program upgrades, repairs and enhancements, or negatively affects their bottom line.

- Provide help with the high cost of properties (also referenced in Component B).
 - Ensure that space provided in housing developments is free, or as low cost as possible.
 - Investigate ways to reduce commercial lease rates.
 - Encourage home and facility ownership for providers by using housing supports for providers and offering training and technical assistance to prepare for ownership
- Dedicate affordable housing for child care workers, as part of workforce and low-income housing developments. Incentivize the development or provision of low cost or free housing, helping make their overhead as small as possible. Require and/or incentivize developers of all types to build in family child care-specific units, based on need in the area. Alternately, Women's Empowerment and Neighborhood Care Project, funded through the Community Foundation San Luis Obispo recruited residents in existing units to become licensed child care providers³. Additional ideas can be found here (pg. 157).
- Provide expertise on landscaping, building, architecture, human resources, legal etc. through a Cal Poly-led Technical Assistance Team – include Innovation hub, SBDC, and departments – architecture, planning, business, etc. – and include Cuesta College and Study Partners.
- Help providers build and renovate. Create opportunities for businesses in the construction trade to offer pro bono family improvement. Rebuilding Together Peninsula is a model that can be replicated. Cited in Component B.
- Start up a shared services initiative, which can reduce costs for child care providers by offering back office services, which not only strengthen the business foundation but also helps reduce costs for the provider. One example is that many child care programs do not have a comprehensive data system for tuition payments, budgeting and enrollment information. Purchasing and using a Child Care Center Management Software (CCMS) program can be transformational for programs. Study Partners can help programs purchase the software and provide ongoing training and financial support for this.
 - Example: Richmond Area Service Alliance, Virginia
 - The First 5 CA Commission has approved a \$1.5 million Shared Services Alliance funding strategy: The Shared Services Alliance is a post-COVID strategy to strengthen small early learning and care settings by supporting them to become financially sound and more efficient and allowing them to offer high-quality opportunities to children and families. Tracking this, and future funding, will be important to take advantage of any opportunity to pilot and/or fully implement the strategy.
 - More on the <u>Shared Services Alliance</u>
- **6. Investigate the feasibility of a City or County sales or other tax** to provide direct support to teachers, higher education subsidies, and ongoing funding to child care programs. If significant, the funding may allow for lower cost of care for families.
- **7. Help providers build equity and sustainability.** Provide specific resources and support to encourage home ownership for family child care providers, and facility ownership for centers.
- 8. Utilize, and align with State plans and funding

 $^{^{3}}$ Email from Shana Paulson, CAPSLO CCRC 11.13.20

- Strategically plan for expansion of state preschool, bringing together operators to share best practices and receive training on ways to maximize the State Reimbursement Rate.
- The District, COE, CAPSLO and other entities can coordinate plans to apply for more state subsidy. Consider the model of one entity securing a contract and subcontracting spaces to a variety of programs. This is especially helpful in areas, like the city, where there may not be a high enough level of eligible families to make the area a priority for the State. State funding can raise teacher salaries and can support quality improvements in the programs.
- Plan now for the implementation of the Master Plan for Early Learning and Care. The plan includes:
- Targeted universal preschool, with a blend of state preschool and Transitional Kindergarten, partnering with community programs to fill the need. Beginning conversations now for this model, and for full day programming, will create opportunities in the near future, and will ensure the county is prepared when the Master Plan rolls out.
- Establish a regional pay scale for teachers and aides. A full study of teacher and aide salaries and benefits across programs in the county will provide a solid foundation of data and insights that will be necessary to implement this strategy.

Career Pathways

To have a robust child care industry in San Luis Obispo County, a streamlined, easily accessible and affordable teacher preparation pipeline will be needed to ensure that services are high quality.

All Study Partners Findings and Options **Findings**:

- There is tremendous expertise in nearly all aspects of child care, with Cuesta College and Cal Poly University programming.
- Cal Poly offers a BA degree, and minor, in Child
 Development and provides opportunities for students
 interested in child care to focus their lab and
 internship courses in this area. The Preschool Learning
 Lab and ASI Children's Center can provide practicumtype experiences with individual mentoring for those
 interested in working in the child care field as teachers
 and/or directors, etc.
- Most teacher preparation happens at Cuesta College where the focus is on the ECE AA degree.
- CAPSLO provides a variety of training opportunities for family child care, including the
- Child Care Initiative Project (CCIP), mental health and trauma-informed care programs. Also available for



- family child care and centers is the Quality Counts quality rating and improvement system, which provides support, training and a framework for improving quality.
- There is a need for Spanish ECE courses to prepare teachers for degrees. Cuesta College had
 offered combination ESL/ECE courses, where ECE is the content for ESL courses, but that program
 is not currently available.
- San Luis Obispo county has a relatively new and exciting educational support Ticket 2 Teach SLO. The apprenticeship program provides on the job training with professional development, addresses low wages by supplementing apprentice salaries at selected programs. The program has good traction and can provide support for those entering the field, and for current professionals and includes:
 - Pre-apprentice program (min 6 ECE units)
 - Preparation for transfer to BA program
 - o A partnership between SLO County Office of Ed and Cuesta College
- The Master Plan for Early Care and Education includes robust workforce development strategies and supports. The following strategies for workforce development are included in the plan:
- Career lattices that include multiple entry points and pathways, along with reasonable stepping stones toward demonstrating competencies through a variety of approaches, including embedding demonstration in professional learning opportunities and coursework.
- Preparation and professional development opportunities that are engaging, relevant, and accessible, with opportunities to practice in a clinical, practicum, or work-based setting as appropriate.
- Tiered incentives and recognition, including within a level of the matrix, to support child care
 professionals as they move toward increased compensation that may be available as
 reimbursement rate reform advances over time.

Options:

Create a Workforce Pipeline for The County of SLO. Convene San Luis Coastal, Cuesta College, Cal Poly, Allan Hancock and other colleges to align education opportunities and create workforce pathways for those who care for children from birth through age 12. This could be part of a new effort, or built into an existing one, such as Cuesta College's Early Childhood Advisory Board. Create new, and revise current, offerings to ensure there are multiple onramps for individuals at various stages in their career that meet the needs of all potential teaching staff.

This work can only be accomplished through collaborative efforts, and the connections between organizations in the pipeline need to be strong, coordinated and flexible to meet the changing demands of the field. An effort of this magnitude involves varying organizational needs, expectations, and cultures. There are also state requirements, logistics and funding considerations. Such an effort will require dedication and a solid infrastructure to see it through. It is recommended that each partner assign staff to the project, and that a lead staff person is hired or assigned to oversee the collaborative's work. Early Matters Dallas has provided a <u>summary</u> of child care workforce pipeline models.

Potential elements for The County Pipeline:

- Set standards based on MPELC guidelines and align with all educational opportunities.
- Craft an early childhood BA completion program at Cal Poly and/or through Cuesta College (or Allan Hancock).
- Provide scholarships or forgivable loans for those who remain in the local child care field, building on the <u>Public Service Loan Forgiveness</u> program.
- Continue the <u>Ticket to Teach</u> program as a way to support and encourage teachers to reach higher education levels and consider expanding the reach.
- Layers of education to consider for the pipeline:
 - High School dual enrollment
 - School Age track
 - o ECE/ESL courses
 - o Family Child Care track
 - o Ticket 2 Teach
 - o 6 units
 - AA degree
 - Certificate programs
 - Dual Language Learners
 - Inclusion
 - o Director
 - School Age
 - BA degree
 - MA degree
- 2. **Identify funding to help teachers pay for education**. The low wages of child care providers make paying for higher education a true challenge, especially in a high-cost area like The County. Financial support is necessary to achieve the goals of a well-educated workforce.
- Develop a cohort model like the Community Equity Collaborative's <u>Teacher</u>
 <u>Pipeline</u> project, where community resources are used to support child care teachers to achieve their degrees.
- Consider broad employment funding such as the <u>Workforce Accelerator Fund</u> through the California Workforce Development Board and the Employment Development Department.
- 3. San Francisco's <u>SF Seed</u> provides financial support for teachers who are working, as part of the San Francisco Office of Early Care and Education's <u>Workforce Development</u> initiative.
- 4. Engage foundations to create a workforce development fund where donors and organizations can contribute to the project. Washington D.C. has such an effort through the Washington Area Women's Foundation.
- 3. Prepare for the possible relaunch of the State Quality Counts California Workforce Pathways Grant Program and other state resources that may become available in response to the MPELC.
- 4. Create a Career Pathways guide for SLO County providers. <u>Arizona Early Childhood</u> has a Job Bank showing the many types of careers available to early educators.

Individual Study Partners Findings and Options

City of San Luis Obispo

Findings:

- The City offers school age child care at all five elementary schools through its Parks and Recreation Department and has its own staffing needs. Workforce shortages and finding staff who meet the qualifications are ongoing challenges.
- The National League of Cities' report <u>Cities Supporting the Early Childhood Workforce</u> offers strategies and models the city can adopt to address child care workforce.

Options: Conduct a study of the school age programming offered by the City and consider including all providers of school age care operating in the city. Create a strategic plan to sustain and build the services. Partner with the Planning Council and CCRC to gather and analyze the data. The National League of Cities offers a <u>planning guide</u> for this purpose, and includes strategies for financing and partnerships.

County of San Luis Obispo

Findings: The National Association of Counties compiled <u>resources and best practices</u> for how counties can support child care during COVID-19.

Options: Take a leadership role in organizing partner support for child care, through the various County government and emergency management roles. Include child care in COVID-19 relief planning, as well as any future disasters or emergencies.

Cal Poly University

Findings:

- As a polytechnic university, Cal Poly offers a variety of areas of study, with a special focus on vocational or technical subjects. The university has the desire to offer only the highest quality programs, including child care. There is an abundance of expertise in the child development department and energetic, passionate students and faculty who can help create, and benefit from, successful, replicable models to build and sustain quality child care.
- Cal Poly's strategic plan <u>vision</u> is "Cal Poly will be the nation's premier comprehensive polytechnic university, an innovative institution that develops and inspires whole-system thinkers to serve California and to help solve global challenges."
- The Cal Poly Center for Innovation & Entrepreneurship offers many opportunities for child care business support, community engagement and innovation around child care, and strategies for offsetting child care costs. Some existing programming can be more tuned towards child care, and other strategies can be developed through the various initiatives.

Options:

- 1. Utilize the Center for Innovation and Entrepreneurship (CIE) to study and innovate around child care. There are many aspects of child care requiring creative solutions, including the study topics of this report, as well as financing, technical assistance for facilities development, facility design and policy development.
 - a. **Conduct a child care-focused "Hackathon"** to develop creative, innovative solutions to child care issues, in particular, child care financing strategies. (Note: this may be possible in 2021)
 - b. **Deploy the Small Business Development and other CIE programs** to build business acumen for child care providers. The SBDC focuses on small businesses, and nonprofits can also take advantage of some services. As an example, in the mid-2000's, the Ventura SBDC crafted specific business and facility development classes for child care providers, in partnership with the local Child Care Planning Council as part of the Low Income Investment Fund's Constructing Connections project.
- 2. **Develop a Cal Poly-led technical assistance team** focused on supporting child care needs from the various departments. For example, in the child care center focus group we learned that one program was offered landscape design services through the landscape architecture department, which saved the provider time and financial resources, with high quality results.

SLO Coastal School District

Findings:

- The Career Technical Education (CTE) ECE program, in collaboration with Cuesta College, provides a child care sector pathway with a sequence of courses that teaches rigorous and relevant career readiness skills. The program connects with Cuesta College through department meetings and dual enrollment opportunities to further the journey of the students from the district. This is a strong model and an important part of the pipeline.
- Child care is offered on school campuses, which depends on both the compensation support and education pipeline strategies included in this plan.

Options

- Continue to join with other districts that provide a CTE ECE program in coordination
 with Cuesta College to ensure that this model is a strong and integrated onramp to the
 workforce pipeline development.
- Develop a child care committee or liaison position to proactively plan for, and work with, the City and other child care providers to offer services on and off campus to meet the needs of student families and staff. Create a comprehensive strategic plan for child care within the district.

Countywide Options

Economic Development

- 1. REACH offers connections to the following resources that are available to child care providers:
 - Small Business Administration (SBA) loans
 - Score
 - SBDC (Through Cal Poly CIE)
 - MCSB/Women's Business Center
 - SLO Seed Ventures
 - Coastal Business Finance
 - Valley Economic Development Center
 - <u>Tax Credits Expert</u>

An effort can be made to tailor these services specifically for child care providers, and then engage the providers in accessing the services. The Child Care Planning Council and CCRC would be two ideal partners for this effort.

- 2. **The SLO Workforce Development Board** can draw down funding for specific ECE supports needed, either as part of the pipeline, or as augmentation to it. Example: As recommended in the Annie E. Casey Foundation Report, they can also address the child care needs of their clients.
- 3. **The Chamber**(s) can be a resource for businesses and an advocate for employer-sponsored child care. One strategy could be to launch a campaign to encourage businesses to offer discounts for child care providers.

Child Care Experts - Local child care organizations and experts can develop a list of providers interested in expanding and identify training and supports needed. Use this list to create a pool of providers ready to grow their program to meet partners' needs, and to prepare for MPELC and other opportunities.

Provider Perspectives

Through the study focus groups, providers shared their desire to increase their education in the child care field, especially needing classes in Spanish. They felt there were not enough local resources to make this happen. They spoke of needing more technical assistance, funding and materials to provide high quality care in their programs. Many expressed the fatigue they feel, with the challenges of operating during COVID-19 and not knowing what the future will bring for their businesses. Some expressed gratitude for the business support they received from economic development agencies during the pandemic, and others were not aware of available resources. The overall sentiment expressed was that they are dedicated to providing quality care for young children but need more support and connection in order to be successful.

"Child care is the most important job there is.

We are raising the future".

~Child care Focus Group participant

CONCLUSION

The purpose of this document is to report on the results of the first phase of the Collaborative Child Care Study for San Luis Obispo County. The LIIF Team's goal was to provide a suite of options for expanding quality affordable child care in San Luis Obispo County. The four Study Partners share a vision that their employees and other residents in San Luis Obispo County will have access to quality, affordable child care that fits the developmental needs of the child and the economic, professional, and health-related needs of families.

To achieve the goal of this study phase, the LIIF Team focused on the employees, policies and resources of the Study Team organizations, and included broader Findings and Options where appropriate.

For the Phase 1 portion of the Study, the LIIF Team researched the Study Partner organizations and the child care landscape in the county. Interviews were then held with Study Partners, the Study Team members, and key community leaders with knowledge of the Study Partner organization and/or the San Luis Obispo child care industry. A suite of Options was then curated from which the Study Team can select as next steps in the quest to improve 1) child care policies for public sector Study Partner employees, 2) regulatory or systemic barriers to unlock child care capacity, and 3) child care workforce pipeline.

As a general guide to the Study Partners, as public agencies, the LIIF Team identified five overarching focus areas to address the issues we mention above. They are infrastructure, funding, policy, economic development, and advocacy.

As the Study Partner agencies think about next steps, the LIIF Team suggests that Phase 2 be considered in two parts - first selecting the Options that can be adopted now, and then developing the implementation plan for longer range Options and beginning the work.

The LIIF Team encourages the Study Partner agencies to continue this collaborative work and broaden the partners beyond the four agencies. As a child care provider said during this study, "If we put resources in, the whole community will benefit for many years to come."

Engaging a facilitator from outside all of the participating agencies can assist with the process and document the efforts. This study and its outcomes can chart the course for several generations of this community's children, families, and child care providers. The LIIF Team hopes these Findings and Options lead to positive changes throughout The County of San Luis Obispo.

APPENDICES

Appendix A – SLO Study Resource Documents (Google Folder)

The following documents, cited in the report, are provided in a Google folder that can be accessed via this link: https://drive.google.com/drive/folders/18v2WHDx8XRoUsk9vQLc9-1IHN2w1gE34?usp=sharing

- 1. Building Child Care Facilities: A Brief on Inclusive Spaces for Children with Disabilities and Other Special Needs. Build Up for San Mateo County's Children for SMCOE, 2019
- 2. CAPSLO Guidelines for Planning a Child Care Center
- 3. Early Learning Facilities Checklist (Design Criteria), Kathryn Tama
- 4. SLO County Housing Element, draft Program DD
- 5. General Plan language in San Mateo County/Cities, 2017 compilation by City of San Mateo
- 6. City of Goleta. Establishing a Day Care Facility. Guide to new Zoning Ordinance Provisions (2019)
- 7. Keyser Marston Associates. Child Care Linkage Programs (2005 table)
- 8. City of San Jose 2019-20 Council Priorities; Progress report on Child Care 2/2020
- 9. LIIF, First 5 Sonoma Co. & First 5 California. Housing Development + Child Care Facilities: Strategies and Financing
- 10. Property Search Criteria for Child Care Centers/Preschools--for Realtors
- 11. Project Sentinel. Housing Discrimination/Family Child Care brochure
- 12. Organizational Work-Life Self-Assessment
- 13. Organizational Work-Life Self-Assessment Checklist
- 14. Family Child Care Homes-Goleta Zoning Ordinance language.2020
- 15. Build Up for San Mateo County's Children, U.S. Chamber of Commerce Foundation case study

Appendix B – Creating New Child Care Center Facilities

Introduction

Identifying existing properties and converting them for child care use is one strategy for addressing the facilities shortage. The identification, feasibility analysis, and cost estimation for properties was beyond the scope of this study. The following information provides some background and illustrates the challenges involved.

Identifying existing public vacant or underutilized properties

The report suggests an initial step the City and The County can take to begin to identify potential of their buildings and land (or even other publicly owned property). Space in currently occupied buildings (offices, libraries, community centers) can be considered as well. See City of San Jose's related work plan activity.

The change of use for Building and Fire Code purposes is likely to require certain upgrades. Using the criteria of minimum State child care licensing requirements for the facility, local land use restrictions, and environmental health/hazards, an inventory of properties can be compiled. Additional site feasibility work, funding analysis, and project information would be needed for each site to determine financial viability. Child care design experts, and staff in Planning, Building, Fire, Public Works or other relevant departments, should be consulted. Other site and/or building assessment tools/guidelines are available in the CDC's Choose Safe Places for Early Care and Education materials, and in LISC's Developing Early Childhood Eacilities guide.

Adapting/converting properties

Creating new child care and early education spaces in existing or new buildings or land is typically expensive and time-consuming. Federal, state and local requirements and approval processes relate to: CDSS/Community Care Licensing, Building and Fire Codes, Americans with Disabilities Act, and local land use codes. Meeting the minimum requirements for approval does not ensure a high-quality learning and care environment, however, and purpose-built facilities are rare, since child care operators typically cannot afford them. A large portion of centers are located in school and church buildings which have classroom and/or assembly spaces, as well as space onsite for playgrounds and parking (except in many urban areas). The layout and/or size of spaces (e.g., inconvenient bathrooms or overly large church hall space) may not support quality programming, appropriate supervision or attention to the special needs of certain children. (Brief on designing Inclusive Spaces).

State code /regulations requirements include:

<u>CDSS/Community Care Licensing regulations</u> (Title 22) Physical plant requirements for Child Care Centers include:

- 35 square feet per child of indoor <u>play space</u>, not including child/adult support spaces, storage, bathrooms, hallways, kitchen, crib area/room for infants, etc.
- 1 toilet and sink per 15 children (separate girls/boys rooms required for school-age only); separate adult bathroom
- Diaper changing station with adjacent adult handwashing sink, if appropriate (for infants, toddlers, or others with special needs)
- Adult sinks for food prep, activity clean up, and custodial uses

75 sf per child outdoor play space, with minimum 4 ft fence, and shade provided. Waivers may
be approved, to reduce the playground square footage, by scheduling different groups, but ageappropriate playgrounds are needed for different age groups served.

"Best practices" recommendations address the ideal layout and design of all spaces that children, staff and families use. Well-designed facilities that support teachers' daily work are an unrecognized, underestimated employee benefit. See the Early Learning Facilities Checklist. Other child care design resources include Head Start Design Guide and LIIF's Quality Environments for Children.

Building and Fire Code

Typical changes needed to an existing building, related to the E-3 occupancy type for child care, include additional classroom doors, additional fire prevention/suppression equipment (such as sprinkler systems); and elevators or lifts (if above/below ground).

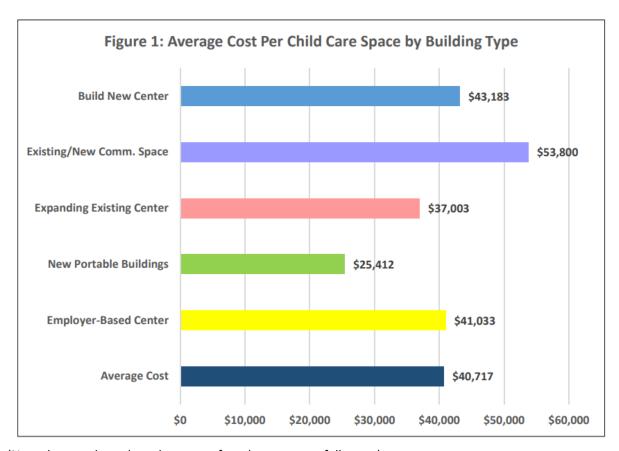
Americans with Disabilities Act

While public buildings may be ADA compliant, there may be changes needed to accommodate children with physical disabilities.

Estimating Costs:

Child care facility development costs will vary depending on the specific building conditions, or site conditions, if vacant land (e.g., for modular building), as well as construction costs in the area. When comparing to other construction costs, one should use **mid-range residential** figures for the region, due to the extent of plumbing, cabinetry, etc. needed for child care (e.g., vs office space). In the San Francisco Bay Area, current costs of build-out of a child care shell ranges from \$400-600 or higher per square foot.

For San Mateo County's Early Learning Facilities Needs Assessment (2016), data on recent child care center projects was collected to develop average child care costs per space, for five types of construction, including new, remodels, and modular construction (land costs excluded). The overall average cost for all types of spaces was \$40,717. The average cost by type of development is shown in Figure 1 below. Adapting existing commercial space is usually more costly than a new building, as can be seen in the Figure 1 chart.



(Note that employer-based centers often do not report full costs.)

San Mateo County's study included a <u>memo</u> on financing that proposes a multi-sector and –strategy approach to creating facilities estimated to be needed over many years. Since then, advocacy by <u>Build Up for San Mateo County's Children</u> has led to commitment of child care facilities space in several affordable housing and mixed-use developments proposed in various cities. Two in Redwood City will offer space rent-free with one also committing to build out the child care facility.

Appendix C – Family Friendly Employee Policies

Snapshot of Child Care Supports for Employee Parents

Note: A thorough Needs Assessment should be conducted to thoroughly understand employee needs and potential use of policies before adopting any of the strategies listed.

Option	Advantages	Considerations
In-house child care information and referrals Resource and Referral Parenting/Child Care Seminars *Note: The local Resource and Referral agency, CCRC, offers Enhanced Referrals, which provides support to families until they secure child care (more intensive than the typical referral system)	 Low cost Addresses a variety of child care needs Appropriate for any size company 	 Success depends on sufficient child care services in the community Information must be kept up to date to be useful Does not offer assistance for paying for child care
Flexible work and leave policies – flex scheduling, job sharing, parental leave, use of leave	 Minimal investment with high return Reduces absenteeism, improves morale and productivity Expands pool of potential employees Enhances recruitment and retention 	 Requires planning time and training of managers May disrupt workflow if not carefully planned
Providing Financial Assistance – Dependent Care Spending Plan, Child Care Vouchers, Child Care vendor plan *Consider specific financial needs for employees, such as assistance with a difficult birth or supporting a child with special needs.	 Relatively low administrative responsibility Can support and strengthen community services Appropriate for any size organization Does not require large capital or start-up costs 	 Impacts just the cost of care, not low supply or poor quality Some alternatives can be costly
On-site or near-site care Consortium child care (partnering with other employers) Family child care network Back-up child care Before/After school and during breaks	 Can address specific needs and/or shortages in the community Builds community resources for families Can be a very effective recruitment and retention tool Cuts absenteeism and improves morale and productivity Can adapt hours and programs to employees' needs 	 Initial start-up costs can be significant Requires a long-term financial commitment Demand may fluctuate or be difficult to predict (opening to the community in those situations can address this) May take time to build stable enrollment.

Detail on Providing Services		
Back-up/emergency child care program – care for employees' children when regular care is not available, when schools are closed, and when employee is needed for work on holidays or weekends.	 Can reduce absenteeism, increase productivity, and company reputation. Can accommodate large numbers of employee children with relatively small space 	 Space must be flexible in size to accommodate varying numbers of children Employers typically subsidize the tuition families must be clear on criteria for use of the program.
School-age child care program – for ages 5-12/14 before, after school and during school breaks.	 Addresses a critical child care need Improves morale and reduces parent stress Contributes to lower absenteeism and higher productivity 	 Requires transportation if the program is not housed at the school May require multiple sites if organization has multiple campuses
Family Child Care Network – Family child care providers connected through a child care center, agency association. Provides support services such as training, equipment, lending libraries and licensing assistance. *Note: Quality control can be increased by ensuring that programs are participating in the Quality Rating and Improvement System, and/or are nationally accredited.	 Children can be cared for close to where they live or where their parents work Able to accommodate children through age 12 Can provide infant care, which is the most difficult to find Can stimulate the supply of providers. Is typically lower cost than centers. 	 To be effective, much coordination and support is needed. CCRC is a good partner for this strategy Quality control may be difficult to ensure with multiple providers. Less expensive to start than centers Financial support from employer may be necessary
Near-Site Child Care spaces reserved for employees at community child care centers *Note: Quality control can be increased by ensuring that programs are participating in the Quality Rating and Improvement System, and/or are nationally accredited.	 Can meet business needs Child care can be provided in multiple locations and to multiple ages Lower cost than starting up on-site child care Builds community resources for families Visible retention and recruitment tool Reduces child care-related absenteeism Increases productivity Enhances public image 	 Centers may not be located close to work sites Requires ongoing cost to subsidize and hold child care spaces Quality control may be difficult to ensure with multiple providers.
On- or Near-Site Child Care Center – sponsored by an employer, operated by employer or a child care operator.	 Can meet business needs Visible retention and recruitment tool Reduces child care-related absenteeism Increases productivity Improves morale and loyalty, even among childless employees Enhances public image 	 Serves a specific population and age group Startup can be expensive Ongoing support is required to ensure quality and affordability Ongoing management responsibility Possible tax advantages

San Luis Obispo County Collaborative Child Care Study

Consortium Child Care Center – group of employers share the cost and benefits of establishing and operating a child care center.

*Note: in a public/private partnership consortium, partners can bring the unique resources of their type of organization to the table.

- Resources, liability and costs are shared
- Ideal solution for small and medium employers
- Large size of the combined labor force can ensure full enrollment
- Can be built into a community or business park
- Sustainable as a long-term child care center, regardless of management or consortium members
- Visible recruitment and retention tool
- Enhances public image

- Complex negotiation, legal and control agreements
- Limits on number of employees per partner
- Recruitment/public relations value is reduced
- Possible tax advantages
- Ongoing support is required to ensure quality and affordability

Glossary of Key Agencies, Initiatives, Programs and Terms

California State Preschool Program (CSPP)

Assembly Bill 2759 (Chapter 308, Statutes of 2008) created the California State Preschool program. The program provides both part-day and full-day services to income-eligible families and a core class curriculum, as well as meals and snacks for children, parent education, referrals to health and social services for families, and staff development opportunities for employees. The following organizations in The County have state contracts to operate CSPP programs: SLO County Office of Education, Cal Poly ASI Children's Center, Child Development Resource Center, and CAPSLO.

Career and Technical Education (CTE)

Career and technical education (CTE) is the practice of teaching specific career skills to students in middle school, high school, and post-secondary institutions.

Child Care Initiative Project (CCIP)

The Child Care Initiative Project (CCIP) is a statewide initiative to build the supply and improve the quality of licensed family child care homes in California. The CCIP works through local Child Care Resource and Referral (CCR&R) agencies to recruit, train, and retain licensed family child care providers.

Child Development Resource Center of the Central Coast (CDRC)

A nonprofit organization and community program that provides educational and therapeutic programs that focus on protecting children through its commitment to heal, support, and strengthen families in need within San Luis Obispo County. Funding for this program is leveraged through California State Preschool Program (CSPP), CCTR (General Child Care), local partnerships, and private-pay tuition.

Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO)

CAPSLO houses a variety of programs related to child care and education, including Head Start/Early Head Start (in The County of SLO and other counties), as well as the following services within the "Child Care Resource Connection" (CCRC):

Resource & Referral Agency

Under the mandate of the California Department of Education, each county has a designated Resource and Referral agent that assists in coordinating and helping generate accessible quality, affordable child care services in San Luis Obispo County working with families and child care providers.

Alternative Payment Program (APP)

Agencies contract with the California Department of Education (CDE) to distribute federal and state child care and development subsidies (vouchers) for CalWORKs and eligible working poor families. Alternative Payment Programs

(APPs) support hundreds of thousands of working families and children by ensuring parental choice of child focused programs meets both parent needs of working and child needs of learning.

Community Care Licensing (CCL)

The core mission of the Child Care Licensing Program is to ensure the health and safety of children in care. The Child Care Licensing Program strives to provide preventive, protective, and quality services to children in care by ensuring that licensed facilities meet established health and safety standards through monitoring facilities, providing technical assistance, and establishing partnerships with providers, parents, and the child care community. Community Care Licensing falls under the jurisdiction of CA Department of Social Services and operates under California Code of Regulations, Title 22.

Community Colleges

Cuesta College (In the County of SLO) and Allan Hancock College (in north Santa Barbara County) are the two community colleges that offer locally available associate-level education and credential preparation in early childhood development.

First 5 Commission SLO County

First 5 is a leader in the collective effort to support young children, both at the state and local level. First 5 San Luis Obispo County is an independent public agency created in 1998 by California's Proposition 10, a voter-approved initiative that added a 50-cent tax on tobacco products. This revenue provides a dedicated source of funding for programs that serve children from prenatal development through age five and their families, with priority areas in health, early learning and family resiliency.

Local Child Care Planning Council (LPC)

LPCs are funded by the California Department of Education, Child Development Division, mandated in the Education Code and overseen by the County Board of Supervisors and Superintendent of Schools. LPCs are mandated to undertake planning tasks, such as needs assessments, strategic plans and identification of priority zip code areas for state funding. CAPSLO serves as fiscal agent for the San Luis Obispo County Child Care Planning Council.

Master Plan for Early Learning and Care: California for All Kids (MPELC)

The MPELC is California's 10-year plan, released in Dec. 2020, to improve the system of child care and early education. Implementation is dependent on legislative and budgetary actions. The Plan provides a research-based roadmap for building a comprehensive and equitable early learning and care system over the next decade. It identifies key policy goals to ensure that all California children can thrive physically, emotionally and educationally in their early years through access to high-quality early learning and care programs.

San Luis Obispo County Office of Education (SLOCOE)

SLOCOE's Early Learning and Educational Support (ELES) Division promotes planning and actions to advocate for a quality early care and education system that meets the needs of all children and families. ELES includes several projects that support the Early Care and Education (ECE) workforce with professional development.

Ticket 2 Teach

Ticket2Teach is a locally-designed partnership to inspire future Early Childhood Educators by providing tuition assistance while completing Cuesta College's Associate of Arts degree in Early Childhood Education, guiding participants through the Early Childhood Education permit process, and supporting access to pathways to advance to a Bachelor of Arts Degree.

Transitional Kindergarten (TK)

Transitional kindergarten (TK) is the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age- and developmentally appropriate. Senate Bill (SB) 858 establishes the intent that TK curriculum be aligned to the California Preschool Learning Foundations and California Preschool Curriculum Frameworks developed by the CDE. Each elementary or unified school district must offer TK classes for all children eligible to attend. A child is eligible for TK if they have their fifth birthday between September 2 and December 2 (inclusive) and each school year thereafter (EC 48000[c]).

We Are The Care (WATC)

The We Are the Care Initiative was created as a result of the "Where's the Care? Town Hall" that was hosted in May 2019. The town hall was hosted by First 5 SLO County and dedicated equal time to addressing/exploring the child care challenge and beginning to problem solve. We Are the Care has since evolved to launch a variety of efforts to spotlight challenges and pursue solutions to the child care crisis. The initiative is made up of four unique task forces: Public Awareness Campaign, Local Government Engagement, Cross-Sector Collaboration, and Power to the Profession.

Workforce Development Board (WDB)

The Workforce Development Board (WDB) is part of the public workforce system that supports economic expansion and development of talent in the local workforce. In San Luis Obispo County, the WDB is housed within The County Department of Social Services.

Acronyms

ASI Associated Students, Inc. (Cal Poly)

CAPSLO Community Action Partnership of San Luis Obispo County

CCIP Child Care Initiative Project
CCL Community Care Licensing

CDBG Community Development Block Grant
CDE California Department of Education

CDSS California Department of Social Services

CIE Center for Innovation & Entrepreneurship (Cal Poly)

EVC Economic Vitality Corporation (now joined with REACH)

FCCH Family Child Care Home

LEA Local Education Agency (School District, County Office of Education)

LIHTC Low Income Housing Tax Credit

LPC Local Planning Council – San Luis Obispo County Child Care Planning Council

MPELC Master Plan for Early Learning and Care R&R Child Care Resource and Referral Agency

RHNA Regional Housing Needs Allocation

ROI Return on Investment

SBDC Small Business Development Center

Title 5 California Education Code- includes state-funded Child Development Programs

TK Transitional Kindergarten

WATC We Are The Care