



Dear Whatcom County Council,

On behalf of the Whatcom Child Care Coalition and the United Way, thank you for the opportunity to inform your commitment to the vision that all children and families in Whatcom County have easy access to affordable, high-quality early learning and care options. We are grateful for leaders such as yourselves who are willing to wrestle with our communities' most persistent challenges and look for creative solutions. This letter combines work that has taken place over the past years and feedback from a variety of stakeholders including providers, funders, State Representatives, district leaders, and more.

Now is the time to make bold investments. With the Fair Starts for Kids Act increasing state resources into Whatcom County, and possible additional federal initiatives, we must be positioned to leverage these opportunities to create a child care landscape based on our specific community needs. An upfront, local investment in infrastructure, facilities and the workforce will allow us to make the most of state and federal resources as they become available.

Last week, WWU's Center for Economic and Business Research presented the data from the [Child Care Demand Report \(see link\)](#) to more than 50 stakeholders from across Whatcom County. This report demonstrated that to meet the demand for licensed child care, we need to increase our capacity by 5,817 slots, just for children from infants to age 5 by 2025. That means more than doubling our current capacity of 2,700 licensed child care slots serving children birth to 5. At first glance, that is an overwhelming number, but this is a moment in which seeing this type of development and expansion is within reach.

While this has been a persistent problem, the circumstances we are in are different. Specific factors that make this the right time for a legacy project such as this include: State Recovery Act dollars will likely cover the needed investments to pay for the Fair Starts for Kids Act increasing subsidy rates even in the short-term (while the capital gains tax makes its way through the courts); we have additional clarity on the size and scope of the need and the specific demands of Whatcom County; and local stakeholders, including the Center for Recruitment & Expansion of Child Care and Healthy Whatcom, are poised and ready to act on specific expansion strategies rooted in equity and accountability.

There are tools and partners standing at the ready to support the expansion of child care in Whatcom County. In addition to the Demand Assessment, we have a county-wide vision for child care focused ensuring that all [children have easy access to affordable, early learning and care options that cover most work days](#); we are weeks away from the release of the Child Care Fiscal Map for Whatcom County; Department of Commerce is providing technical assistance for child care expansion and funding for planning; and state and national partners such as the Imagine University, Children's Funding Institute and Enterprise Community Partners are standing by to support.

As always, we are standing shoulder to shoulder, eager to improve conditions for children and families across Whatcom County.

Sincerely,

The Whatcom Child Care Coalition\* and United Way

*\*The Whatcom Child Care Coalition is a collaboration of stakeholders that includes child care providers, funders, policy-makers, higher education, school district leaders, business leaders and employers. Please see the attached brief for more information.*

## **1. What role do you see for Whatcom County Government in helping make quality child care accessible and affordable?**

Child Care Stakeholders convened in October of 2019 to create a [Child Care Action Plan \(see link\)](#) and identified key roles for 7 different stakeholder groups. Whatcom County has a robust child care sector with resources and supports that are unique to communities across our state. The collaboration across sectors is what provides the strength. Therefore, we see Whatcom County Government as an integral partner in the expansion of the child care industry, taking active steps alongside providers, school district leaders, funders, infrastructure supports such as the Center for the Recruitment and Expansion of Child Care, to ensure we have ample supply of child care to serve children and families across the county.

Within this network of child care partners, there are specific roles that were identified for local government that include policy or zoning changes, funding, and infrastructure development. Specifically, we see local government doing the following:

### Policies and Practices:

- Implement policies that incentivize the development of child care facilities into the built environment
- Review zoning code to address limitations to in-home child care operators being capped at 6 children
- Incentivize local business to adopt family-friendly policies and practices such as: bring infant to work policies, paid family leave; and inclusion of child care into County benefit packages; Conduct outreach and act as a model for these policies and practices as well
  - *Current local work: Child and Well-Being Task Force to conduct a policy audit*

### Funding:

- Financially support child care programs through grants and low-cost loans for program start-ups through Community Development Block Grants, Economic Development funds (EDI), and general funds to ensure gaps in programs and services are addressed
- Provide free or low-cost access to public spaces, including consideration of county-owned surplus properties, outdoor space, libraries, etc.

### Infrastructure:

- Support community partners to continue their child care work, thereby avoiding duplication of roles in the child care sector that already exist. Examples of work that already exists but could be further supported include: data collection to monitor child care access currently being done by Opportunity Council and Child Care Aware; technical assistance and development of child care providers currently being provided by the Center for Recruitment & Expansion of Child Care; community health improvement planning currently being done by Healthy Whatcom; expansion planning by United Way; and funding by Mt. Baker Foundation, United Way, and Washington State Dept of Commerce.

Stakeholders come together as a functioning system. We are not asking you to create new and duplicative infrastructure, but rather to actively partner to contribute to the success of the whole system.

## **2. What is your vision for child care in Whatcom County in 2040? How do you see government, nonprofits, and businesses working together to provide quality child care that is accessible and affordable?**

The good news is that this work has been done. Child care stakeholders are committed to a vision that [all children have easy access to affordable, early learning and care options that cover most work days \(see](#)

[link](#)). Within the vision for child care, we set specific ideas of how that looks for child care consumers, programs, the system, and workforce. I encourage you to follow the link to learn more.

Just prior to Covid-19, stakeholders convened to create a [Child Care Action Plan \(see link\)](#) that integrated the roles of each stakeholder group. The intention was to further determine specific timeframes, metrics, and an accountability structure to move that work forward. Since then, Healthy Whatcom, the community-based team led by the Public Health Department, has adopted the Results Based Accountability framework, and will turn its sights on child care this summer, ensuring there is a community health improvement plan for child care that is rooted in equity and accountability. The new Center for the Retention & Expansion of Child Care is bringing the private sector employers to the table and developing mutually advantageous solutions for those companies' workers.

## **2.What roadblocks do you see in making this vision happen?**

Local providers with capacity and a sustainable business model to expand services: In order to double our current number of child care slots, we will need to stabilize current providers and ensure expansion can be sustainable as well as recruit and develop new providers.

Workforce: The child care workforce is consistently a challenge. Wages are low and the barriers to becoming credentialed are high. Requirements for higher education, continuing credits, and experience in order to move up, add stress to an already difficult job. Once staff become credentialed, it is considerably more profitable to join the K-12 education system, leaving a vacuum for staff in child care programs.

A fully staffed entity dedicated to child care expansion with appropriate knowledge and authority to allocate resources - Given the size and scope of the need for expansion, it will take dedicated staff, financial models, and knowledgeable folks to create and implement an execution plan that will more than double child care slots in Whatcom County.

## **4. If this resolution was enacted, how would it positively impact child care in Whatcom County?**

If this resolution was enacted, it would undoubtedly have a significant and positive impact on child care in Whatcom County. It would:

- Make the current projects in the expansion pipeline more financially feasible
- Entice child care operators from outside of Whatcom County
- Allow for the building of Early Learning Hubs that could not only increase capacity by increasing slots, but also by allowing smaller providers to access regional supports
  - *Current local work: Early Learning Hub models have been considered in the Mount Baker School District (To learn more: [kmarshall@mtbaker.wednet.edu](mailto:kmarshall@mtbaker.wednet.edu))*
- It would set a higher standard for market wages
- Allow for the integration of services to better meet the needs of children and families.
- It would provide the capacity to plan with an understanding of available resources.

## **5. If this resolution was enacted, how could it negatively impact child care in Whatcom County?**

It is important to consider the potential unintended impacts of this resolution and therefore forecasting, monitoring and accountability should be embedded throughout the implementation.

Staffing vacuum could lead to racial and economic disparities: Providing support for specific programs and incentivizing some programs to pay market wages in a time when workforce is so diminished would

likely create a vacuum in credentialed staff and resources in programs that are not able to access this program. Providers are concerned with resources needed to increase wages for long-term sustainability. Until subsidies are paid at 100% of market rate (Fair Starts for Kids Act sets the reimbursement rates at what care would cost at 85% of child care programs in an area), programs can't afford to absorb those costs. That would create wider disparities in access to programs, increasing quality in some while making others less likely to be sustained. Child care is not affordable for most families and passing on those expenses to non-subsidized consumers may be prohibitive and will further perpetuate the need to use informal care outside of the system.

Burdensome Compliance: The additional requirements to participate in this program would layer on additional compliance measures in an already highly regulated industry, and potentially in an unaligned manner.

Duplication of efforts: In a county of our size roles must be clear and processes integrated to ensure resources are aligned and not counter-productive. Outreach to and support of current and potential providers, expansion planning, program pilots, etc. should be done using a mix of time-tested and innovative approaches focused on equity, accountability, and a commitment to building permanent capacity across Whatcom County.

## **6. What other ideas do you have for how these funds would best be used for long-term, sustainable child care solutions?**

*While we understand that there may be a need to spend some money on short-term fixes to help stabilize some existing child care providers, no more than 20% of the funds ultimately allocated towards addressing childcare should be used on short-term strategies.*

### Solutions that would provide short-term stabilization:

- 1) Short-term investments in **program start-up costs and reopening shuttered classrooms** would stabilize the field and begin the work of re-opening programs.
  - Include a portion of the dollars to include mini-grants and start-up costs to increase the number of providers, including more that align with the changing demographics of our county
  - Provide funds for on-boarding, training and staffing to enable classrooms to re-open as needed without waiting for classrooms to be full (previously, providers would wait for a full waitlist to re-open classrooms, leaving parents without care in the meantime)
  - Reopen recently shuttered child care programs: Work with previous providers to determine what supports they would need to re-open programs (Whatcom Community College Learning Lab, NWIC Early Learning Center, etc.)
  
- 2) Investing in **workforce development strategies** that will increase the number of credentialed child care workers for these expanding classrooms:
  - Credentialing programs that are culturally relevant such as a credentialing program in Spanish (ex. In Skagit county) or modeled after the Bilingual Teacher Academy in Bellingham.
  - Scholarships or repayment of student loans for successful completion of credentialing programs

- Partner with Center for Recruitment & Expansion of Child Care and the Imagine Institute to provide access to child care operator mentoring, training and development, substitute pools, etc.
  - Prioritize child care programs located nearby higher education programs to provide access to child care credentialing for parents and caregivers (like the previous WCC program that also served as a learning lab for the early learning education program)
- 3) Take the opportunity to **plan and innovate**:
- Pilot programs and assess for feasibility of replication, such as paid family leave for parents of infants who prefer to stay home and outdoor preschools
  - Provide capacity to engage in robust child care expansion planning: allocate staff time to research and evaluation of promising models including site visits to communities with demonstrated success in implementation; participate and/or co-lead expansion planning; Invest in cost modeling and technical assistance (such as Enterprise Community Investments) to support child care expansion; allow for enough flexibility to refine investments based on feedback and experience

*At least 80% of the funds must be spent on items that will go towards permanently fixing the problem such as capital facilities along the following lines:*

Solutions that provide long-term sustainability to the industry:

*A. County owned facilities. These would be high quality designed to promote early learning and meet the requirements to qualify for the maximum level of state reimbursement.*

- 1) Purchase, build and/or renovate capital facilities as articulated in the resolution to develop regional early learning and care hubs and connections to smaller satellite programs. The early learning hub model ensures programs are well-supported, regionally appropriate and there can be increased coordination of outreach, enrollment, service integration and care.

*Current opportunities to leverage: Launch early learning hub and satellite in NW region; and create satellites around the East Whatcom Regional Resource Center; explore ways to support tribal partners' development of child care programs such as the Nooksack child care project.*

*B. Private facilities. Could be modeled along the lines of that portion of a facility dedicated for child care is funded via a low interest loan program (subordinate to any bank finance), which would be repaid when the child care ceases to be provided or upon sale.*

- 1) Financially support the 8-10 child care projects currently in development (info available upon request to David Webster at Opportunity Council, and based on disclosure agreements)
- 2) Provide technical assistance for these 8-10 child care projects to apply for Early Learning Facility Funds through the state, if they have not done so already
- 3) Utilize a land trust model to reduce overhead while allowing programs to accrue wealth through real estate holdings
- 4) As allowable by funds and regulations, develop an ongoing loan program (or fund through current partners) to include mini-grants and start-up costs to providers, for small, medium, and large providers that will meet the varied demand of parents and caregivers across the county

*C. Alternative ideas are welcome, provided they provide a substantive permanent solution and generally allocate funds across different ideas in proportion to the number of permanent child care spots they support.*

- 1) Leverage state investments to invest in a shared services model to align and leverage services such as accounting services, bulk purchasing, collective quality improvement, etc. This is currently being piloted and has shown to be quite successful in other communities. A pilot is currently being developed by the Center for Recruitment & Expansion of Child Care with potential short-term funding by the Department of Commerce.
- 2) Incentivize the private sector to invest in child care. More than ever, employers are seeing the importance of child care and want a system that provides the reliability and flexibility to meet their specific demands. This should be harnessed to engage employers as partners. Examples include:
  - a) Include Child Care subsidies in employee benefit packages
  - b) Partner with a specific provider to open a child care program with spots allocated to a specific workforce/employer. Employers can subsidize elasticity in the program to ensure there is availability for upcoming employees.
  - c) Donating appropriate space via long-term use agreements

For more additional information or resources, please contact:

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WHATCOM  
CHILD CARE  
COALITION

BRIEFING PAPER  
NOVEMBER 2020

# CHILD CARE AND EARLY LEARNING FOR EVERY FAMILY: SOLVING WHATCOM COUNTY'S CHILD CARE CRISIS BY EXPANDING OPTIONS AND INCREASING ACCESS

## KEY POINTS

- Whatcom County is in the midst of a child care crisis: the high costs of child care and early learning, combined with a shortage of options has impacts on children, families, and the local economy.
- In 2019, Whatcom County had a shortage of 1,910 child care slots. COVID-19 has since exacerbated the instability and financial health of child care providers.
- Lack of affordable, high-quality child care and early learning results in children being less prepared for entering kindergarten, parents and caregivers having difficulty obtaining and retaining work, and businesses bearing the costs of turnover and lost productivity due to child care issues.
- The Whatcom Child Care Coalition (WCCC) is forming to address the child care crisis and ensure all families have easy access to affordable, high-quality child care and early learning options.
- WCCC will work with parents, caregivers, and stakeholders to commission a demand analysis and develop a countywide child care and early learning expansion plan. This will result in increased access to childcare, improving families' economic security and increase kindergarten readiness.



United Way  
of Whatcom County



Mount Baker  
Foundation



BELLINGHAM REGIONAL  
CHAMBER OF  
COMMERCE

Whatcom  
COMMUNITY COLLEGE



## BACKGROUND:

Child care leaders and community members are forming the Whatcom Child Care Coalition (WCCC) to increase access to affordable, high-quality child care and early learning options that fit families' work schedules. Child care impacts our entire community: the future of our families, economy, and children hinge on our child care sector.

**Impact on Families:** Child care is necessary for parents and caregivers to obtain and retain a job; yet inadequate availability, high costs, and lack of staff education have left quality child care out of reach for many families. Those lacking access are more likely to miss work, report lost wages, or leave the workforce altogether. Their children are also more likely to enter school without being adequately prepared, putting them at a persistent disadvantage behind their peers.

### PRE-COVID CHILD CARE DATA:

# of Households With At Least  
One Child Under the Age of 5: **8,460**

Child Care Shortage: **-1,910**

Source: Washington State Child Care Industry Assessment,  
Washington Department of Commerce, 2020.

Even when it's available, quality child care is out of reach for many working families. Full-time, infant child care has a median annual cost of \$10,920, more than the combined cost of tuition, books, and fees at Western Washington University. When having a job barely covers the expenses of child care, many end up leaving the workforce altogether. This particularly affects women, who leave the workforce at higher rates due to lack of child care access. But with 76% of female-headed households struggling to cover a basic budget of food, housing, health care, and other essential costs, work is a necessity (ALICE Report, 2019).

**Impact on Economy:** Washington employers bear the direct costs of employee turnover, missed work, and lost productivity due to child care issues,

estimated at \$2.08B per year. Further, Washington's economy loses an estimated value of \$6.5B per year via "opportunity costs"—the amount spent on child care-related issues that could have been used for other economic opportunities (Department of Commerce, 2019).

**Families working from home during COVID-19 have reduced their reliance on child care. This temporary drop in demand is exacerbating the instability of child care providers, leading to closures. As a result, the child care shortage may be even greater after the pandemic.**

**Impact on Children:** High-quality child care is more than a place for children to go while adults work. It offers a safe, stimulating environment where they are nurtured and thrive. Early learning is integrated into care, preparing children with the necessary skills and competencies for entering kindergarten. Caregivers and teachers understand child development, teaching for various learning styles and respecting childrens' diverse backgrounds.

When children don't have access to early learning opportunities, the results are devastating. Early learning lays the foundation for later success; when children start school unprepared, they stand in stark contrast to their peers for years. Because high-quality child care and early learning are associated with higher costs, damaging racial and economic disparities develop before children even begin school.

Prior to COVID-19, Whatcom County was already experiencing a child care crisis; the pandemic just exacerbated the issue. Providers continue to work hard with limited resources, but the lack of child care threatens the well-being of our community. It is in this context that WCCC is forming to strengthen our child care system.



## ABOUT WCCC

In late 2019, a group of community and child care leaders convened to address Whatcom County's growing child care crisis. These leaders recommended that a coalition be formed, aimed at better understanding families' needs and leading the effort in expanding child care and early learning opportunities. WCCC is being developed as the result of their work.

United Way and Mt. Baker Foundation will co-staff the Coalition, which will continue to collaborate with other organizations to create an effective and sustainable coalition with the goal of bringing the community's vision of child care to life in Whatcom County.

At the center of this work are parent and caregiver voices. As WCCC plans for the expansion of child care, coalition members will take important steps to

learn from local parents, caregivers and other child care consumers about what they want in a child care program, where they need care, and in what context. There will be special intention to hear from those who are most marginalized in our community. By amplifying and honoring their needs, preferences, and requests, WCCC is helping create a community where all children and families thrive.

Efforts will be made to engage a wide variety of stakeholders representing education, business, local government, health care, faith-based communities, Lummi Nation, and Nooksack Tribe.

WCCC will partner with other coalitions, including Generations Forward, Healthy Whatcom, and NW Center for Child Care Retention and Expansion.

## WHATCOM COUNTY VISION FOR CHILD CARE:

**All families have easy access to affordable, high-quality child care and early learning options that cover most work days.**

### Children and Families:

- Families have options, including friends and family care, licensed providers, and enrichment programs
- Choice of early learning options that cover a variety of work schedules
- Child care is easy to find near peoples' homes and workplaces

### Child Care Programs:

- Classroom communities are racially and economically diverse
- Support services are accessible, including language support and behavioral health
- Safe, high-quality, and enriching
- Seamlessly connected to school districts

### Child Care Workforce:

- Staff earn a livable wage
- Access to resources that promote professional development
- Part of an effective credentialing system
- Positive work environments

### Child Care System:

- Demonstrated, community-wide belief in the value of child care through public support, funding, and partnerships
- Child care industry is healthy, sustainable, and well-funded
- High staff retention with the potential for career advancement

WHAT WILL WCCC DO?		THE RESULT:
<b>1. Commission a child care demand analysis</b>	<b>2. Develop Child Care Expansion Plan</b>	<b>Increased access to childcare, which will:</b> <ol style="list-style-type: none"> <li>1. Improve economic security</li> <li>2. Increase kindergarten readiness</li> </ol>
<p>The analysis will consider location, cost, subsidy, and therapeutic support services needs, particularly for families with barriers to child care.</p>	<p>This county-wide plan will offer steps to meeting the child care needs and preferences for our most vulnerable, marginalized children.</p>	

### NEXT STEPS:

**1) Formalize the Coalition:** The WCCC will be formalized in December 2020, the first step toward implementing the Whatcom County Vision for Child Care.

**2) Center Voices of Parents and Caregivers:** WCCC will listen and learn from child care consumers, seeking to understand diverse needs for child care options, child care costs, family preferences,

barriers and potentials for provider expansion, credentialing and staff education, and the impact of child care on the workforce. Parent and caregiver voices will be included in this data collection.

**3) Building a Path Forward:** WCCC will use the demand analysis to create a child care expansion plan, putting forth strategic recommendations for achieving the WCCC’s vision and families’ needs.

### WHAT WILL SUCCESS LOOK LIKE?

The expansion plan will provide a path toward the following measures of success:

- Increased number of child care slots available
- Reduced time on child care wait lists
- Household budgets can comfortably afford child care
- Child care centers exist in rural areas across Whatcom County
- Increased number of child care programs offering on-site behavior supports



**Have questions?  
Want to get involved?**

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