



**Positioning Erie to Prosper and Compete:  
Child Care School for Infants and Toddlers is Key  
to Future of Workforce and Economy**

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Childcare Investment Policy Initiative

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# Executive Summary

Inspired by its 2021 publication titled, [Caring for Erie's Economy: Childcare Is Economic Development](#), the Jefferson Educational Society in 2024 tasked a team of child-care professionals to develop recommendations for Erie, Pennsylvania, to reverse its dire shortage of quality, affordable child care and in doing so leverage the provision of early child care as a chief workforce and economic development strategy.

With funding from the Erie Community Foundation, the team and its facilitator who were convened for the JES [Early Childcare Investment Policy Initiative](#) spent six months further developing the grand payoffs for Erie should it determine to offer affordable, quality child care to every infant and toddler living in the city.

In the report that follows, both the case and a road map are presented for the high stakes afforded Erie in realizing the potential ready to be unleashed by substantially improving child care for the city's youngest people. Becoming a trailblazing American city offering child care to all desiring parents/guardians of infants and toddlers is tantamount to Erie's moonshot.

The results to be gained by Erie as it reaps the payoffs of leadership in provision of early child care include:

- Children who enter school ready to learn and become the next generation of workers.
- Working parents not having to make the hard financial choice of working but not making enough money to provide affordable child care, or quitting work to stay at home.
- A sustained and productive work force afforded by easing of family finances among the economic powerhouse that are residents of child-bearing age.
- Employers who can grow their companies.
- Reversal of generations of decline with new influx of "procreative class" workers on the search for a city that assures high quality of life and economic prosperity.

The work here achieves what it was tasked to do. Characterize and quantify the child-care situation in the city. Benchmark the uptick in and innovations among other cities around the nation. Identify the most impactful remedies. Put dollar figures to implementation and identify the leadership structures to capitalize the effort. And all the while, illustrate the opportunity costs to an economy weighed down by too many infants and toddlers who don't have top quality, early education within their first 1,000 days in Erie.

Around the nation, communities, Erie included, make myriad investments and provide subsidies intended to stimulate growth. Most succeed on addressing symptoms as opposed to going to a source of what it takes to create a path to prosperity. Early child care is experiencing a new heyday of appreciation in the public's eye for its oversized impacts—positive when amply available and negative when out of reach. Far more than strategies that bandage ills, provision of early child care goes to the heart of what it takes to spark and sustain community and economic prosperity.

Data to quantify Erie's early child-care reality was lacking before this report. Through its own primary research, the team succeeded in gathering the metrics needed to build answers to the questions of what to do, what is the cost, and where to start. Following are the key findings to focus the strategy of Erie's leadership.

The city of Erie has:

- 3,481 total infants and toddlers (birth to 3 years)
- 70% live below 200% of the federal poverty level
- 2,405 (69%) likely need child care outside the home
- 30 licensed providers of care for infants and toddlers in the city (out of 40 total providers)
- Licensed providers enroll 653 infants/toddlers = 27% of those likely needing care
- Factoring use of alternative means for care, there is a gap of 1,542 slots for infants and toddlers

The most effective way to serve more infants and toddlers is to address the shortage of educators. The way to attract more teachers is by providing better pay to bridge the gap between the pay of child-care professionals and their higher paid counterparts in K-12 public schools. Subsidies to increased hourly pay must be uniform across all early child-care providers to avoid poaching by other employers who do not provide child care and within the early education community itself. If competitive pay is offered, the teachers will come. If teachers are in place, more children can be enrolled.

A total of \$4,571,840 is the estimated annual cost to increase the hourly wage from \$15 to \$20 per hour of professional infant and toddler teachers to stabilize the existing level of enrollment (653) and facilitate closing the gap in supply (1,542 slots) by recruiting and placing 309 additional teachers needed to care for infants and toddlers in the city (this equates to \$2,083 per child).

The prioritized, incremental approach to paying for the \$4.6 million in additional teachers' pay begins with:

1. Stabilize Existing: \$1,358,240 to stabilize existing 30 providers' ability to continue to serve 653 infants/toddlers by raising teacher pay by \$5/hr. (above their average \$15/hour).
2. Fill Teacher Vacancies: \$613,600 to facilitate filling 59 vacant teacher positions among 30 providers thus enabling 292 more slots for children (again adding \$5/hr. to assumed \$15/hr. base rate to be provided by their employers).
3. New Teachers Needed to Close Remaining Gap: \$2.6 million to facilitate deployment of 250 new teachers necessary to fill the remaining gap of 1,250 slots (again by adding \$5/hr. to pay assuming the base rate of \$15/hr. is provided by centers).

This subsidy of teacher pay does not address the cost of buildings/additional classroom space, operating costs, staff development, and the \$15/hr base hourly rate of teacher pay, etc., that child-care providers will need to provide quality child care slots for infants and toddlers. Nor does this factor in any subsidy to families to be able to afford child care. The funding does make child-care slots available compared to the present gaping deficiency in available child-care service in Erie.

Several recommendations (with costs) are further presented in the report. They include strategies to increase the Infant & Toddler Teacher Pipeline and Professional Development Program; Economies of Scale Strategies – Circuit riders, Shared professionals; and a Child-Care Facilities Impact Investment Fund.

What kind of leadership would it take to achieve these goals? It should start with the urgency of early child care being added to the playbook being quarterbacked by [Infinite Erie](#), a coordinated inclusive growth strategy tasked with implementing Erie's Investment Playbook. Ideally, the community will be poised for action when Infinite Erie calls for and assembles an Erie Infant & Toddler Investment Partnership. Its charge would be to tackle the report's recommendations and to track progress. Concurrent with this public-private partnership, the city of Erie would stand to greatly aid the effort by establishing an Erie Government Infant & Toddler Interdepartmental Task Force. Its large role would also contribute to increasing slots for infants and toddlers.

Carrying forth the challenge for Erie offered in the 2021 JES publication that was the impetus for this report is the conclusion that, rather than the typical one-time economic boost, a system of high quality, affordable care for infants and toddlers is needed. Invest in kids. Grow a prosperous community. In this way, Erie both nurtures its future and addresses an immediate need in which quality child care is essential to economic development and will enable Erie to compete with cities to attract and retain talent.

## Introduction

Affordable, quality early child care is foundational to Erie's overall economy and community development. Child care, especially for infants and toddlers (under 3 years of age) enables parents and guardians to work and earn, while giving children (our hope for a prosperous tomorrow) the building blocks essential to succeed. For Erie, the stakes are even bigger given the city's high degree of social and economic instability (84.3% of Erie School District students are economically disadvantaged) and too few have access to licensed child care services.

A goal to increase the number of available openings for infants and toddlers in licensed child-care programs promises profound positive impacts. However, it is the one workforce and economic development strategy that Erie has yet to deploy in its otherwise major efforts to stem the tide of generational population loss and a smaller workforce that stymies economic growth.

The prospect of finding solutions to the large gap between the level of need and the supply of quality child care for infants and toddlers in the city begins with understanding the issues. There is reason for optimism. As presented in this report, the case for investing in early child care for the city's infants and toddlers is clear. Erie could win in the quest to be among the first cities to stake the claim as the best place in America to raise a family and grow a business too. Erie is right-sized. The number of infants and toddlers is manageable. Erie's public and private partners have a successful track record over time. And Erie's chief historic competitive advantage for residents and businesses alike has been its reputation as a family friendly town.

This report presents the findings of the Jefferson Educational Society's six-month examination of problems and solutions to Erie's child-care challenge. The effort, funded by the Erie Community Foundation and led by a project facilitator with six leading professionals in the early child-care field, is called the Erie [Early Childcare Investment Policy Initiative](#) (see the Appendix for overview of the team). The intent of the effort is to characterize and quantify the city's early child care market, identify where best to intervene in the system and at what cost, and to identify practical funding streams to realize the needed increase in the availability of quality, affordable professional child care for Erie's infants and toddlers from birth to 3 years old.

From its conception, this project strategically determined to focus on infants and toddlers in the city of Erie. The reasons are many, and include:

- Ages birth to 3 years are the most formative in the development of the human brain.
- Infants and toddlers are the most challenging and expensive age group for licensed child-care providers to serve. Their staffs are among the lowest paid in the overall teaching profession.
- Quality care for this age group is the most scarce for parents to try to find.
- Focusing on this defined age group and the small jurisdiction of the city (compared to all of Erie County) increases the prospects for remedies that are not cost prohibitive and are achievable with high impact.
- Infants and toddlers are the most often overlooked age group in the sense that their care is not treated as a public service akin to kindergarten and later school years. Further, funding sources such as the state's [Educational Improvement Tax Credit](#) (EITC) awarded to businesses in exchange for contributions to early education specifically is only eligible to benefit ages 3 years and above. Similarly, Pennsylvania's [Neighborhood Assistance Program](#) fails to specifically identify infant/toddler care providers as potential beneficiaries of this tax credit program to encourage businesses to invest in projects that improve distressed areas.
- Erie city government stands to join a growing number of municipalities that smartly invest in infants and toddlers as a material economic and social development strategy—as opposed to neglectfully relegating needs of our youngest children and their working parents to the concern of other levels of government.
- Local commitment is essential and strategic. As asserted by the [National League of Cities](#), through its Institute for Youth, Education, and Families, city leaders are best positioned to champion early education because they are closer to constituents and more in touch with their challenges than state and federal policymakers. Local government investment in early child care also serves to demonstrate leadership in local match and leveraging of financial assistance from county, state, and federal government that benefits city residents. As shown in the benchmarking section of this report, there is a growing trend of communities passing ballot measures to expand access to child care.

Ensuring access to high-quality, evidence-based early childhood opportunities is critical for families to thrive and children to flourish and that begins with a well-trained and fully supported early childhood workforce. Local governments have a key role to play in supporting the child-care economy and creating pathways for young children, their families, and the early childhood workforce to access educational and economic prospects. By investing in the early childhood workforce, cities not only bolster the quality of care but also stimulate economic growth. Robust support for the child care economy enables parents who may struggle due to a lack of child care to participate fully in the workforce, thus enhancing productivity and economic stability at both the individual and community levels.

[Decades in the Making: Cities Supporting Early Learning and the Child Care Economy, National League of Cities](#)



So, it is for these reasons that infants and toddlers in the city are the focus of this project. This narrowing of scope lends optimism for arriving at solutions to ease the city of Erie's early child-care limitations.

Presenting the case for and recommendation of practical remedies for how Erie stands to prosper by ensuring child care to all its infants and toddlers, the table of contents illustrates the sequence of investigation to arrive at solutions. The iterative approach of this project was to reveal the challenges and opportunities through presentation of data, benchmarking how other cities are addressing their child-care needs, and surveying stakeholders all toward practical recommendations that build on Erie's competitive strengths. A call to action, this report presents a blueprint whose payoffs are immense for Erie's children, their families, and businesses —and thus the city.

A city of Erie's modest scale, and with its oversized resources, is well-positioned to make a great stand and become a national role model for eliminating child care as a barrier to work. Erie has a unique abundance of public, private, university, philanthropic, and civic leaders who, when focused on a problem, can create solutions. Already putting Erie on the map for remarkable renaissance initiatives are the likes of the city and county governments, Erie Insurance, Erie Community Foundation, Erie County Gaming Revenue Authority, Erie Downtown Development Corporation, Erie County Redevelopment Authority, Infinite Erie, Erie County Community College, Lake Erie College of Osteopathic Medicine, Gannon University, Mercyhurst University, Penn State Behrend, Erie Regional Chamber and Growth Partnership, and more. Their efforts stand to be protected and greatly enhanced in elevating Erie to be the leading city for early child care investment. The case is clear that child care is critical to workforce stability and economic progress upon which Erie's aspirations to prosper and compete depend. There is a clear opportunity to bolster Erie's economy by intentionally focusing on educational excellence for our youngest citizens.

What's good for child care is good for business. Our task now is to capitalize on the renewed awareness of child care as a business imperative and turn it into bold policies, right here in Erie, that build a child-care system capable of sustaining economic growth for stronger communities.

Nick Scott, Jr., vice president, Scott Enterprises and member of the Pennsylvania Early Learning Investment Commission

[Nick Scott Jr.: Child care and economic development in Erie - it is time for action](#)

## Overview

As commonly reported, in this case in an article in [The Atlantic](#), "The U.S. child-care sector is in [crisis](#). Workers are [fleeing the field](#) for higher wages at Target, McDonald's, and Amazon warehouses. Short-staffed day-care centers are closing even as families [clamor for spots](#). And in a sad state of business as usual, the care that's available is frequently unaffordable, of uncertain quality, inconveniently located, exploitative of its teachers, or some combination thereof."

Unfortunately, for Erie, Pennsylvania with its small size and social and economic struggles, the child-care crisis is intensified.

The child-care system is complex, rife with snags and expensive hurdles for professional caregivers. Parents are also under great strain. Many struggle to make ends meet even before confronting the high cost of child care – if they are lucky enough to even find a spot for their child.

Early childhood care receives far less public investment in the United States than in other industrialized countries. As a result, American families with children spend almost a quarter of their net income (23 percent) on child care, almost twice as much as families in other similar countries (12 percent). At the same time, child-care providers in the United States are paid less, have fewer workplace benefits, and have less education and training than their counterparts elsewhere.

[Cities Supporting the Early Childhood Workforce, National League of Cities](#)

Parents who have been through this know that birth to age 3 is a twilight zone and a sort of free-for-all when it comes to child care. New parents scramble to decode the care system. Particularly for working parents, the challenge is to find, let alone enroll in a scarcity of slots in child care, or turn to family and friends. Most parents have weathered many sleepless nights with their infants and are awake worrying about finding safe, enriching, and affordable care. Good luck if the parent is a second- or third-shift employee as care at those hours is even scarcer.

For Erie's employers across all sectors, child care is a broken market that makes employers directly vulnerable. In particular, too many infants and toddlers (children under three years old) on waiting lists equates to a workforce interrupted.

As the data presented in the report shows, the chief issue is there are far too few available child-care openings for infants and toddlers in the city relative to the number of children in need of care. Competition is high to get children enrolled in quality child care by residents as well as those that work in the city. Parents simply do not have enough choice. These trends have long been at play in Erie. The Covid-19 pandemic brought the child care crisis even more to the community's attention. Adding to the urgent situation are the pronouncements by care workers engaged in this report's preparation indicating that today's infants and toddlers are far more developmentally

challenged than prior generations. This may be largely due to the strain on families, community, and economy caused by the pandemic as intensified by Erie's high levels of poverty. It is apparent that Erie's strained child-care system is a community liability.

The high stakes are manifest across the continuum of child, parent, workplace, and overall economy. For example, the quality of care in the first 1,000 plus days (birth to 3 years) of human development for today's child casts the die for tomorrow's citizen. For too many parents the reality of having to make the choice between not going to work because licensed child care is either not available or takes too big a bite out of the household income creates financial instability in the home. This hardship also directly impacts employers who depend on a productive workforce. Altogether, this multisided financial toll creates economic loss for families and their employers both upon which Erie's prosperity depends. For this reason, investment in child care for our youngest is increasingly cited as having a greater payoff than traditional workforce and economic development instruments. This is not just a social issue. Child care is economic development—near term and long term.

The too often overlooked but profound benefits of quality child care have once again taken center stage in America. [In the past few years, the issues of child care, equity, and the importance of the first thousand days of life have all seen a resurgence of interest as](#) cracks in the child-care system are showing and growing. For example, the nation's governors are responding to this crisis. [A Center for American Progress analysis](#) of 2024 State of the State addresses finds that more than half of the nation's governors highlighted child care and/or pre-kindergarten – 28 of the 38 governors who had given addresses as of Feb. 22, 2024. Sixteen of these governors were Democrats and 12 were Republicans, clearly showing that early care and education is a bipartisan issue.

The federal government and states are stretching to deliver solutions aimed at meeting the true cost of high-quality care to increase access to quality and affordable care for children under three. However, what is being offered is a bandage to the flawed child-care system. All the while, recognizing that they cannot wait, a growing number of cities are in a race to be among the first to put remedies in place that assure all infants and toddlers are provided quality, affordable care. Specifically, as shown in the benchmarking section of this report (some 25 city innovations presented), cities around the nation are stepping up by assigning responsibility within city governments and instituting new sustained funding sources.

For Erie, focused investment on access to high quality, affordable child care for infants and toddlers is a winning strategy that builds on Erie's niche position as a family- and business-friendly community. Erie's leadership stands to leverage and compound its work in education and

community and economic development by putting commensurate priority in addressing early child care.

Toward adding balance to Erie's workforce and economic development strategies, there is a strong case for the city to become a leader in supporting families' need for quality, affordable child care. Access to child care is a critical pathway to talent attraction, addressing barriers to workforce productivity, and Erie's economic aspirations. It is a "pay me now or pay me later" scenario in which the investment in care of our infants and toddlers is the ultimate expression of what we value. Recent national comparisons of local economic performance that rank Erie quite low suggest Erie is ripe to take a fresh look at the wants and needs of the "Procreative Class." Those workers in the child bearing/family years are tops among drivers of the local economy.

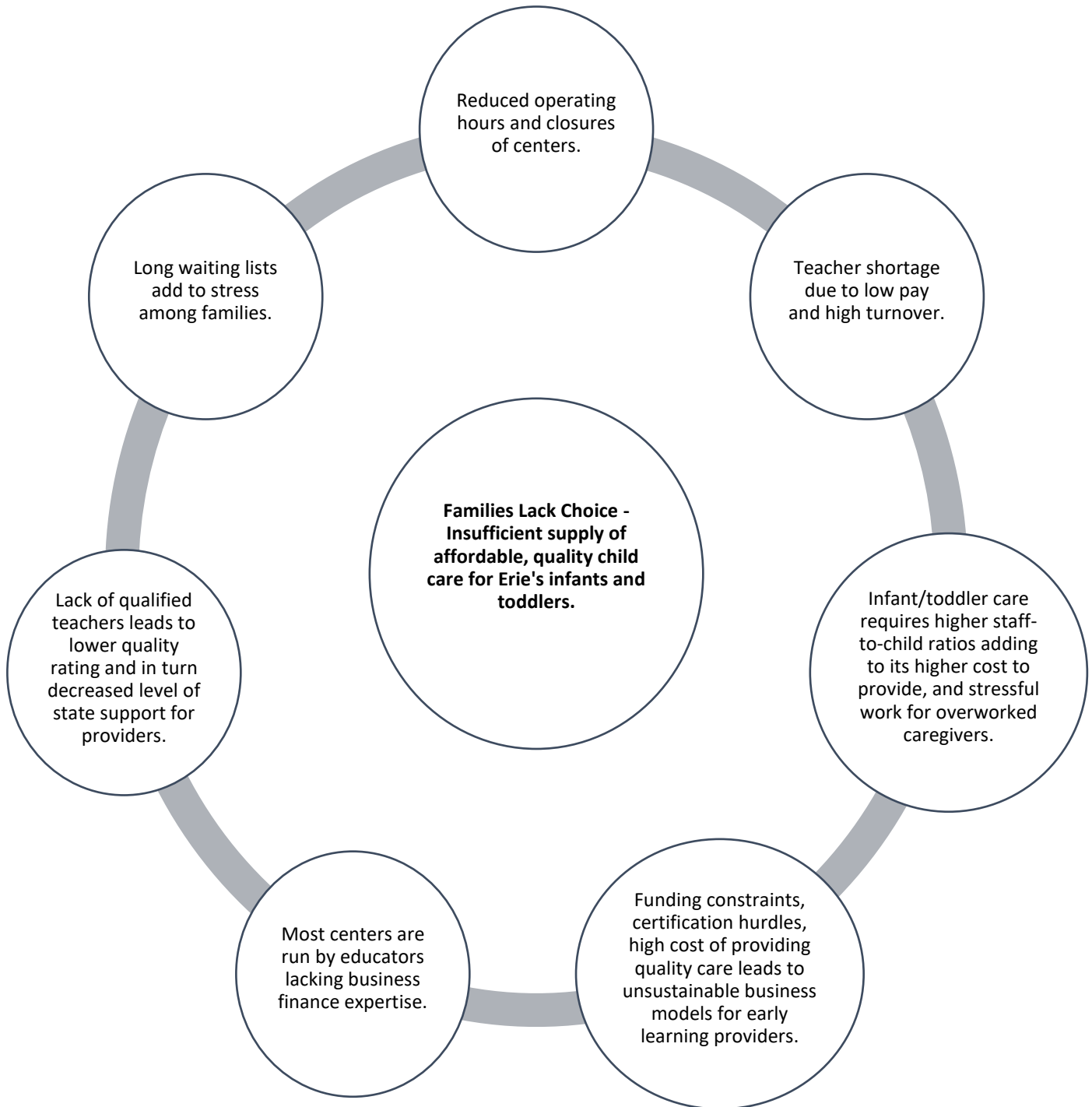
Erie's child-care market desperately needs to be remedied to deliver on its outsized contributions to community and economic development. As a result, Erie's resolve to do something has peaked. This report aims to tame the child-care thicket and provide a blueprint for remedies that deliver multifold dividends for children, their families, workers, employers, and Erie's economy.

Diane Swonk, chief economist, KPMG, regarding new research:

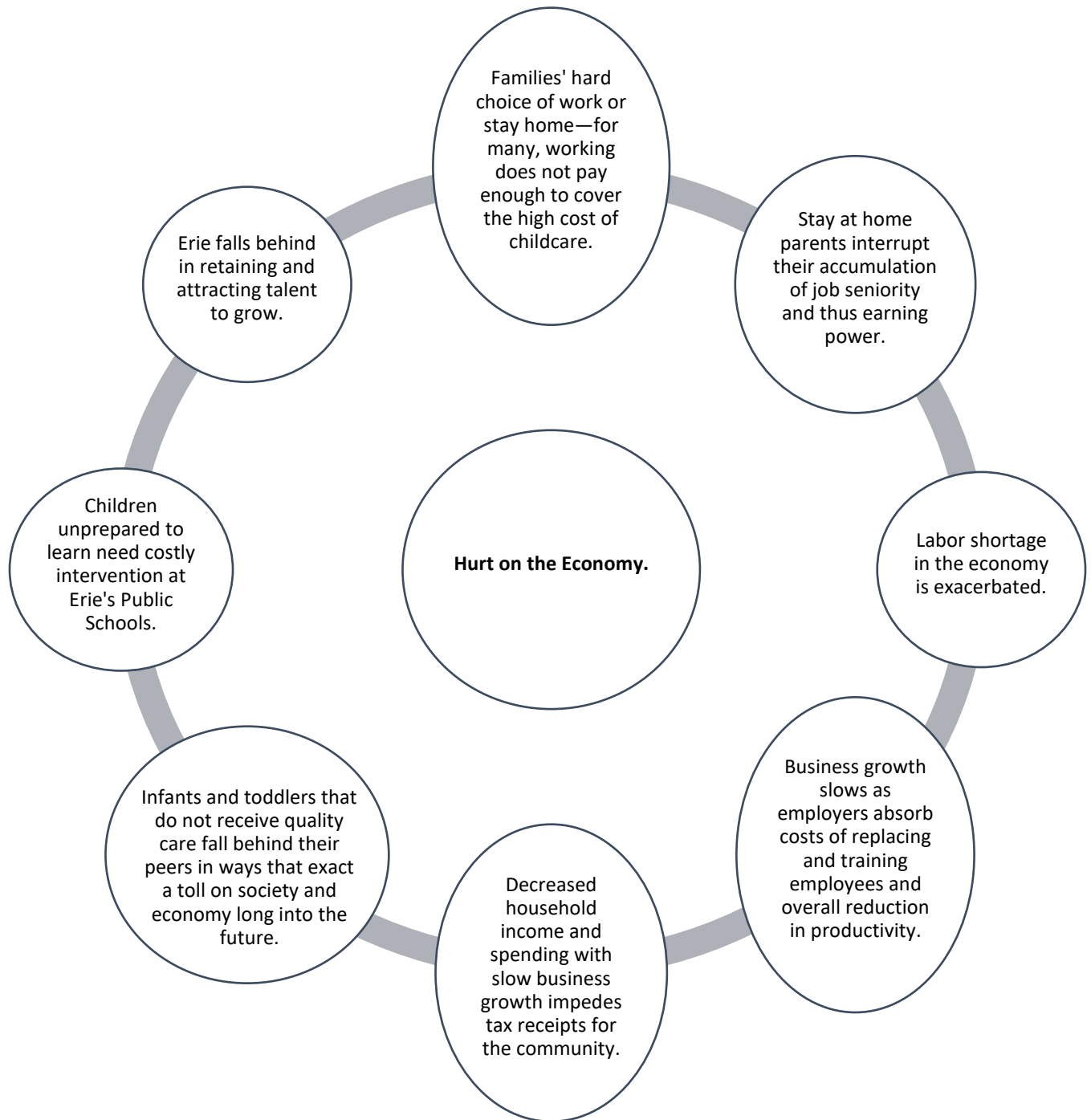
"And when we were looking at the numbers, what was stunning was not only how expensive and how fragmented the child care system is – over half of Americans live in what we call a child care desert, without even any access to child care beyond their immediate family and friends – but more importantly it also is so expensive, and it's affecting the labor force. It's affecting the amount, most notably, of how much women can work. But also kids – absences from schools have gone up dramatically since the pandemic ... many of the kids that are staying home are staying home to watch their younger siblings, so their parents can go and make money to be able to provide the basics of food and shelter ... the bulk of the burden does still fall on the shoulders of women. We can't seem to decouple that, that is a fact of life. And the problem is, particularly for those women who don't have partners that are helping them, it's hurting their ability to earn for their families. And I think these are really important things because it's a lot of talent that's being discarded. But it's also – kids are being hurt as well. Because once you can't provide for your children or you have to ask one child to stay home to watch the other children and then they're not in school, that hurts everyone's future. And it hurts our future labor force – not only the ability of those people who are trying to make ends meet in a very sort of week-by-week basis.

["U.S. child care is expensive — and not working for most families."](#) Marketplace Morning Report

## Too Few Licensed Child-Care Providers Serving Infants and Toddlers



## Lack of Choice in Care for Infants and Toddlers Strains Erie's Employers and Stifles the Economy



# Our First 1,000 Days

An extensive body of research demonstrates that high-quality early childhood education programs can generate short- and longer-term benefits for children, including improved school readiness, language development, cognitive functioning, social competence, and emotional adjustment.

As stated by Andrea Heberlein, executive director of the Pennsylvania Early Learning Investment Commission and a member of the project team for this report, "Many people tend to think of educational excellence beginning in kindergarten or even Pre-K, but longitudinal evidence and the science of brain development tells us that early learning begins at birth." The first several years are when the foundation of one's brain is composed. Most of the achievement advantage or gap is already present on the first day of kindergarten. Deficient early childhood development is very hard to unravel. Early learning, in the first 1,000 days of maturation from birth to age 3, occurs in quality settings and produces proven benefits for children, families, and employers.

"Children carry forward, in their brains, the imprint of what happened to them during these early years and what resources were or weren't present. So, interventions are most effective the younger you start them."

[Amanda Tarullo, Director, Brain and Early Experiences Laboratory at Boston University](#)

This falling behind reality measures large for Erie's Public Schools. According to Superintendent Brian Polito, more students enter kindergarten unprepared to learn than those who enroll at grade level. This is evidenced by EPS provided data per the i-Ready Mathematics Diagnostic Assessment 2023-2024 that indicates 97% of EPS Kindergarten students are below grade level (the national norm is 87%). Per Dynamic Indicators of Basic Early Literacy Skills, 65% of EPS students are well below benchmark compared to the national level of 42%. This poor performance is likely due in some large part to Erie's lack of available quality child-care services. Due to the dire financial situation at Erie's Public Schools, the expensive remedial interventions necessary to catch these children up are currently not in place. In the top 10% of Pennsylvania's most underfunded districts, EPS struggles to fill teacher positions and keep those it currently has. Special education

High-quality early childhood programs can contribute to public safety and a strong economy and enhance national security. Research shows that experiences children have in their earliest years, during a period of critical brain growth, set the foundation for future development. Children who experience warm, responsive parenting, and nurturing child-care and preschool programs that stimulate their cognitive, social, and emotional development are set on a path to productive adulthood. Children who lack these quality environments early in life often arrive at school already behind their peers and may never catch up – underperforming in third-grade reading and math, more likely to be held back in school, and less likely to graduate from high school on time.

[High-Quality Early Childhood Programs are Key for a Strong Pennsylvania • Council for a Strong America \(strongnation.org\)](#)



positions are even more difficult to finance and fill. Karin Ryan, EPS director of Education Services observes, "One would be surprised how many children entering kindergarten (are receiving) their first school experience."

The Pennsylvania Department of Human Services, through its Office of Child Development and Early Learning (OCDEL), focuses on quality in child care through a rating program called [Keystone STARS](#). Keystone STARS (Standards, Training/Professional Development, Assistance, Resources) provides families with a tool to gauge the quality of early learning programs. Programs that participate in Keystone STARS care about providing quality early learning. As programs move up the STARS ladder, they are providing even higher quality experiences, so a child benefits even more from the program. Licensed child-care centers and family child-care homes are rated STAR 1 and can move up through the STAR ratings to a maximum STAR 4. Adhering to the science that confirms a child's first years are crucial to their lifelong learning, and the quality of their learning experiences will affect their readiness for school, at each STAR level, programs must meet certain research-based quality standards that measure four areas that make a difference in the quality of care a child receives: Staff Education, Learning Environment, Leadership Management, and Family and Community Partnerships. As a program moves from STAR 1 to STAR 4, the requirements in these areas increase. So does the subsidy a child-care provider can receive from the state for each subsidy eligible child enrolled in their program.

It is important to note that by contributing to early development and thus children that can excel throughout their years, the STARS program impacts local economies. It enables families to enter or remain in the workforce because they have access to quality child care and nurtures children who are less likely to need social service interventions.

While unlicensed early education providers cannot earn a STARS rating, this does not mean that placing a child in the home care of a parent, relative, or friend will deny that child quality development. The key point, however, is that all parents and guardians should have choice of access to STARS level care as compared to other options.

"At Child Development Centers, Inc., employees working in infant and toddler classrooms are teachers, and their impact on each child's development is celebrated and ingrained in our organizational culture. ... A young child's time spent with nurturers and educators who understand and prioritize healthy brain development will impact our community for years – and generations – to come," stated Rina Irwin, executive director, Child Development Centers Inc., Erie, Pennsylvania and member of the JES Early Childcare Investment Policy Initiative project team.



# Child Care is Workforce and Economic Development

## Views and Policy on Child Care are Shifting

Perceptions of child care are changing. Rather than outdated views of child care as being a private family matter, particularly for women, and for our youngest, being not more than babysitting, it is now better appreciated that child care is akin to infrastructure essential to undergirding the economy and community. Child care is infrastructure for workforce productivity. Without it many can't report to work. Further, child care is appreciated for being civic infrastructure in that quality care in the infant and toddler years is elementary to brain development. It is determinant of whether a child will grow to become an asset or otherwise to society – near term and long term. Our professional child-care educators are indeed skilled teachers.

This evolved thinking is in step with today's changing economy and society. Narrow views of the past are fading in favor of seeing child care as a civic investment priority with compounding payoffs and a key factor in determining whether a city like Erie can prosper and compete.

Early child care is foundational for both workforce, economic, and community development. The three are joined at the hip. Without strong community and families, workers won't stay or come. Without workers, many of which need caregivers for their children, companies won't stay or come and in turn there will not be tax base to support a community with a high quality of life.

## Factors that Raise the Stakes and Appreciation of the Child-Care Imperative

Following is a sampling of some of the economic and social changes that position child care as integral to a city's aspirations for progress:

- Low Wages

For many, particularly in Erie where poverty rates are high, today's economy does not pay a living wage and requires both parents to work outside the home thus heightening the need for child care.

Even when child care is available, many parents find that child-care expenses consume most of their paycheck.

- In Pennsylvania, infant care costs an average of \$11,800 per year ([\\$11,440 Erie](#)) – 8 percent more than the average rent.

- In Pennsylvania, single parents pay 43.9% of their income for center-based infant child care. Married parents of two children living at the poverty line pay 84.1% of their household income for center-based child care.

[Price of Child Care in: PENNSYLVANIA](#)

- In Pennsylvania, the average tuition of public colleges for the academic year 2023-2024 [is \\$14,508 for PA residents.](#)

- Demographics

Erie's population has been [shrinking](#) since its high of 138,000 in 1960 and is predicted to continue to do so. The median age of the county is growing older. [Those 65 and older now account for 19.1%](#) of all county residents, an increase from 16.6% in 2016 and 14.4% in 2008. Declining skilled labor correlates with baby boomers retiring. Labor is a scarce commodity.

- Workforce Behind the Workforce

The Covid-19 pandemic brought the link between access to child care and worker productivity to stark attention of the community. A team member for this project, Tiffany L. LaVette, summarizes the community awakening to the imperative of child care in reprising the economic epiphany during the pandemic. “When the pandemic hit, when everything got shut down, it might have been only 24 hours for the governor to issue a waiver to early child-care providers to stay open,” she said. “How quickly it was realized that if the child-care centers closed, then everything comes to a standstill. None of our nurses, our doctors, our machine operators, our drivers, that is, the essential workers who depend on child care for their children could get to work.” The pandemic opened eyes to just how important child-care providers and workers are to the overall economy. In this way it is true that child caregivers are the workforce behind the workforce. Indeed, more teachers, health workers, and social workers are needed. But professional care givers are the keystone as access to child care can be the make or break for work or no work decisions among all types of workers.

- Women Dominate Erie's Workforce

While mothers of younger children are less likely to participate in the labor force than mothers with older children, overall, women are increasingly integral to the economy. For example the [US Bureau of Labor Statistics in 2021 indicated mothers with children under age 6 comprised 65.6% of the labor force.](#)

Tracking the national experience, women are indeed central to Erie's economy. [DATA USA](#) reports in 2021 universities in Erie awarded 3,191 degrees. Accordingly, the student population of Erie in 2021 was skewed towards women, with 5,025 male students and 6,996 female students. Also, [in 2021](#) across all city of Erie industries, the number of male employees was 20,781. Women totaled 460 more at 21,241. Thus, access to affordable child care will increase women’s workforce participation and retention as it promotes gender equity.

The stakes for Erie are heightened as [The American Jobs Plan](#) states that lack of access to child care makes it harder for parents, especially mothers, to fully participate in the workforce. In areas with the greatest shortage of child care slots, women’s labor force participation is about three percentage points less than in areas with a high capacity of child care slots, hurting families and

hindering U.S. growth and competitiveness. As evidenced by the data presented in this report, Erie is most certainly among those with dire shortage of slots.

As to politics, a belief that child care devalues stay-at-home parents has endured for far too long. In 1971, then-President Richard Nixon vetoed a plan to create federally funded public child care centers arguing it had [“family weakening implications.”](#) That idea is still keeping many politicians out of the conversation. [According to Patrick Brown](#), a fellow at the conservative think tank the Ethics and Public Policy Center, “the idea that there’s this secret, silent majority of moms who really just want to stay home and don’t want to be working is clearly not true.”

“It’s helpful to take an issue that typically would be considered a social issue or a moral issue and bring economic analysis to it,” he said. “I sometimes jokingly say that you don’t even have to like children to achieve this high rate of return because it simply makes good business sense to make these early investments.”

[Rob Grunewald’s passion: Early childhood learning and its powerful economic development outcomes](#)

#### • Families Drive the Economy

Also evolving is our understanding of the top drivers of the economy. In his early work on the innovation economy that was the runup to his renown book, *The Rise of the Creative Class*, Jefferson Global Summit headliner Richard Florida focused on the wants and expectations of young talented, knowledge workers. The premise was that the young techies are a silver bullet for prosperity. But that thinking has evolved to also focus more heavily on arguably the most stalwart contributors to economy – those in the child-bearing/family years. Those tech workers soon seek partners and want to settle into family life. Their bohemian lifestyle takes on different priorities. The silver bullet to retaining talent now points to the needs of the "procreative class" who [experience stronger economic growth](#). Indeed there is a wealth of research substantiating that [households with children and population in the increasingly prime child bearing years are positively associated with economic health](#).

For example, [Families with young children are a source of economic growth because:](#)

1. They spend the most in the local economy. Cities that retain families with children enjoy both higher earners and higher spenders and this helps explain the stronger economic performance of these communities.
2. Services for children are an important part of local and regional economies.
3. Investment in children builds a productive future workforce leading to long-term growth.

- Lack of Child Care Impacts Employment

Across all industries, child care remains [one of the top reasons](#) employees cite for leaving their jobs – and it’s even more critical for people who work in frontline “deskless” positions, that are not able to reap the flexibility (and different child-care arrangements) that come with remote work. Second- or third-shift workers are faced with even greater challenges in finding child care. For this reason, the business community has become a strong advocate for child care.

81% of employers indicated they have moderate or significant recruitment and retention issues due to child care, [according to a report published in 2024 by the Pennsylvania Early Learning Investment Commission and the PA Chamber of Business and Industry.](#)

The business community has come to see the high return on investment by helping their employees to meet their child-care challenges. For example, as reported by a team member for this project, Karen Grimm-Thomas, in her [You’re Invited: Asking Erie’s Business Community to talk about Child Care](#) editorial, in a [recent study](#), [Boston Consulting Group \(BCG\)](#) and [Moms First](#) calculated the return on investment on child-care benefits offered by five companies, Etsy, Fast Retailing, Steamboat Ski Resort, Synchrony, and UPS. These organizations were selected because they represent different industries (e-commerce, retail, hospitality, financial services, and supply chain management). They also offer diverse types of child-care benefits, ranging from backup care to subsidies to help pay for child care all the way to what many people think of when they think about child-care benefits, on-site employer paid child care. What they found was striking.

In Grimm-Thomas' editorial, she further states, "First, any benefit, no matter how small it might seem resulted in a positive ROI for the company. This held true whether they provided the benefit to salaried or hourly workers. In fact, the five companies saw ROIs that ranged from 90 to 425% of the investment. The authors reported that retaining as few as 1% of eligible employees targeted by the child-care benefit covered the cost of offering that benefit to all eligible employees. Similarly, a [recent study](#) by [Vivvi](#) and the [Fifth Trimester](#) found that companies saw nearly \$18 in benefits for every \$1 that they spent on support for employees with children."

“Quality early learning and child care is a business imperative. Quality child care and early education = stronger economy and stronger workforce!”

[Stephanie Doliveira, executive vice president for People and Culture for Sheetz](#)

Grimm-Thomas concludes that, "These studies debunk the erroneous belief of some that child-care benefits are a cost center and illustrate how in actuality, they are a profit center. Employers that provide child-care benefits can expect to see immediate and lasting gains in numerous areas including decreased costs associated with absenteeism, overtime, turnover and training as well as profits related to increased productivity."

It is no wonder child care is now a powerful recruiting strategy. For example, many businesses are starting to offer child-care benefits as it is less expensive than replacing staff. According to the company Care.com for Business, [90% of employers say child care benefits have a positive impact on talent recruitment and retention \(equal to retirement plans, and slightly out-performing even paid time off and health insurance\).](#)

In step with this trend, a recent [Erie Times-News article](#) speaks to the pinch hospitals are feeling in staffing. As they work to fill gaps in their ranks, hospitals have been employing a variety of tactics to attract and retain people. A recent survey by the Hospital and Health System Association of Pennsylvania indicated that since 2022, nearly 40% said they provide access to child-care services.

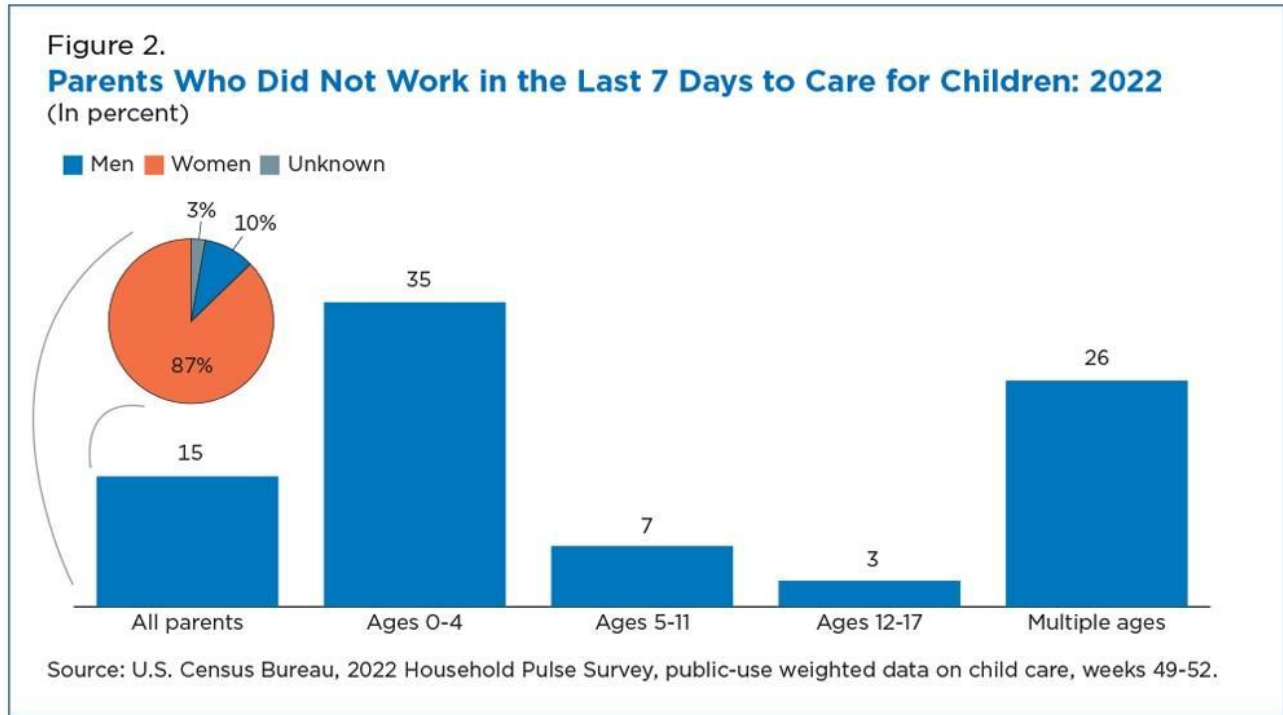
As described by Grimm-Thomas, such references "clearly show that employers who support working parents enjoy a competitive edge that is vital in a tight hiring landscape. The ability to attract and retain a qualified workforce, including young mothers, is greatly enhanced." The findings of the above noted report also "illustrate the potential that employers can unlock in their young parenting workers. Contrary to the belief among some that new parents, more specifically new mothers, are more likely to drop out of the workforce, these studies reveal that young parents are motivated to work and make money to provide for their young families. The caveat is that they need supports to do so. Employers who offer these supports prosper from both a financial and social perspective," notes Grimm-Thomas in her editorial linked above.

An illustration of the positive impact on working mothers is found in recent [NPR](#) news reporting that Mazda Toyota Manufacturing Alabama, pays 30% of its employees child-care costs, up to \$250 a month. As of spring 2024, 112 employees were receiving the child-care benefit. That could rise over the summer when school is out. The company is studying the effect the benefit is having on workers and saw a 11% decline in attrition over the first year it was offered (but was a result of many different things). Notably, attrition among women dropped 20%. While the merits of supporting the workers' child-care

Lack of child care impacted parents' employment—"This trend was particularly pronounced among parents of young children, with more than a third (35%) reporting they didn't work because they needed to care for them."

<https://www.census.gov/library/stories/2023/11/child-care.html>

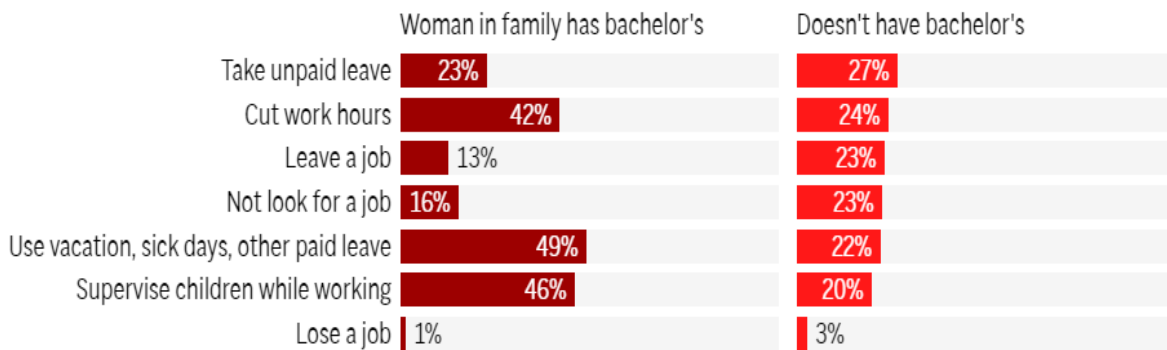
needs are demonstrable, [according to the labor department](#), only about 12% of U.S. employers offer child-care assistance.



<https://www.census.gov/library/stories/2023/11/child-care.html>

## Child care disruptions cause economic pain for families in different ways

For families that faced a child care disruption, share who said an adult in the household had to...



Survey conducted 2/6 to 3/2, 2024. Analysis is based on households that reported at least one child was unable to attend child care at any point in the previous four weeks because it was closed, unavailable, unaffordable, or unsafe. Includes day-, before-, after-school care. [Source: U.S. Census Household Pulse Survey Public Use Files](#)

The examples above illustrate the range of factors that contribute to the evolving appreciation of child care as key to workforce and economic development. The shift in thinking is further



exemplified by the increasing elevation of increased access to early child care as being among the most impactful economic investments a city can make.

## **Investment in Early Child Care Trumps Other Economic Development Strategies**

Working families depend on quality child care. If parents don't have access to it, they can't go to work. Accordingly, not only is shoring up child-care services for families a wise strategy, but according to Laura Reese of Michigan State University in her research titled, "Creative Class Or Procreative Class: Implications For Local Economic Development Policy," she states, "Further, the record of local economic development incentives appears weak. Financial incentives in particular do not appear to lead to economic growth and actually seem to make local economies worse. This suggests that local development policies have no effect on economic health at best and are detrimental at worst. Because many development incentives entail significant costs to communities both in direct expenses and tax expenditures, their lack of correlation to economic health should raise concerns about their cost effectiveness. What does appear to be related to economic growth? The answer, based on the data here, seems to be investments in policies and activities that make the community a better place to live, and a better place for families (of any type or form) in particular – good local schools, safe streets, parks, libraries, public buildings, and spaces."

Erie County is hot to trot with economic development, with words like "revitalization" regularly spanning across headlines. While organizations focus on growing workforces, creating new buildings and strengthening infrastructure, it's becoming ironic that the focus isn't on the generation that will inhabit those spaces.

[Child care crisis: crushing families, economy](#)

Chloe Forbes, The Corry Journal

Too often, [what passes for economic development strategy is not founded on the solid assessment of motivations that drive business expansion decisions. Indeed, according to a recent Route Fifty article, studies such as from the Upjohn Institute "show most companies would have made the same location decision](#) without taxpayer subsidies. Meanwhile, schools make up the largest cost item in these communities, meaning they suffer most when companies are granted breaks in property taxes." And, "[A poorly funded education system](#) is less likely to yield [a skilled and competitive workforce](#), creating [longer-term economic costs](#) that make the region less attractive for businesses and residents."

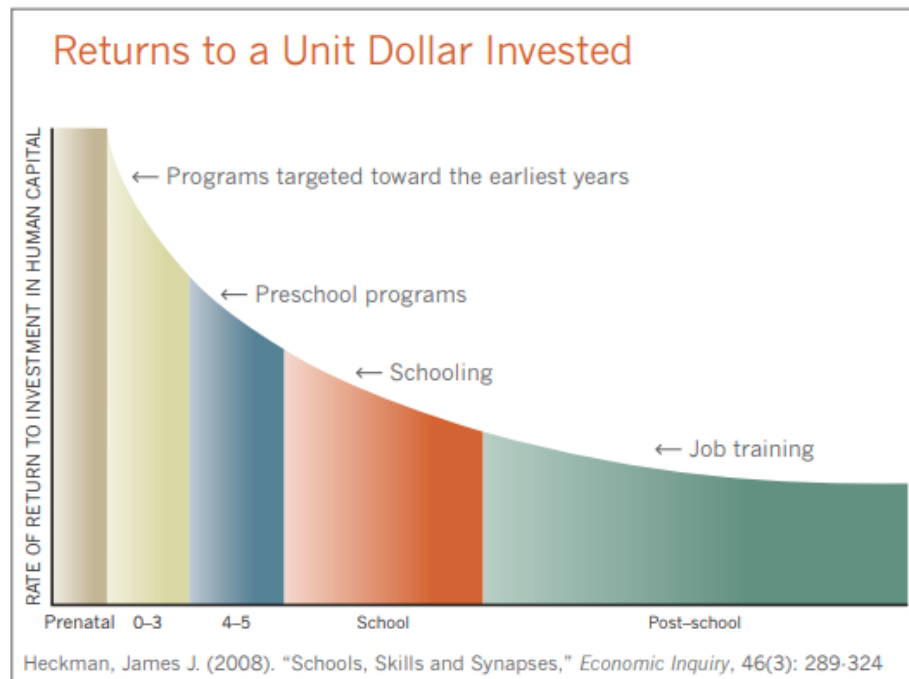
Accordingly, [Arthur J. Rolnick](#), a senior vice president and the director of research at the Federal Reserve Bank of Minneapolis, asserts that "persuasive economic research indicates that there is a far more promising approach to economic development with government assistance. It rests not on an externally oriented strategy of offering subsidies to attract private companies, but rather on government support of those much closer to home — quite literally: our youngest children. This

research shows that by investing in early-childhood education, governments, in partnership with private firms and nonprofit foundations, can reap extraordinarily high economic returns, benefits that are low-risk and long-lived."

Not surprisingly, leading cities are instituting child-care strategies for working families to attract and retain talent to grow population and workforce development and thus business success. Economic development, community development, and social supports we now better see as mutually reliant and supporting. This puts in context the aspiration for Erie to become a leading U.S. city where child care is accessible, affordable, and of high quality.

### **Early child care – the biggest workforce and economic investment payoff that is not being made**

All is not well in the economic sector that is child care. As is the case with any community, Erie's economy and the success of individual companies depend on working families. However, investment in the child-care system is not adequately supporting Erie's workforce and thus the local economy despite being an essential form of infrastructure for workforce development and economic success akin to broadband, transportation, and



Early childhood education is an efficient and effective investment for economic and workforce development. The earlier the investment, the greater the return on investment.

[Invest in early childhood development: Reduce deficits, strengthen the economy.](#)

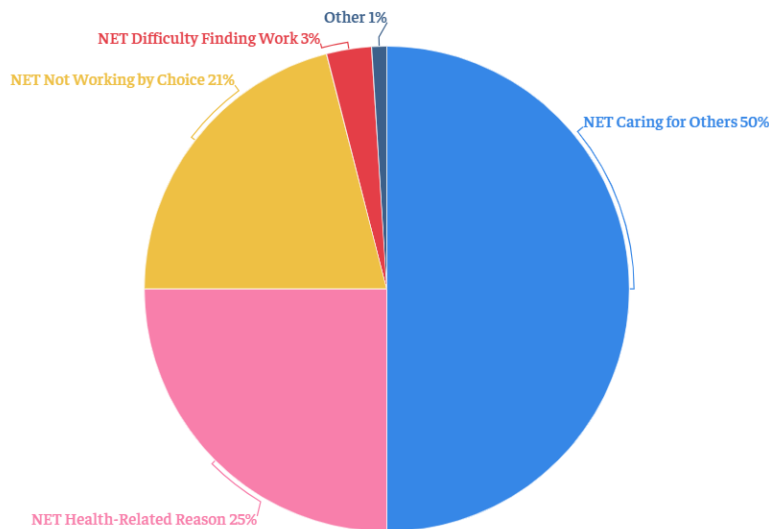
[James J. Heckman is the Henry Schultz Distinguished Service Professor of Economics at The University of Chicago, a Nobel Laureate in Economics and an expert in the economics of human development.](#)



airport service. Early child care in Erie, like in most American cities, has long been left to the private market to [figure out where, when and how to build and maintain early education facilities](#). Or to do it at all.

The toll on the economy of too many children not having access to quality, affordable care is staggering. According to a 2023 report from the nonprofit [ReadyNation and the Pennsylvania Early Learning Investment Commission](#) that examines the economic impacts of problems in Pennsylvania’s child-care system on working parents, employers, and taxpayers, Pennsylvania loses approximately \$6.65 billion annually in lost earnings, productivity, and tax revenue.

### Which one of the following best describes your reason for not being employed?



*A [Bipartisan Policy Center Artemis survey](#) of nonworking, prime-age adults, defined as those aged 20-54 who are not full-time students, reveals that, despite recent gains, women continue to face barriers to entering and remaining in the workforce. Among women who are not currently looking for work, and thus not in the labor force, caring for children is a leading factor in their decision not to seek employment. The survey suggests that improved family-friendly policies, like child-care benefits and paid leave, are crucial to attracting and retaining women in the workforce.*

With Erie as a microcosm of the state, the city's lackluster economic performance should at least give leadership pause to consider a more balanced approach in economic development strategies by stepping up to invest in early education. The wakeup calls keep coming. For example:

- According to [Erie News Now](#), in 2020, Wallethub ranked Erie as the slowest-growing city in America.
- In June 2022, Go Erie reported that the [Wall Street Journal](#), which worked with Moody's Analytics using U.S. Labor Department data, ranked Erie's job market as no. #313 on a list of 326 small metro job markets.
- In February 2024, according to [YourErie.com](#), the annual [Milken Institute](#) index ranked Erie near the bottom of best-performing small cities in the U.S. Erie places in the lower third, that is, 162nd of over 203 eligible cities entering 2024 and lower than the city's 2023 rank – the second lowest in Pennsylvania only to Gettysburg.
- Also in February 2024, [Policom](#), an independent economics research firm that specializes in analyzing the dynamics of local and state economies, posted its annual economic strength rankings of the 384 Metropolitan Statistical Areas (MSA) across the United States. Erie ranked No. 371, which is on the lowest tier of economic growth and standard of living.

Taken together, those four rankings compel Erie's leaders to consider alternative strategies to grow the economy.

As illustrated in the above chart, Nobel Prize-winning economist James Heckman reports that the highest rate of return in early childhood development comes from investing in a child's earliest years. As [reported by Chloe Forbes](#), Heckman's research reveals a 13 percent return on investment per child through better education, economic, health, and social outcomes. That means for every \$1 invested into early learning, the return can be up to \$16. The return on investment for high-quality child care is high, with increased school and career achievement and reduced costs in remedial education, health, and criminal justice system expenditures. Arguably, investments in young children are more profitable than those put into many types of traditional infrastructure projects.

“It looks like for every dollar spent on assisted child care it lets both parents work full time and get started into their careers and it actually returns \$5 to the GDP or \$5 to the area. But when I got out on the campaign trail and was suggesting this, folks pushed back not wanting to be looking at a subsidy – something they didn't want to do. But we subsidize corporations all the time on their tax breaks.”

[Jim Dougherty, former Oregon state senate candidate](#)

Given the preponderance of data connecting early child care to a wide range of what it takes for a city to prosper, it is well-advised to double down on supporting families' need for quality, affordable child care to support talent attraction and address this real barrier to workforce participation and thus the economy, let alone for the well-being of its children. "Family Friendly" is today's essential capital, thus firmly establishing that balance is necessary in the type of policies and incentives Erie deploys in pursuit of prosperity at the city level. As the organization [Good Jobs First states](#), "In short, if elected officials prioritize building infrastructure and providing services that most benefit residents, employers will come."

"How child care helps the economy does not take much to understand," said Kathryn Edwards, a labor economist who testified at the September child-care subcommittee hearing. In the short term, it allows parents who want to go to work to do so. Funding child care would allow those parents to spend less on care, which in many states costs more than college tuition, and instead spend that money on other family needs. In the long term, data shows children who have access to high-quality child care have [better educational and employment outcomes](#) later in life. The high cost of child care is often the [most cited reason](#) why parents don't have more children, and so funding the system could be one way to combat declining fertility rates, Edwards said.

[We asked every member of Congress about child care policy...Child care has been billed as an issue as popular as "golden retrievers" ...](#)

Following, a blueprint for increasing access to care for Erie's youngest is presented.

## **DATA — Demand, Supply, Gaps: Child Care for Infants and Toddlers in Erie**

To provide the foundation for recommendations later in this report, it follows that a chief endeavor of the Erie Early Childcare Investment Policy Initiative was to quantify the demand for, supply of, and gaps in quality child care in Erie.

Early in the project, it became apparent that data at the city level (especially at the neighborhood level), particularly for infants and toddlers (birth to 3), is difficult to obtain. The state does not have reliable data about children served in child care younger than five years. Data is much more readily available for pre-school and older children and more so at the county and state levels.

Surmounting data scarcity, the Early Childcare Investment Policy Initiative team ultimately conducted its own primary research. At the initiative of team member Elana Como, head of the ELRC – Region 1 that covers Erie, all the licensed providers of child care were sent a detailed survey (See Appendix). Como’s team and the providers are due credit for the 100% rate of survey participation. This report's findings also rely on the tremendous assistance of the [Pennsylvania Partnerships for Children](#) in providing and interpreting data related to the level of need for child care among the city's infants and toddlers.

Following are the key findings:

### **Need for Child Care for ages birth to 3 in Erie**

According to 2020 decennial census data provided by Pennsylvania Partnerships for Children, there were **3,481** infants and toddlers under three years of age in Erie. This figure is used in this report as a representative year in Erie. Naturally, birth rates will vary from year to year.

As a proxy for how many of the number of infants and toddlers that are likely to need non-parental care during some portion of the workday, the accepted approach is to look to the families of these children in which all the parents are working, whether two or one parent households in Erie. Also factored are infants and toddlers in an unemployed single-parent household. Using 2018-2022 five-year American Community Survey (ACS) data provided by Pennsylvania Partnerships for parents in the labor force with children under 3 in Erie, the proxy points to **2,405** (69%) of the city's 3,481 children who likely need non-parental care during some portion of the workday. By the same metrics, for Pennsylvania (71 percent) and the nation (68 percent), the

percent of all infants and toddlers (again under 3 years) likely needing care is about the same as in Erie.

### Infants/Toddlers Likely Needing Care

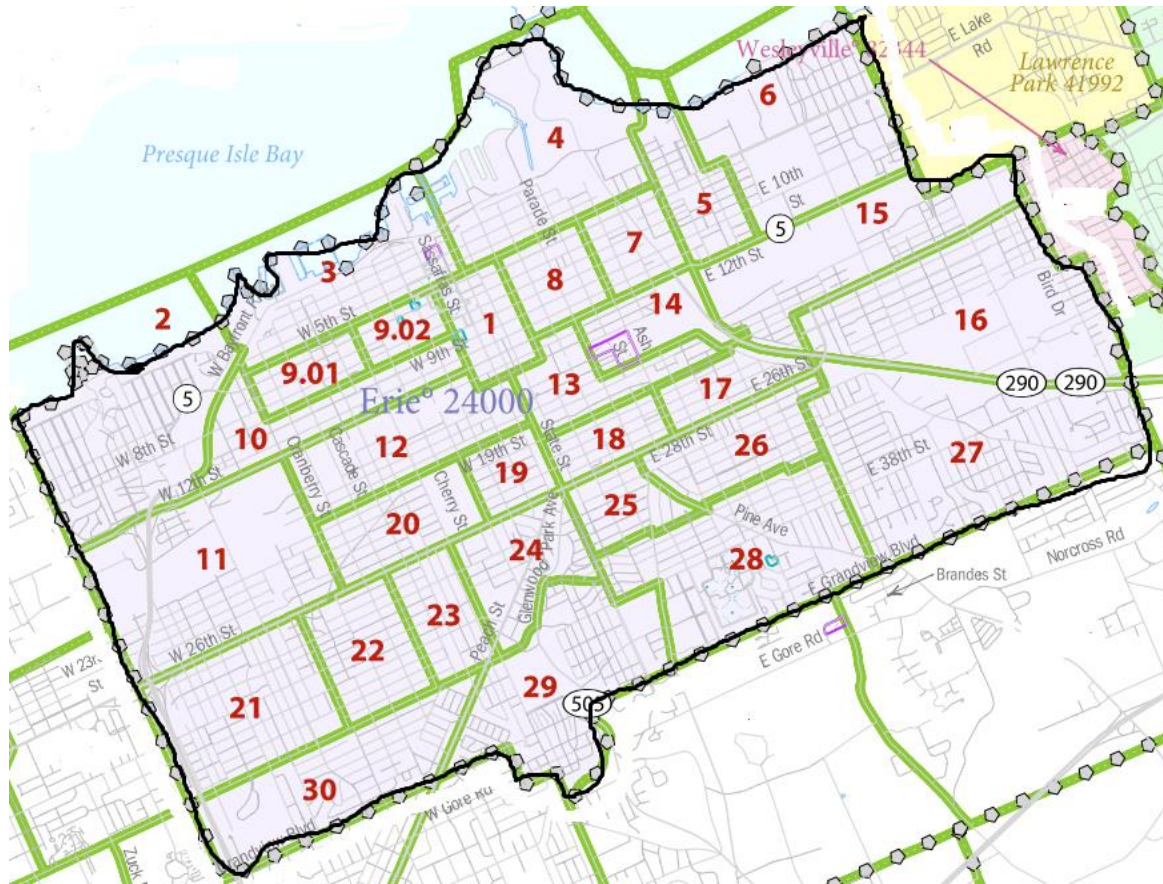
	Total Infants & Toddlers	Needing Care	Percent
Erie City	3,481	2,405	69.1
Pennsylvania	388,833	292,610	71.0
U.S.	11,196,584	7,613,680	68.0

The high percentage is further put in perspective in noting that of the 3,481 children under 3 years in Erie, 70% (2,437) live below 200% (2018-2022 five-year ACS data) of the federal poverty level. This is the threshold that defines income eligibility for financial assistance for child care (via Pennsylvania’s Child Care Works subsidy). Many families not eligible for support likely also struggle with the cost of child care for their infants or toddlers.

Surprising is that Erie's percentage (70%) of infants and toddlers in households below 200% of the poverty rate is approximately double that of Pennsylvania (35.5%) and the nation (38%). This suggests that Erie's parents of infants and toddlers are working at similar rates but are not receiving commensurate rates of compensation to lift them out of the low-income bracket.

### Infants/Toddlers Living in Households Under 200% Poverty

	Total Inf./Todd.	Under 200%	Percent
Erie City	3,481	2,437	70
Pennsylvania	388,833	138,040	35.5
U.S.	11,196,584	4,271,820	38



[2020 Census – City of Erie Census Tract \(30 tracts\) Reference Map](#)

- Eastside and westside Erie have about the same number of infants and toddlers likely in need of child care.
- Poverty on the eastside is greater than the westside.

No. Infants & Toddlers Need Care			No. Need Care		
Tract	Eastside Erie	Below Poverty %	Tract	Westside Erie	Below Poverty %
4	57	31.1	3	73	31.1
8	76	42.4	9.01	22	14.4
7	47	32.2	9.02	55	57
13	31	53.9	10	110	25.5
14	27	66.8	12	54	44.6
18	86	27.3	1	0	58.4
17	88	20.6	20	142	29.4
25	102	29.1	24	88	8.7
26	93	26.5	23	67	16.1
28	84	17.9	22	90	15
5	124	33.3	29	68	4
6	50	31.9	30	137	11.4
15	86	40.7	21	99	6.2
16	64	27.1	11	53	19.2
27	174	6.1	2	66	9.3
19	0				
	<b>1189</b>	<b>32.46</b>		<b>1124</b>	<b>23.35</b>

Data source for number of infants and toddlers likely needing care per census tract, according to Pennsylvania Partnerships:

Data source for poverty rates by tract: <https://censusreporter.org/profiles/14000US42049000902-census-tract-902-erie-pa/>

<https://datausa.io/profile/geo/erie-pa/?enrollmentsDiversity=genderOption&genderTreemapIndustries=sex2&genderUniversities=sex2>



## Status of Infants and Toddlers in Erie who are Eligible for State Child Care Subsidy

As noted above, for the representative year of 2020, there were 3,481 infants and toddlers under three years of age in Erie. Of those, 70% (2,437) lived in households below 200% of the federal poverty level. To be eligible for a state subsidy for child care, in addition to living below that threshold, another criterion is parents being in the workforce. With the latter factored, in 2022 (2018-2022 five-year ACS data), 1,680 or 48% of the total number of infants and toddlers in Erie were eligible for subsidy to defray the cost of quality child care. However, of the total eligible, only 530 (31.5%) (PA CCW data) were enrolled in quality care (only 356 of them were enrolled in high-quality care denoted by STAR 3-4 and/or accreditation).

This means that while nearly half of Erie's infants and toddlers are eligible for a subsidy of the cost of child care, just under a third are taking advantage of the state support. This equates to 1,150 (68.5%) unserved but eligible infants and toddlers.

The reasons for not engaging in state-supported child care could be many, but high on the list is that there is an unfortunate lack of availability of slots for accepting infants and toddlers among providers of quality child care in Erie.

Even with federal and state funding, child care is still largely a private-pay industry with families paying up to nearly \$12,000 annually for infant/toddler child care. Only 19% of eligible children receive CCW subsidy and the subsidy reimbursement providers receive is only 60% of the market rate (which doesn't account for the actual cost of quality care).

[Trying Together works in Southwestern PA and takes expertise to statewide and national audiences](#)

### Infant and Toddler Care is a Difficult Business

A contributing factor to the limited supply of child care for infants and toddlers is that the business model itself is so challenging. Subsidy provided by the state is crucial but at current levels does not position most providers to break even.

According to the [Pennsylvania Association for the Education of Young Children](#):

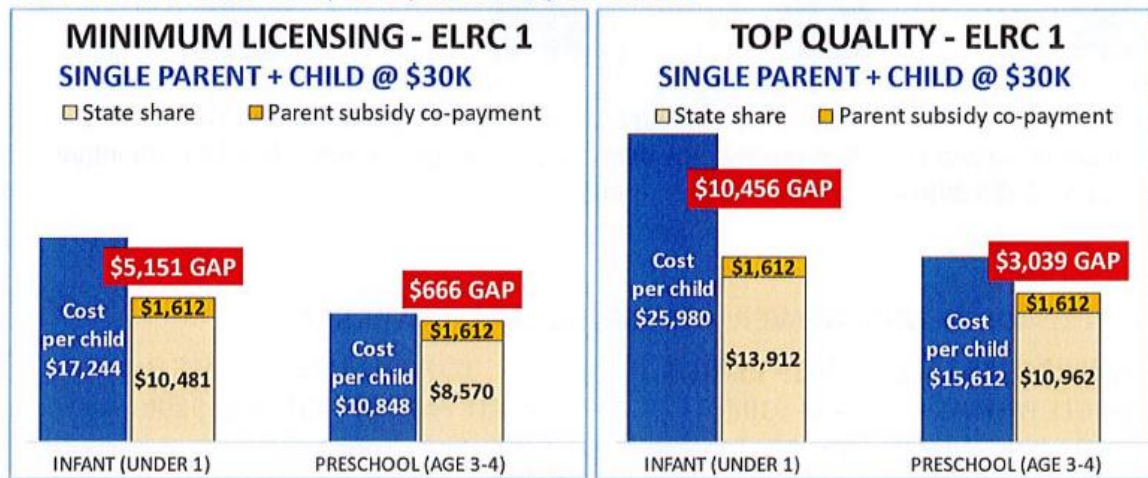
In Pennsylvania the price of child care is high and a burden for most families, while child-care programs operate on razor-thin margins and child-care teachers and staff are paid poverty-level wages. The current system fails our families, the teachers and staff, program owners, and directors. Parents can't afford to pay more and providers cannot afford to be



paid less. Pennsylvania's payment rates to programs for children in Child Care Works do not cover the actual cost of care provided by programs. Child-care subsidy reimbursement rates are based on market rate surveys conducted every three years that shows what providers are charging parents and not what it actually costs the programs to provide care and education services. ... The gap between the current child-care subsidy rate and the true cost of care for high quality care is great and even greater for infant and toddler care. In a highly functioning child-care market in which parents could afford the true cost of care, setting rates based on price would allow subsidy-eligible families equal access to child care as private pay families. Since most families cannot afford the cost of high-quality child care, child-care programs are disincentivized to serve children in cases when the gap between the price that families can afford and what it costs to provide care are the greatest. Child-care providers might be able to have some financial stability if they only served preschoolers or only met basic health and safety standards, however, if they serve infants and toddlers or meet high-quality standards in Keystone STARS, they will no longer have financial stability.

Illustrating this funding shortfall is current data from the Pennsylvania Partnerships for Children. The [following chart from PPC](#) focused on the Pennsylvania Early Learning Resource Center Region 1 that includes Erie County, highlights the revenue to cost gaps in provision of infant and preschool age care in child-care providers in the region where the parent earns \$30,000 per year. Included are child-care programs meeting minimum licensing standards and those that reached the highest levels of quality.

## REGION 1: CRAWFORD, ERIE, MERCER, VENANGO



(ELRC Region 1 centers at minimum licensing receive 70% of infant costs and 94% of preschool subsidized care. Top quality providers have a cost gap of 40% (\$10,456) for infant care and 19% (\$3,039) for preschool care per child.)

[Building a Financially-Stable, High-Quality Child Care System for Pennsylvania's Children and Families: Improving Subsidized Child Care Rate Setting](#)

## Supply of Child Care for ages birth to 3 in Erie

Based on responses to the survey of child-care providers in the city conducted for this report, there are 40 licensed child-care providers in the city.

Of those 40 providers, 10 do not serve infants and toddlers (birth to 3 years). In other words, of 40 providers, 30 serve infants and toddlers from birth to 3. They are composed of 16 child-care centers, eight child-care group homes, and six family child-care homes.

Total Enrollment: Of the 30 that do serve birth to 3, a total of 653 infants and toddlers are currently enrolled – an additional 234 infants and toddlers could be enrolled.

## Considering the Gap between Need and Supply

The 653 infants and toddlers that are enrolled – out of the 2,405 that likely need care – equates to 27% enrolled. Said another way, the 1,752 infants and toddlers identified as likely needing care and who are not enrolled with a licensed provider represent a gap of 72.8%.

Also, according to the survey, even if all existing providers who care for infants and toddlers were given what they need, the increase in enrollment would address only another 10.5% of the total need. There simply are not enough providers of care for this age group (exemplified by only 30 of the 40 serving the youngest group).

Second- and third-shift workers (especially among the healthcare industry) are plentiful in Erie. Available slots for their children during nontraditional hours are not. Among the 30 providers of care for infants and toddlers, only seven provide care for these parents working nontraditional hours.

### **Key Findings Reiterated**

- 3,481 total infants and toddlers (birth to 3 years) in the city
- 70% live below 200% of the federal poverty level
- 2,405 (69%) likely need child care outside the home
- 48% are eligible for a child-care subsidy but only 31.5% of those eligible use it likely due to scarcity of slots.
- 30 licensed providers of care for infants and toddlers in the city (out of 40 total providers)
- They enroll 653 infants/toddlers or 27% of those likely needing care
- With only 653 of 2,405 infants and toddlers being served, a gap exists of 1,752 children not enrolled by the 30 providers— a 72.8% gap.
- Another 252 could be served if providers had the resources they need. Serving them would address only another 10.5% of total need.

## **Most Needed Remedy is Building Toward Livable Wages for the Early Child-Care Workforce**

Throughout the process of examining the child-care challenges in Erie, all involved are unified in saying there is no single solution. Rather, the multi-layered system calls for multiple remedies. Indeed, several strategic remedies are identified in this report. Nevertheless, by way of the survey conducted for this project, guidance by the experts on the project team, and reports, one intervention rises to the top. To increase the number of infants and toddlers receiving care, there must be a ready supply of qualified professional caregivers. Presently there is not. The reason is low pay. Clearly, the best way to close the supply/demand mismatch in child-care slots for infants and toddlers in Erie is to increase pay for early child-care professionals. The premise is that if pay for early caregivers is at parity (or near to it) with public school teachers, then they will come. More teachers mean more ability to meet staffing requirements for infants and toddlers, which in turn yields greater rates of support for licensed providers by the state. Increased pay for child-care teachers would enable Erie's existing providers to be more stable overall. Increased stability equates to more children being consistently served. As providers are stabilized by being able to attract and hold onto their valuable educators, the providers themselves can focus better on striving to achieve higher ranking in the state's Keystone STARS child-care quality standards program.

### **Low Pay for Early Child Care Teachers**

Care workers are professional teachers, not babysitters. They are child developers. The majority of individuals working in the child-care industry are credentialed, degreed, and certified teachers. They also are predominantly women.

Because this is hard work with low pay, the demand for teachers is great. Lack of teachers means not enough capacity to enroll the many infants and toddlers in Erie who need child care.

As noted previously, Elana Como leads the Early Learning Resource Center- Region 1 (includes Erie) and is a member of this report's project team. She asserts that the staffing crisis caused by low rates of compensation for child-care workers is directly causing too many infants and toddlers to be turned away from care. The situation also places undue strain on care providers, families, and employers who depend on working parents. Como adds that even families who are eligible for state subsidy for their children to attend licensed child-care programs cannot take advantage of the financial support due to lack of available slots among providers—again due to staff shortages. As an aside, such hardship is felt even more deeply by parents who work second or third shifts as the scarcity is elevated after regular working hours. A hitch in the subsidy eligibility system is that the well-intended state requirement that parents be working or in workforce training creates a catch-

22. Without child care, it is hard to engage in either. The state does have workarounds to ease the transition for parents but it's complex and not widely known.

According to [ZipRecruiter](#), the average hourly pay for a daycare teacher in Erie is \$14.82 an hour. Further, ZipRecruiter reports salaries as high as \$21.66 and as low as \$8.62 per hour. To put that in context, the MIT Living Wage Calculator indicates a single parent with one child in Erie County needs to earn \$35.02 per hour to achieve a living wage that meets his or her family's basic needs. Noteworthy is that women of color are disproportionately represented among the lowest paid, as highlighted by the [National League of Cities](#).

The historically low rate of pay is a deterrent for child-care practitioners to enter or stay in the field. Turnover rates are high. Child-care providers cannot compete with less stressful, higher paying jobs in retail, manufacturing, or hospitality, for example. Because the training and certifications are similar, early care educators are often compelled to take higher-paying jobs in the public school system, where pay is more in line with living wage scales.

Throughout the process of conducting this report, not only was low pay cited as the top barrier to provision of care for infants and toddlers, but also cited is the need to support professional development, training, credentialing, and certification requirements, such as CPR and First Aid. As such, funding is needed to both increase pay and aid with staff development.

Overall, the supply of early care professionals would greatly increase if pay were provided at a higher level. Turnover would be lessened further if care workers were afforded the training and credentialing they need to advance in their work. More skilled staff enables licensed providers to earn higher rates of financial support from the state in step with the quality rating system (STARS) that incentivizes staff professionalism. This link between quality levels and reimbursement can be a blessing for some child-care providers but a curse for many others.

As reported [by Chloe Forbes in the Erie Reader](#), to encourage high-quality child care, Pennsylvania rewards those centers that meet high standards of care. As noted above, to assess quality, the commonwealth uses Keystone STARS (Standards, Training/Professional Development, Assistance, Resources and Supports). There are four levels from STAR1 to STAR4. The higher the STAR level, the higher the quality. However, STARS standards require specific staff training, child-to-teacher ratios, activity management, and more – in addition to the basic guidelines child care centers must follow to maintain their licenses. Ms. Forbes asserts that the requirements exist to ensure high quality, but it's backfiring. The lowest position a center can hire is a teacher's aide, but those aides are not allowed to be alone with a group of children and can't do things like walk a child to the bathroom without the supervision of an assistant group supervisor – a position that

requires at least 2,500 hours of documented experience in Early Childhood Education. An aide needs a CDA (Child Development Associate) credential. Therefore, child-care centers compete with state-funded public schools to get those workers – amid a teacher shortage – and are currently losing the battle. Public schools can pay more and provide benefits. With a limited pool of hires, child-care centers face the dilemma of not having the staff required to maintain a STAR rating, dropping them down to a lower level. With no choice but to accept the lower-level rating, the child-care centers lose funding.

“Women are very often the majority in the child-care business. They work many long hours without rest. They make sacrifices opening their facilities early and close late because they are the workforce behind the workforce. Without them people cannot go to work. Child care and early learning providers are vital to the community. Despite the sacrifices being made every day, wages for child-care providers remain low. There is still a gap between our subsidy and our private pay rates and we continue to fight for wage and rate increases for this sector even though when the world stopped (COVID-19 pandemic) child-care workers kept going.”

Shante' Brown, Deputy Secretary of Office of Child Development and Early Learning (OCDEL), April 6, 2024 conference in Erie

## **What Would It Cost to Raise Teacher Pay to Stabilize Erie's Existing Child Care Providers and Increase Capacity to Serve Infants and Toddlers?**

As noted prior, based on the survey of providers conducted for this project, it is estimated that 2,405 slots/openings are likely needed annually to provide child care for infants and toddlers by licensed providers in the City of Erie. Of the 2,405 infants and toddlers, 653 of them (27%) are currently enrolled in licensed programs. Thus, an additional 1,752 slots are needed to provide more choice for quality child care. This number can be reduced based on understanding that not all of the presently unserved infants and toddlers who likely need care would be enrolled in licensed programs if additional spaces were available. Other options such as care provided by a friend or relative are commonplace. Reasons for opting include a range of considerations such as: cost, distance to travel, cultural preference, etc. Accordingly, a lesser number estimated at 1,542 can be targeted. This number, a 12% decrease (equates to 210 less children), is arrived at based on benchmarking to the 12% percent of families receiving state subsidy for child care that opt to place their children in unregulated licensed exempt providers. This percentage is deemed a safe but conservative proxy for purposes of this report's integrity.

### **What Would it Cost to Close the Gap?**

With 1,542 the estimated number of additional slots needed to close the gap between need and supply and thus enable choice among parents for accessing care with a licensed provider in the city, the next step is to identify the cost to realize the increased enrollment. The remedy identified by this project is a needed increase in teacher pay (to retain teachers). The pathways are twofold.

### **Existing Providers**

Part of the gains in striving to arrive at the addition of 1,542 new slots needs to come by providing financial support to aid the existing 30 providers. Support needs to be targeted to both helping the providers pay their existing staff closer to a living wage and also fill present vacancies with similar compensation.

## **Existing Staff Need Pay Increases**

Based on data from the survey conducted for this project, the current 653 infants and toddlers enrolled are enabled by an estimated 130.6 number of existing teachers (using one teacher per five infants/toddlers as an average). With an average pay of \$15 per hour (\$14.82 rounded up) needing to be raised to approximately \$20 per hour, annualized, the total additional cost is estimated to be \$1,358,240 to address wage increases for the existing infant/toddler teachers.

(The math: additional \$5/hr. x 2080 x 130.6 = \$1,358,240 would be the added cost to get existing teachers up to \$20/hour and thus helping the existing providers to retain their existing staff which enables the current enrollment of 653 (per survey).

## **Filling Vacancies**

According to the survey of providers, there are presently 59 staff vacancies. Filling these staff positions is reported to enable approximately 292 (per survey responses) more slots (at a ratio of approximately five teachers per child), which would reduce the number of additionally needed slots of 1,542 down to 1,250. The cost to fill those vacancies would be \$613,600 (note this relies on centers paying the current average hourly of \$15 that would be subsidized to get to \$20/hr., thus an additional \$5/hr.)

(The math: 59 vacancies x additional \$5hr x 2,080 = \$613,600)

Working with just existing providers who serve infants and toddlers, the cost to both raise wages of existing teachers and add slots per filling the current teacher vacancy (sufficient to reduce the remaining gap down to 1,250 needed additional slots) totals \$1,971,840.

## **New Capacity**

To enable the additional 1,250 slots will require 250 new teachers (at average 5:1 ratio), which would cost \$2,600,000 in hourly pay subsidy of \$5 (based on raising the average hourly of \$15 to \$20 again relying on providers to cover the base hourly of \$15/hr.) plus the additional but not included expenses of additional space/buildings and other associated costs of the added new capacity.



(The math:  $1,250/5 = 250$  x additional \$5/hr x 2080 = \$2,600,000)

## **Total Cost to Stabilize Existing and Close the Gap in Slots for Infants and Toddlers**

Thus, \$4,571,840 is the estimated cost to provide ample choice for the approximately 2,195 needed licensed child-care slots in Erie. The cost of \$2,083 per slot addresses the following:

- stabilize the 653 current slots for infants among the existing 30 providers by raising teacher pay an additional \$5/hr.
- add 292 slots by filling currently vacant teacher positions (59) by adding \$5/hr. to the base teacher pay.
- add 250 new teachers sufficient to create 1,250 slots to meet the remaining demand again by adding \$5/hr. to the base teacher pay.

## **Still Below the Full Cost of Running a Center**

This figure (\$4,571,840) only provides subsidy to bring the average hourly pay of \$15/hr. (per ZipRecruiter noted earlier in this report) up to \$20/hr. A rate of \$20/hr. is still below the \$23/hr. average that kindergarten teachers earn in Erie but is in the ballpark to be competitive. (Note, as reported earlier, according to the MIT Living Wage Calculator, it takes around \$35 per hour for a single parent with one child to meet basic family needs.)

There are costs not factored in this recommended subsidy. Not factored is the gap in what it costs a provider to care for a child and what they collect in payment from a) the state and families who utilize subsidized care and b) from parents who are not using state subsidy but who are still not charged the actual cost to a provider for caring for their child. Further, not factored are the costs of creating whole new licensed centers where the additional 250 new teachers would care for 1,250 infants and toddlers.

Summary of Key Findings continued (note repeat of above summary followed by new findings for reader convenience)

3,481 total infants and toddlers (birth to 3 years) in the city

70% of them live below 200% of the federal poverty level.

2,405 (69%) of them likely need child care outside the home.

48% of them are eligible for care subsidy but only 31.5% of those eligible use it.

30 licensed providers of care for infants and toddlers in the city (out of 40 total providers)

They enroll 653 infants/toddlers = 27% of those likely needing care.

Another 252 could be served if providers had the resources they need. Serving them would only address another 10.5% on total need.

Gap: With only 653 infants and toddlers enrolled out of approximate need of 2,405, that equates to a gap of 1,752 children not enrolled among the 30 providers— a 72.8% gap. This is reduced by an estimated 12% representing at minimum the number of infants and toddlers that would be placed in other than licensed centers even if such were readily available. Thus, the gap can be reduced to a need for 1,542 slots.

Cost to Stabilize: To stabilize the existing 30 providers' ability to continue to serve 653 infants/toddlers, by raising teachers' hourly pay by \$5 per hour (above their average \$15/hr.), the cost would be \$1,358,240.

Cost to Fill Teacher Vacancies: If the 59 staff vacancies among 30 providers were filled, another 292 slots would become available, thus reducing the gap to 1,250 slots. The cost to add \$5 per hour above the anticipated average pay of \$15/hr. for those 59 additional teachers would be \$613,600.

Cost to Stabilize and Fill Vacancies: The cost to stabilize existing capacity and add the hourly compensation for additional teachers to fill teacher vacancies would add up to \$1,971,840. This would leave a gap of 1,250 slots.

Cost to Serve Remaining Gap: To serve the 1,250 slots would require 250 new teachers, which would cost \$2,600,000 (assuming they begin with a base rate of \$15/hr. shouldered by their employers) to add \$5/hr. for each teacher to get to \$20/hr.

Total Cost to Stabilize Existing and Close the Gap in Slots for Infants and Toddlers: The estimated cost to provide ample choice for licensed child care for Erie to stabilize the 653 current slots for infants and toddlers among the existing 30 providers and also to close the gap of 1,542 additional slots is \$4,571,840 per year covering the combined 2,195 slots. This equates to \$2,083 per child.

## The Cost Summary Stated Another Way

Total: \$4,571,840 is the estimated annual cost to increase the hourly wage from \$15 to \$20 per hour of professional infant and toddler teachers to stabilize and add slots addressing the 2,195 total slots needed for infants and toddlers in the city (equates to \$2,083 per child). This increased teacher pay aimed to keep and attract needed caregivers would:

- Stabilize existing providers' ability (653 slots) to serve infants and toddlers by raising teacher pay by \$5/hr.
- Fill 59 vacant teacher positions enabling 292 more slots for children (but only adding \$5/hr. to assumed \$15/hr. to be paid by their employers)
- Facilitate filling 250 new teachers necessary to fill the remaining gap in 1,250 slots, again by adding \$5/hr. to pay assuming the base rate of \$15/hr. is provided by centers.

Note this funding does not include the cost of buildings/additional classroom space, operating costs, staff development, etc. required to be borne by providers to meet the capacity related to the projected need for quality child-care slots for infants and toddlers. Nor does this factor any subsidy to families to be able to afford child care. The funding does make child-care slots available whereas presently there is a gapping deficiency in available child-care service in Erie.

Another thing needed is a subsidy for child-care workers if they're getting just the bare minimum. The reimbursement from the state is very low and we wanted to supplement that so that the child-care operators are able to pay fair wages to the child-care workers and have adequate facilities [and] equipment available in the child care.

[2022 Ballot Measure Allows County to Play Greater Role in Supporting Children and Families, Says Whatcom County Executive Satpal Sidhum, Whatcom County, WA](#)

# How to Finance Teacher Pay and Other Remedies

As illustrated by the benchmarking of some 25 cities presented in this report, there are a wide range of potential funding sources for early child care.

Funding sources include:

- Impact investment funds
- Social Impact Bonds
- Tax Increment Financing
- Property and payroll tax levies per voter referendum
- Local sales tax per local referendum
- Public/private donor funds
- Business use of tax credits via state program
- Business financial support for employees
- Business contracting or vouchers to secure child-care slots among providers
- Business donations
- Sales tax on sugar sweetened beverages
- City operating budget allocations
- Tax abatements for child-care property owners
- City incentives (density or height bonuses) for developers who include child care in new structures
- City revision of land use law to allow child-care facilities in all zones

These funding sources have differing levels of complexity and alignment with a wide range of possible remedies such as:

- direct tuition scholarship assistance subsidy to families for care
- increased wages for early childhood educators
- technical assistance, recruitment, outreach, quality improvement assistance
- professional development
- building purchase/construction or expansions/improvements
- operational support and start-up costs

## **First Step — Infinite Erie**

The key first step in solutions is for Erie’s leadership to come together to agree that the child-care market is part of critical workforce and economic infrastructure and is severely in need of investment to reverse its present situation. As such, local level investment in early child care for infants and toddlers begins with being placed as a top playbook/portfolio priority of [Infinite Erie, the coordinated inclusive growth strategy implementing Erie’s Investment Playbook](#).

## **Second Step – Erie Infant & Toddler Investment Partnership**

Next, assembly of a group of experts is essential to guide development of an incrementally growing range of investment and policy structures to solve Erie's child-care challenges. This public-private partnership, ideally to be managed by Infinite Erie, would be composed of experts in the early child care and investment fields. Recommended participation:

- City of Erie government (Office of the Mayor and Department of Economic and Community Development)
- Erie School District
- United Way of Erie County
- Erie Community Foundation
- Bridgeway Capital
- Members of the expert team that guided development of this report including:
  - PA's Early Learning Resource Center Region 1 and Northwest Institute of Research, Inc.
  - National Association for the Advancement of Black and Brown Child Care Providers
  - Pennsylvania Early Learning Investment Commission
  - Creative Child Care Solutions program of The Pennsylvania Key
  - Child Development Centers, Inc.
  - Early Connections, Inc.
  - others to be determined

The Erie Infant & Toddler Investment Partnership would be tasked to aid in development of the following essential structures to enable implementation of priority remedies to the city's early child-care challenges:

- Erie Infant & Toddler Investment Fund (wages for childhood educators)
- Infant & Toddler Teacher Pipeline and Professional Development Program
- City of Erie Government Infant & Toddler Interdepartmental Task Force

- Economies of Scale Strategies
- Child-care Facilities Expansion Impact Investment Fund

The following is a brief envisioning of the role and purpose of these three structures.

### **Erie Infant & Toddler Investment Fund (wages for early childhood educators)**

An Erie Infant & Toddler Investment Fund would be established to receive donations from public and private entities. In step with guidelines to be established by the partnership, the Erie Infant & Toddler Investment Partnership would oversee funds to be granted to existing child-care providers that serve infants and toddlers in the city of Erie.

Responding to the data on the Gap in service reviewed above, the first priority of the fund would be to stabilize the existing 30 providers' ability to continue to serve 653 infants/toddlers. As noted, the approximate cost to increase teachers' hourly pay by \$5 per hour (above their average \$15/hour) would be \$1,358,240. The next priority would be to provide an increment of elevated hourly pay to help the existing providers recruit teachers (59) necessary to fill current vacancies. At a cost of \$613,600, another 292 slots for infants and toddlers would be created. Should these two priorities be achievable through generosity of donors, the next level of wage increment enhancement would target recruitment of 250 new educators to create 1,250 slots that represent the remaining gap in access to care at an additional cost of \$2.6 million.

At the hands of the Erie Infant & Toddler Investment Partnership, to be successful, this fund would require excellence in its formation, management, promotion, and continuous evidence/fact-based performance review. Oversight and staffing are envisioned as follows:

Infinite Erie could manage the fund inhouse or delegate fund administration to a willing agency. Two such candidates are:

- Northwest Institute of Research, Inc. (NWIR), which contracts with the PA Office of Child Development and Early Learning to manage PA's Early Learning Resource Center - Region 1 (ELRC). The ELRC serves as the hub of child care information and supports in the greater Erie region. It also administers the PA Child Care Works subsidized child-care program for the region. NWIR and ELRC administer an Infant Toddler Contracted Slots pilot program. It stands as a model for supporting retention and creation of slots for this critical age group.

- Early Connections, Inc., which manages the [Erie's Future Fund](#) and provides scholarships to low-income families to allow children to attend high-quality programs at 3 and 4 years old. (Erie County-wide. Infants and toddler care not eligible.) Early Connections also administers innovative Early Childhood Apprenticeship and Pre-Apprenticeship programs that are reviewed below.

In either case, essential staffing would include:

Center Capacity Director	\$30,000, p/t
Fundraiser	\$101,660 fully expanded compensation, f/t
Accountant	\$30,000, p/t
Marketing budget	\$80,000
Total	\$241,660

This annual cost of administering the Erie Infant & Toddler Investment Fund would ideally be granted by the city of Erie as a general budget allocation.

As the chief focus of the staff fundraiser, the fund would be capitalized by way of solicitation of grants and donations made by public and private participants. Such could come from a variety of sources such as:

- Philanthropic donations by foundations, businesses, and individuals (Note the philanthropy of Duolingo in Pittsburgh, as shown in the Appendix, is exemplary corporate leadership in committing to \$1 million per year donation to local child-care providers. Also note that toward engaging with the private sector to tap their interest in enhancing access to early child care by workers in the community, the staff fundraiser should become well-versed with the instructional materials provided by [Investments in Caring PA](#). This is an initiative of the Pennsylvania Early Learning Investment Commission whose online tools are a resource for employers to identify new or expanded ways to strengthen their workforce through a strengthened early childhood system and thus their bottom line.)
- City operating budget allocations
- Contributions by businesses through the PA NAP tax credit programs (NAP, NPP, SPP)



- Social Impact Bond is an innovative financing means that could be structured if at such time the Erie School District is able to quantify significant costs associated with remedial interventions expended to bring students up to grade level. (Note, according to its superintendent, the Erie district presently is not able to fund such costly student interventions.) Also called Pay for Success, loaned funds from private sector investors are based on the expectation that quality infant and toddler care will lead to fewer children (once entering the public school system) needing special and remedial education, which results in cost savings for the school districts. The savings that accrue from avoiding special education placements are in turn alternatively used to pay back the private investor. Investors can be a mix of public, private, and philanthropic players at varying first and subordinate investor levels. Helpful information on this financing tool is provided by the [Brookings Institution](#), [Federal Reserve Bank of Minneapolis](#), and [U.S. Department of Education](#). Two examples of use of Social Impact Bonds to finance early childhood education are found in the experiences of [Salt Lake City](#) and [Chicago](#).

New tax not at this time: Note, it is not anticipated that the residents of the city of Erie are in a position to absorb a tax increase through sales, property, or payroll tax. The prospect of a ballot referendum at this time would likely be too divisive amid so many other pressing civic matters. While a sales tax on sugar sweetened beverages akin to that adopted by Philadelphia is intriguing, the embattled experience there between the city and beverage industry suggests such is likely beyond the advocacy capacity of Erie at this time.

Toward equitable and data-based dispensation of the fund's monies to the existing infant and toddler child-care providers in the city, the partnership would establish fund guidelines and oversee continuous evaluation. Fund guidelines to be determined would relate to the mix of:

- Eligibility of existing providers (quality rating, PA certification status, teacher base pay, etc.)
- Contracting fund dispensation
- Commitments to professional development of staff and credentialing pathways
- Follow-up, evaluation, and reporting
- other ideas to be determined

The Early Childhood Education Fund was created to provide support for programs that focus on the educational, health, and social needs of young children within Cambria and Somerset counties. This year's grant funding will support projects related to parental and caregiver engagement, educational programs, equipment and technology, annual scholarships, and child-care staff wages and incentives.

"This year we broadened some of our criteria in order to support even more organizations that are serving our region's youngest learners. We know that long waitlists for families, low wages for staff, and high turnover for providers is not just a problem here

Angie Berzonski, CFA Associate Director

[The Community Foundation for the Alleghenies announced eight grant awards from their Early Childhood Education Fund](#)

## **Infant & Toddler Teacher Pipeline and Professional Development Program**

Erie would benefit from increasing the pay to attract teachers to and remain in the infant and toddler care field and also supporting staff development and career pathways. For the latter, another role for the Erie Infant & Toddler Investment Partnership would be to advise on strategies to increase the supply of ready professional educators for infants and toddlers. While the chief premise of the Erie Infant & Toddler Investment Fund is that if increased wages are provided, the early childhood educators will come, this strategy is optimized when innovative programs are in place to ensure the pipeline of teachers is ample. The additional imperative is to provide professional development supports to attract and retain professional caregivers.

### **Early Child Care Education Apprenticeship and Pre-Apprenticeship programs**

Regarding the teacher pipeline, there exists today in Erie an innovative apprenticeship program that is primed to be grown substantially to be on par with the great number of additionally needed educators for infants and toddlers. Early Connections, Inc, headed by Michelle Harkins (also a team member for this project) is the intermediary for the [Early Childhood Apprenticeship Program, and sponsor of the Registered Early Childhood Pre-Apprenticeship Program for the Northwest Region](#). The Pre-Apprenticeship Program partners with school districts and career and technical education centers to provide supports to the early childhood classrooms and offers a registered pre-apprenticeship program and free dual enrollment courses to high school graduates seeking their Child Development Associate (CDA) Credential. Along with helping them reach their CDA credential completion, the program follows the Pre-Apprentices a year of post-high school to connect them to child-care employment and higher education opportunities. The CDA is the most widely recognized credential in early childhood education and is a key steppingstone on the path of career advancement in the field. Additionally, Early Connections connects non-traditional students who are working at least 25 hours a week in a licensed child-care center to higher education opportunities for free. The Registered Apprenticeship Program works in partnership with child-care employers to help more child-care employees receive higher credentials for little or no cost.

To bolster the infant/toddler professional educator workforce (which will both enable more slots for children as well as yield greater levels of financial support from the state for providers that follows credentialed child care staff) these apprentice and pre-apprenticeship programs stand to be assessed by the Erie Infant & Toddler Investment Partnership for ways to scale them up through grants and technical assistance.

Additional background: Multiple funding streams currently support the Early Childhood Apprenticeship and Pre-Apprenticeship programs through the PA State System of Higher Education Early Childhood Education Professional Development Organization (PASSHE ECE PDO), the Department of Labor, the Apprenticeship Training Office, and local workforce boards. Working together as a team, supports including training, connections to higher educational opportunities for Child Development Associate Credential, associate, and bachelor’s degree programs at little or no cost to qualified students and nontraditional students working in a DHS-licensed child care center are provided. Should the Registered Apprenticeship Program not be a good fit for the student, a connection to other funding supports, such as the [T.E.A.C.H.](#) scholarship funding and other PDO funding opportunities are explored.)

None of the benefits that occur when children experience high-quality early childhood education would be possible without the hard-working professionals who educate and care for young children. City leaders increasingly turn their attention to support the people who provide early education care, exploring ways to provide better training, resources, and compensation for the early childhood education workforce. From elementary school teachers with master’s degrees to child-care center employees, neighbors and grandparents, the early childhood workforce is often poorly paid and has limited access to professional development and support.

[Cities Supporting the Early Childhood Workforce, National League of Cities](#)

## Family, Friend, and Neighbor Child Care Providers

Recognizing that even if quality, affordable care is readily available among the licensed providers, some parents and guardians will nevertheless elect to place their children in informal arrangements. As such, a further need is to examine strategies to provide support and resources for family, friend, and neighbor child-care providers necessary to increase the quality of care provided by this often –under resourced subset of child-care providers.

There are currently 1,055 students in grades K-12 who are English Language Learners enrolled in the school district. More than 50 languages are represented, such as Arabic, Swahili, Ukrainian, and Persian.

[Erie schools' English Language Learner program goes beyond instruction in the classroom](#)

## New Americans – Prime for the Early Child Care Teacher Pipeline

The city of Erie benefits in many ways from its rich diversity ([6,300 identified as foreign-born](#) lived in the city in 2019 make up 6.5% of the total population). The many cultures represented among Erie's New Americans presents advantages in multiple ways. Foremost, many of Erie's new citizens desire to become early child care teachers and the rich cultures they represent present an advantage to the maturation of Erie's diverse population of infants and toddlers. Many New Americans are bi-lingual (or tri-lingual), are adept at using song, are gentle and patient with

children, and have an excellent work ethic – all skills that are desperately needed at many child-care centers. Yet, Pennsylvania's understandably rigorous system of teacher credentialing is not equipped to recognize those skills and experience.

For the past 25 years, city resident Kelly Armor has worked with Erie's New American community, helping them preserve their cultures and traditions in their new home, while also creating systems for the community to honor and benefit from New Americans' indigenous knowledge. Presently, Kelly is focused on helping to solve the early childhood teacher gap by putting New Americans on a path to gaining certifications necessary to become teachers in the city's infant/toddler classrooms.

In a prospectus, Kelly writes that many New American women already have great skills in raising and nurturing children and are very interested in gaining employment in the child-care field. However, the state agencies that monitor and license child-care providers set education and credential requirements that present hurdles, although not insurmountable, for which these potential new teachers need assistance to achieve.

For example, for someone to be able to care for children alone at a licensed child-care center, they must have a high school diploma and 2,500 hours of documented child-care experience. Although many New American women have thousands of hours of experience caring for children, it mostly is not documented, e.g., what the setting was, the name of the person vouching for the hours, the number of hours and the dates or range of dates that the hours were gained. Even when they officially work at a refugee camp watching children, the staff at the camps changes, camps close, and it is difficult to verify this information.

Under the guidance of a unique program that Kelly led from 2003 to 2015 called the Old Songs New Opportunities (OSNO), 65 New Americans were prepared to work in child-care centers. Most gained employment as a result. Their lives were transformed. Child-care centers gained a loyal workforce in service to their diverse children. However, Pennsylvania's teacher regulations have become more stringent. The OSNO program alone is not enough for New Americans to gain employment.

The following prospectus designed by Kelly (in consultation with several members of the Early Childcare Investment Policy Initiative team) targets working with 17 New Americans a year. This proposal is deserving of early attention for funding by the proposed Erie Infant & Toddler Investment Partnership. It could be scaled up even further.

- Months 1 to 3 Initial Old Songs New Opportunities Training:

New American trainees learn the basics of working in a child-care setting, (rules, regulations, safety, pediatric first aid, and discipline). All training is culturally reflective and helps the trainees understand not just what is considered best practices but why. They consider how their own cultures' child rearing fits into an American setting. They also share their traditional children's songs and with the assistance of a folklorist, the songs are translated into English. Trainees also start internships at local child-care centers and are immediately able to put the classroom learning and their songs into practice. When completed, each trainee has completed at least 120 internship hours and 50 professional development hours.

Cost: \$37,000. Covers work with 17 trainees addressing program management (recruit trainees, lead the classes, supervise internships), stipend of \$12/hour, \$500 bonus at the conclusion of their unpaid internship. The fiduciary could be Early Connections, Inc. or Northwest Institute of Research/ELRC-Region 1.

- Months 4 to 24:

Ideally, graduates of the Old Songs training are later hired at local child-care centers as aides to work 25-30 hours per week. Their wages are subsidized by grants. This allows the center to bring them on as staff but without great financial risk. During this time, the New Americans are able to accrue the 2,500 documented hours needed. Working slightly less than full time also gives them the time to take a CDA course especially for New Americans. After they complete the CDA program, gain their certificates, and have 2,500 documented hours, they will be highly employable in any child-care center or Head Start classroom.

Cost: 17 trainees X \$10/hr. subsidy X 25 hrs./wk. X 52 weeks = \$221,000 X 2 years + 15% admin. expense = \$508,300

- CDA training and credentialing

Cost: \$18,000 covering 17 trainees and provided through the ELRC-Region 1 in partnership with Northern Pennsylvania Regional College.

Combined Total: \$563,300 or \$33,135 per each of 17 New Americans

## **City of Erie Government Infant & Toddler Interdepartmental Task Force**

Given the high stakes for Erie's children, working parents, and Erie's overall economy, the city government would be well-served to establish a formal internal focus on facilitating more slots for

infants and toddlers in the city. The more slots goal would be addressed through a range of strategies as illustrated in the benchmarking appendix below.

Cross-departmental areas ripe for city government leadership may include:

- **Budget funding:** Annual budget allocation to support teacher pay.
- **Teacher Development:** Funding in support of childhood educator development and the pipeline for persons to gain education and credentials to serve infants and toddlers.
- **Developer Incentives:** Provide developers density and height bonuses to build child-care facilities. Also actively assess city land and property that could be repurposed for early education classrooms run by private providers.
- **Tax Incentives:** Provide tax abatements for property owners that operate child-care centers and a tax credit for employers who offer or contribute to supporting child-care facilities.
- **Zoning and Land Use:** Amending any code and ordinance hindrances to allow child-care facilities in all commercial and residential areas. Also eliminate requirements that mandate off-street parking.
- **Public Transportation:** Collaborate with the Erie Metropolitan Transit Authority to assess its routes in comparison to the location of child-care centers to optimize walking distances from home to public transportation stops and from there to child-care centers. This is particularly relevant given that [69% of downtown Erie households do not own a vehicle and](#) 17% of Erie households do not as well.
- **Home-based providers:** Encourage and aid in the development of licensed home-based childcare providers by offering incentives and support.

In pursuit of these examples of ways in which the city can help advance infant/toddler care, the Erie Infant & Toddler Investment Partnership would stand as a resource to the city as it may wish for outside expert input.

## **Economies of Scale Strategies – Circuit riders, Shared professionals**

The Erie Infant & Toddler Investment Partnership would advise areas where economies of scale can be brought to bear in support of early child care.

An example of such programming is the Early Childhood Learning Alliance facilitated by the Early Learning Resource Center – Region 1 whereby a Health & Safety Consultant is available to center operators at no cost.

Similar circuit ride-type consultation that would be highly effective may include experts available per: HR, finance, certification matters, information technology, etc.

Another approach to economies of scale could be through retaining an expert in finance to be shared among a number of centers. Here each center in the arrangement would be afforded [shared Chief Financial Officer](#) staff expertise to maintain their books and deploy strategic financial planning and reporting beyond what any one of them might be able to afford unilaterally. This sharing model could also be applied to operating needs such as HR, collections of payments, etc. Access to such expertise would free up center owners to focus on what they do best— provide quality care.

Child-care programs rarely generate enough revenue to cover the steep cost of securing and maintaining facilities. This further drives down the low wages of workers while driving up the cost of tuition. To stay financially afloat, many programs do facility upkeep on a strictly as-needed basis, said Linda Smith, director of the early childhood initiative at the Bipartisan Policy Center think tank.

[How to Fix Crumbling Child Care Infrastructure](#), Bloomberg

Grant funding would likely be needed to support these examples of economies of scale. The Erie Infant & Toddler Investment Partnership would be called upon to explore possibilities.

## **Child Care Facilities Impact Investment Fund**

The data provided earlier in this report indicates that there is a need for some 1,542 more slots to address the level of need for care for infants and toddlers in the city. Given teacher to children ratios (averaged) mandated by the state, this equates to 309 more teachers needed. It also follows that additional classroom space is called for to meet the projected need for infant/toddler care.

Understandably, owners of small child-care centers have great difficulty in maintaining and updating the space where young children spend their day let alone the large cost of acquiring or leasing and adapting buildings or even more out of reach, constructing new facilities. The costs are high. Child-care businesses are hard-pressed to turn a profit. According to one of the members of the project team, to provide quality, some center owners are taking pay cuts to accommodate the cost gap. Some owners do not even pay themselves. Only the largest of providers that have over 100 children in care and who have multiple funding sources to braid can make the economics work.



[Child Development Centers, Inc.](#) (CDC) is unique in this regard. New to the city of Erie, CDC operates in the multi-county Northwestern Pennsylvania region. It is the region's largest child-care and early childhood education provider with nearly 2,000 children enrolled across 15 centers in Venango, Crawford, and Erie counties (all facilities are rated the highest STAR 4 designation by the state). Founded in 1969 and with more than 475 employees, CDC's enrollment now tops that of some local school districts.

The responsibility of braiding funding involves being aware of different deadlines, having different standards to follow, different eligibility thresholds for children, and it includes different requirements of the teaching staff,” Teri Talan, a senior policy adviser to the McCormick Center for Early Childhood Leadership, said during the EWA event.” So when we talk about blending and braiding funding, it’s really very complex.” Despite the complexities, in most states, the responsibility of blending and braiding different funding streams falls on the program directors themselves. “But guess what? We have almost no requirements for preparation of those program leaders at the site level,” Talan said. “There is such a lack of consistency in terms of preparation.”

[Tight Budgets Force Hard Choices Among Child Care Providers - ewa.org](#)

In just the five years of entering the child-care market in the city, Child Development Centers, Inc. has constructed three new facilities, from the ground up. With this new capacity, CDC already enrolls 22% or 144 of the total enrollment of 653 infants and toddlers across the 30 centers in the city that serve the same ages. CDC is able to grow by operating with multiple funding streams. CDC's size, demonstrated quality, grant management and financial expertise affords it funding through Pre-K Counts, Child Care Works state subsidy program, and Head Start (the federal Department of Health and Human Services awarded a \$40 million grant to CDC to operate Head Start in Erie County for five years beginning in the fall of 2019). CDC is able to pay its many professional/credentialed educators in the range of \$20 per hour and provide many services to its children, including hot meals (breakfast, lunch and snack), health and nutrition services, and a full medical team.

Despite its advantages, CDC, like the many smaller providers, is now at a point of not having the cash resources to be able to expand. And while the city needs more large facilities with multiple classrooms, the city also needs smaller early child-care facilities in neighborhoods. Many smaller facilities can assure ease of access for many parents who do not own cars or where bus service is limited. Small neighborhood providers also cater to culturally aligned demographics that often change from block to block amid Erie's nearly 50 different languages represented in the Erie School District.

Be it any of the existing 30 providers of education for infants and toddlers, including CDC or others that operate at larger scale or even [Family or Group Child Care](#) providers, all early education providers in the city would benefit from assistance in capitalizing their expansions to more classroom space. Even those with long waitlists lack resources to add classrooms. They all face barriers accessing traditional financing necessary for capital needs, facilities expansions, or even new locations/buildings. Costs are high. Pennsylvania, like all states, require child-care facilities

to meet appropriately rigorous health and safety standards whose expenses are a barrier to opening or expanding a child-care center.

Also well-positioned for investment is the new Miracle Micro-Centers initiative. This is a current, high potential model for siting child-care centers in Erie's neighborhoods. The [Northwest Institute of Research](#) and the [JAM Team Foundation](#) aim to establish [Miracle Micro-Centers](#) as state-of-the-art, 24/7 family childcare home and group child care home facilities that are to be located in childcare deserts and other neighborhoods in need. Serving six to 12 children each, the centers will be designed from the ground up to provide high-quality care and STEAM (Science, Technology, Engineering, Arts, and Math)-based education that will help children thrive in school and in life.

Given the high degree of inability among Erie's early child-care providers to finance additional classrooms, the needed remedy is to create a Child Care Facilities Impact Investment Fund. Alternatively, leadership could engage an existing investor to bring an existing fund to Erie. One interesting such impact investor is [Mission Driven Finance \(MDF\)](#).

As stated on its website, Mission Driven Finance was launched in 2016 to fill the gap between philanthropy and traditional investments—commonly known as “impact investing.” Among its portfolio areas of focus is investing in real estate to increase quality child care. For this, MDF operates [Care Access Real Estate](#) (CARE)<sup>TM</sup>, a real estate investment trust (REIT) that expands the availability of facilities that provide quality child care. A diversified portfolio of commercial and residential properties, C.A.R.E. is designed to unlock the full potential and aspirations of center- and home-based providers.

By accessing risk-mitigated capital from investors, C.A.R.E. serves as a child care-friendly landlord by providing stable leases to open child-care homes and facilities operated by experienced providers identified and supported by community partners to expand the availability of quality child care, especially for under-resourced families and communities. The C.A.R.E. model strives to build the wealth of child-care providers by creating opportunities to expand their business and own their facility. For example, after leasing a C.A.R.E. property for at least two years, the tenant may have the opportunity to purchase the property at a discounted price.

As noted, the C.A.R.E. model is one that could be brought to the city. Alternatively, leadership in Erie could create Erie's own similar child-care facilities impact investment fund (with or without a real estate investment trust structure) in which any child-care provider could seek to become an investee. A note of caution relates to taking care to ensure increases in capacity for slots is commensurate with increasing the numbers of teachers. This is necessary to avoid an already tenuous situation given the short supply of teachers and the increased likelihood that they will

leave their jobs for higher-paying positions elsewhere. Thus, the first priority is to stabilize Erie's existing centers that cater to infants and toddlers.

It is recommended that the Erie Infant & Toddler Investment Partnership add to its tasks by determining how to best establish an impact investment fund to support creating more openings for affordable, quality care for infants and toddlers accessible among Erie's diverse neighborhoods.

## **Other Recommendations – State Level**

While remedies at the county, state, and federal level are not a focus of this report, two state financial supports for early child care came to light that would benefit from reform:

- Create a program to fund infant and toddler care similar to the PA Educational Improvement Tax Credit (EITC). The PA [Educational Improvement Tax Credit](#) awarded to businesses in exchange for contributions to early education specifically is eligible only to benefit ages 3 years and above.
- Clarify infant/toddler eligibility in the PA Neighborhood Assistance Program  
The [Neighborhood Assistance Program](#) does not clarify or identify the eligibility of infant/toddler care providers as potential beneficiaries of this tax credit program to encourage businesses to invest in projects that improve distressed areas.

## What Are Other Cities Doing?

Unlike public education, which generally is governed by a separate school board, early childhood care is an area in which city leaders should make an impact. Indeed, many are. This section and the Appendix – Model City Initiatives to Increase Access to Quality Child Care reviews examples of the wide range of remedies being initiated by cities around the nation to improve access to early learning and child care specifically. The focus here is on cities that stand as possible models for Erie. Not included are the many additional examples of leading counties and states that are implementing innovative remedies.

As evidenced by the benchmarking here of 25 innovators, cities are increasingly addressing care for infants and toddlers. They understand the many payoffs of investing in early child care from the economic imperative to the neuroscience that points to foundation brain development in the first 1,000 days of life. As former House Speaker Tip O’Neill said of politics, all childcare is local. By elevating child care to a city planning priority and tracking the supply, demand, and gaps in early care capacity, city leaders are in the best position to know the needs and opportunities for developing budgeted funding and leveraging it to garner state and federal funding.

Advocates across the state are working to increase funding and support for early care and education. Additional money is needed to increase the average low wage earned in the field, as well as reimbursement rates that more accurately reflect the true cost of care. However, advocates and state governments cannot do it alone and need the support of local government to ensure that all children get off to a healthy start. Supporting the needs of child-care providers is one area where city government can play a role.

[Pittsburgh City Council Child Care Needs Assessment](#)

Cities have local revenue streams and benefactors that prefer highly localized investments and thus stand to contribute to a "doing our part" buy-in to policy reform efforts at county, state, and federal levels. Many examples below provide evidence that cities are not waiting for their states or the federal government to solve their child-care problems. And the increasing numbers now with skin in the child-care game suggest a race is on for cities to position themselves to become top choices to live and work in today's race to retain and attract talented workers.

The premise here is that Erie can be a laboratory in the development of practical interventions to ensure greater access to high quality early child care. Success in Erie stands to present proof of concept that can be replicated or by other jurisdictions.



Vermont's Child Care Campaign – "Let's Grow Kids"

June 2023 lawmakers passed Vermont's most comprehensive child-care bill into law. The 2023 Child Care Bill – Act 76 – makes Vermont's child-care system one of the most expansive in the nation. The bill will stabilize Vermont's child-care sector and make a quantum leap forward in providing access to affordable, quality child care for all Vermont families who need it.

<https://letsgrowkids.org/>

## Conclusion

Erie can turn its early child-care adversity into advantage. By treating early child care as the economic development issue it truly is, investing in securing the fragile number of slots for infants and toddlers and creating many more, Erie can become a national role model for child-care service for infants and toddlers. The wins are multi-fold.

More of the city's infants and toddlers (the age when most brain development occurs) who have access to quality, affordable care, will directly contribute to advantages, such as:

- Well-adjusted youth whose early development sets the foundation for positive contributions to society.
- Children who enter the formal school system ready to learn, which equates to significantly lower costs for Erie's Public Schools, and more children will go on to college or vocational training to reach their potential.
- Less financial and emotional burden on working parents, which will allow them to stay in the workforce.
- Employers who experience less turnover among their child-bearing age employees will lead to significant cost savings and stable workforce productivity in a business sector in Erie that is experiencing worker shortages.
- Erie will gain national attention for its leadership in caring for its youngest people while also showing its ability to retain and attract residents.
- Investment in early child care has greater payoffs than many traditional economic development strategies and is as critical to a local economy as other forms of economic infrastructure.

To achieve these sorts of payoffs, the most urgent strategy is to stabilize and then grow Erie's existing capacity to serve infants and toddlers. The first remedy is to increase the wages earned by those teachers who serve this age group. Wages need to be uniformly brought up to a level competitive with other teaching roles in the public education system, not to mention jobs in the retail sector. This uniformity is essential to avoid furthering an already troubled situation in which the limited number of infant and toddler teachers are enticed to leave their roles with a current child-care provider to follow the money. Net increases of teachers that leads to the same in number of slots for children is essential if Erie is to make gains in this investment strategy.

Short of burdening city residents and employers with more taxes, a public-private partnership is the more appropriate means to raising the funds necessary to sustain and add more slots, including subsidies for child-care centers to raise teacher hourly wages.

This Early Childcare Investment Policy Initiative has sought to reveal the social and economic advantages of investing in the care of infants and toddlers and provide a well-substantiated strategy to answer the questions among Erie's leadership of how to tackle the problem. Beginning with quantifying the need, supply, and gap in access to quality care and presenting the most impactful remedies with costs identified, a roadmap for action beckons response coordinated among city government, business, and philanthropic leaders together with the many nonprofit stakeholders who directly serve Erie.

As stated in the [JES editorial](#) that was the genesis of this project, in addition to the benefits to children, parents, employers, and the overall economy, imagine the national buzz if Erie were to ensure quality child care for all infants and toddlers. Erie would reveal its character as it addressed a true economic need.



## The Team

**Elana Como**, director of Pennsylvania's Early Learning Resource Center Region 1 and chief executive of Northwest Institute of Research, Inc. In her roles, she manages the state's Child Care Works (CCW) subsidized child-care program that helps low-income families pay their child-care fees and serves as a hub for child-care information serving Erie, Crawford, Mercer, and Venango counties.

**Tiffany L. Lavette**, founder of Her P.O.W.E.R. Inc., which owns and operates ABC 24-Hour Child Care, and founder of the National Association for the Advancement of Black and Brown Child Care Providers and co-owner of LaVette's Enterprises. She specializes in training new child-care business owners and is leading a special project for advancement of Black, Indigenous, People of Color (BIPOC) owners.

**Andrea Heberlein**, executive director of Pennsylvania Early Learning Investment Commission. The PA ELIC was created by an executive order in 2008 for the purpose of mobilizing business leaders across Pennsylvania to secure support for investments in early learning. The commission has 50 members, all senior business leaders from across the state, representing many of Pennsylvania's leading industries. It informs thousands of business and civic leaders annually about the critical importance of preparing all young children with the knowledge and skills required for success. It works to improve tomorrow's economy through smart policy and investment in today's young children by fostering public and private sector investment in high-quality early learning programs. These investments are essential to Pennsylvania's edge in the national and global marketplace. A particular focus is on working with the governor and Legislature to provide advice and support for policies and investments that serve an increased number of at-risk children.

**Karen Grimm-Thomas**, Early Childhood Education strategy adviser with the Creative Child Care Solutions program of the Pennsylvania Key that helps employers identify and address the child-care needs of their employees and invest in local early learning systems as a means to attract and retain staff and create positive work environments.

**Rina Irwin**, chief executive of Child Development Centers, Inc., the largest provider to nearly 2,000 children in our region. CDC's growth is tied in part to assuming responsibility for federal and state Head Start programs in Erie, Crawford, and Venango counties.

**Michelle Harkins**, executive director of Early Connections, Inc., a leading organization in our region for early care and education from birth through school age, providing direct service as well as training and planning leadership. Early Connections leads apprenticeship programs for 18 counties.

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Tina Mengine, Erie County Redevelopment Authority

Brian Polito and Karin Ryan, Erie's Public Schools

Jacob Rosch, Reinvestment Fund

Alyssa Sanova, Erie Family Center

# Appendix

## Model City Initiatives to Increase Access to Quality Child Care

Location: [Wilkes Barre, PA](#) South Main Street Early Learning Academy/Building Blocks Learning Center Learning Center

Date: 2023

Intervention: Used state funds to help build a child-care center in downtown.

Mechanism: PA Neighborhood Assistance Program – Enterprise Tax Credit. NAP-EZP is an incentive program that provides tax credits to businesses or private companies investing in rehabilitating, expanding, or improving buildings or land located within designated enterprise zones.

Outcome: D&D Realty received a \$500,000 state tax credit to provide the first-floor 11,000 Square Feet-plus space for Building Blocks Early Learning Center. “[The Neighborhood Assistance Program EZ Tax Credit bolstered our budget](#) to construct the facility for Building Blocks Early Learning Center. The importance of quality daycare in the post-pandemic environment is greater than ever, as companies look to attract remote workers back to the office, which in turn supports local street level business.”

Remedy: Building renovation (former Murray-Smith Furniture Company) in the city center providing loft apartments and creating a child-care center. The child-care center will aid individuals with children seeking employment to obtain reliable child care. This will provide parents/guardians with necessary support services, assist local businesses by enabling employees to work, reuse an under-utilized building, establish a new business that will create 25 new jobs, from teachers to management, and [enroll 125 children ages 6 weeks to 4 years old](#). Building Blocks Learning Center and their teachers will benefit from [Wilkes degrees and professional development programs](#), particular the T.E.A.C.H. program designed to be “a fully online and affordable pathway to a bachelor’s degree for those working in early childhood or day care centers.”

Administrator: Diamond City Partnership, Building Blocks Learning Center in collaboration with Wilkes University and D&D Realty Group.

Location: [St. Louis, MO](#) "Proposition R"

Date: 2020 tax referendum

Intervention: Dedicated local funding prioritizing families with the highest need.

Mechanism: City Property Tax Referendum adding 6 cents per \$100 of property valuation

Outcome: \$2.3 million annually projected

Remedy: Fund grants to licensed early childhood education providers that serve low-income children in St. Louis, including home-based care, community centers, private programs, and public programs. Rather than directly subsidizing care, grants may be used for a variety of services, including but not limited to technical assistance, recruitment, outreach, quality improvement consultation, professional development, data collection and evaluation, and child health and development screenings.

Administrator: St. Louis Mental Health Board

Location: [City of Philadelphia](#) "Philadelphia Beverage Tax"

Date: 2016

Intervention: Dedicated local funding

Mechanism: 1.5-cents per ounce sales tax on sugar sweetened beverages

Outcome: \$79 million in the first year

Remedy: Use of some of the funds for Philadelphia Pre-K (PHLpreK). 33 child-care providers have moved from “growth” status to quality status, per Keystone STARS rating. This moved over 2,200 PHLpreK seats (City-funded as well as private pay and federal or state-funded) to quality in its first year.

Administrator: City

Location: [Portland, OR](#) "Portland Children’s Levy"

Date: 2002 & 2018

Intervention: Dedicated local funding prioritizing vulnerable children.

Mechanism: City property tax referendum

Outcome: \$17.8 million annually

Remedy: Funds will help reach thousands of children and families through 74 programs.

Administrator: City

Location: [Cincinnati, OH](#) "Preschool Promise"

Date: 2016 & 2020

Intervention: Dedicated local funding provides tuition assistance for low-income children, improves quality ratings for preschool centers and recruits, retains, and offers wage parity for early childhood educators.

Mechanism: City property tax referendum of \$734 per \$100,000 of assessed property value

Outcome: \$48 million each year

Remedy: \$15 million is earmarked to expand quality preschool. The remaining \$33 million each year goes to Cincinnati Public Schools to support K-12 learning programs.

Administrator: United Way of Greater Cincinnati

Location: [Wayzata \(and eight suburban communities\) MN](#) "Caring for Kids Initiative"

Date: 2006

Intervention: Public/private collaborative scholarship program for families with limited income that ensures access to quality early education opportunities for children prior to kindergarten.

Mechanism: Funds provided by a combination of: MN Early Learning Foundation, Wayzata Public Schools, Hennepin County, and local business leaders.

Outcome: \$924,000

Remedy: The Initiative partners with 12 high quality early learning centers to provide scholarships to 180 children from birth through age five (one-third) in families with limited income. It also serves 219 parents with parent education and family supports focused on family stability (case management, parent education and support, mental health support, and basic needs assistance).

Administrator: Interfaith Outreach & Community Partners (human service nonprofit)

Location: [Petal, MS](#) "Excel By Five"

Date: 2006

Intervention: Public/private partnership to centralize and coordinate early learning and well-being for children and their families.

Mechanism: Funding from: portion of local property tax revenues, Petal School District, County Board of Supervisors, and a local education foundation and private grants.

Outcome: By working to achieve the Excel by 5 designation, a plan was developed, partnerships were formed and efforts to meet the needs of young families were better coordinated.

Remedy: Petal became the first community in Mississippi to achieve Excel by five certification (a community-based designation that sets a framework to improve child well-being by age five.) In addition to funding, the city reorganized its infrastructure to better serve children and families. The School District relocated its Center for Families and Children to a larger facility, which allowed it to create a one-stop gateway to community programs such as Head Start, Early Head Start, Child Care Resource and Referral and an Early Intervention Specialist.

Administrator: Petal School District

Location: [San Antonio, TX](#) "Pre-K 4 SA"  
Date: 2012 & 2020  
Intervention: Dedicated local funding for Pre-K 4 SA, a voluntary, full-day pre-k program for four-year-old children from low and middle-income families.  
Mechanism: Public referendum to increase the local sales tax by one-eighth of a cent  
Outcome: Upwards of \$39 million annually. The sales tax funds approximately 80 percent of the program, while state and federal resources fund 20 percent.  
Remedy: Pre-K 4 SA has four Education Centers located throughout the city. Pre-K 4 SA begins a competitive grants program, providing more than \$4.2 million per year to public, private, and parochial schools as well as licensed child-care facilities to expand access to or enhance quality of child education programs. Invests in high-quality teachers by paying above-market wage, requiring lead teachers to hold a formal degree in early childhood education, and providing three weeks of professional learning annually.  
Administrator: Pre-K 4 SA is a comprehensive early childhood initiative aimed at changing the educational and workforce trajectory of San Antonio in one generation.

Location: [Seattle, WA](#) Preschool Program  
Date: 2014  
Intervention: Dedicated local fund for city preschool program  
Mechanism: City property tax referendum to allow for 11 cents per \$1,000 in assessed value  
Outcome: About \$14.5 million per year for four years for a total of \$58.2 million  
Remedy: Fund the operation of the voluntary Seattle Preschool Program. Tuition is free for families earning less than 300 percent of the federal poverty level, with a sliding fee scale for families earning more than 300 percent of the poverty level. Teachers receive on-site curriculum support and on-site training based on need, including best practices in inclusion, bilingual education, cultural competence and classroom management.  
Administrator: Partnership between City of Seattle and Seattle School District

Location: [Aspen, CO](#) "Kids First program"  
Date: 1990, 1999, and 2008. Revenue generated is set-aside in a separate fund through 2038.  
Intervention: Dedicated local funding  
Mechanism: Local sales tax referendum increase of .45 percent dedicated to "providing affordable housing and day care" within Aspen and Pitkin County.  
Outcome: Slightly more than half of the tax (over \$1 million per year) is allocated to Kids First.  
Remedy: Funds are used for a wide range of purposes from child care subsidy to professional development for child care providers. For child care subsidies, the Kids First program assists families with income up to 500 percent of the federal poverty level, thereby assisting families who do not qualify for a state subsidy. The Kids First program also offers grants to child care providers for quality improvements, professional development, infant and toddler operational support and start-

up costs, as well as bus passes for employees, training and technical assistance, substitute staff, quality improvement coaches, grant writing and resource development assistance.

Administrator: City of Aspen

Location: [Jacksonville, FL](#) "Kids Hope Alliance"

Date: 2020

Intervention: The Kids Hope Alliance provides \$1,200 in additional funding per child care center and \$600 per family home center.

Mechanism: KHA acts as a funder on behalf of the City of Jacksonville to create and establish access to programs, services and activities for children and youth

Outcome: KHA invests millions annually in children's and youth programs and services in Duval County, simultaneously managing their implementation and monitoring their outcomes.

Remedy: Through the funding of third-party providers and strategic partnerships with local non-profit organizations, KHA is making an impact on the local early learning and child care communities through the professional development of classroom teachers, increasing access for at-home children to early learning programs, and raising the quality of those programs.

Administrator: Kids Hope Alliance (KHA) is a funding agent for the City of Jacksonville

To help centers get accredited, the city uses funding from grants and partnerships to invest in these small businesses upfront because they believe the benefits it provides the community are invaluable. "We want to have the highest number of accredited centers in the state. So that we're drawing down the most state and federal money that we possibly can make sure all our programs are of high quality ...," Grass explains. "We want to make sure that if they're [parents] getting this voucher for their child it's attached to high-quality center." [Kids Hope Alliance's Chief Administrative Officer Dr. Saralyn Grass](#)

Location: [Pittsburgh, PA](#) "Child Care Quality Fund"

Date: 2021

Intervention: Dedicated municipal funding to licensed child care facilities

Mechanism: City budget allocation

Outcome: \$2 million annual fund

Remedy: Funding to facilities to implement strategic investments (not personnel compensation) to ensure that young children have access to safe and high-quality early learning and care, as well as to help improve their state Keystone STARS quality rating. Each awardee will work with a Quality Coach from the Early Learning Resource Center Region 5 in Allegheny County to make improvements to their facility and curriculum to advance their state quality rating. Eligible expenses include facility or program improvements. [Priority consideration is given to child care programs that are:](#) STAR 1 or 2 providers who have a written plan to move up to STAR 3 or 4; STAR 3 or 4 providers serving at least 50% of children whose families receive child care subsidy through Child Care Works, Early Head Start, Head Start, and/or free CACFP meal status; at risk of losing certification due to facility deficiencies; offer child care during non-traditional hours (evenings and weekends); and operating in areas of the City with a low number of high-quality providers.

Administrator: Applications for the program are managed by Trying Together. The CCQF was developed in partnership between the Mayor's Office of Equity, Pittsburgh City Council Women's Caucus, Early Learning Resource Center Region 5, Allegheny County and Trying Together.



Location: [Pittsburgh, PA](#) "Duolingo Early Learners First"  
Date: 2023  
Intervention: Business sector creation of dedicated funding to narrow the opportunity gap children from underserved areas face in early childhood education.  
Mechanism: Corporate multi-year donation commitment  
Outcome: \$1 million per year donation  
Remedy: Partner with local child care providers to stabilize their operations with the goal of fully funding more high-quality child care seats for local families. Phase one of funding will help nine area child care providers (up to \$80,000 each) to increase their program capacity, facility improvements, staffing and support for families. In addition to the grants, selected providers will also receive business coaching assistance from community-based partner(s) to help stabilize their business. In subsequent years, early learning programs will receive a grant allocated towards tuition-free seats for qualified families.  
Administrator: The Early Excellence Project, Candor & Co Consulting, and Trying Together

“Our headquarters reside in East Liberty, which is also the epicenter of some of the highest-need communities in the city. With this new program, we plan to invest in local child care programs to help them motivate and retain staff, and adopt sustainable business practices.”  
[Kendra Ross, Duolingo’s head of social impact](#)

Location: [Columbus, OH](#) "Hilltop Early Learning Center"  
Date: 2022  
Intervention: City budget allocation  
Mechanism: City budget expenditure to build and operate a new child care center  
Outcome: \$3.47 million expenditure, including \$3.12 million to operate the facility for the duration of the 2023/2024 school year  
Remedy: Address a child care desert by funding and contracting a new center hosting 240 spots for children before they enter kindergarten. The facility will take a “whole child” and “whole family” approach by focusing on nutrition and healthcare and creating safe places to play inside and outside. Nationwide Children’s Hospital will have a presence in the building.  
Administrator: Columbus Early Learning Center

Location: [Burlington, VT](#) "Early Learning Initiative - Capacity Grant Program"  
Date: 2018  
Intervention: Dedicated funding to build capacity to serve more infants and toddlers.  
Mechanism: Layering of Burlington funds on top of the state-funded child care assistance.  
[The Early Learning Initiative](#) was founded in 2017 by the City of Burlington to help all Burlingtonians access high-quality, affordable child care for our youngest residents (0-3 years old). We achieve this by (1) directly supporting families in need through the [First Steps Scholarship](#), and (2) [supporting child care centers](#) in their growth and team training.  
Outcome: From 2018 to 2022, the grant program awarded \$785,000 to help create three new child care centers, support construction and capital improvements, and stabilize 166 enrolled spots at high-quality child care centers. Since 2019, \$1.95 million in state funding and \$1 million of local dollars paid into the community for the first 5 years of First Steps Scholarship.  
Remedy: Grants fund projects that increase the availability of high-quality infant and toddler child care slots for children from birth to three years old from Burlington families of all income levels by providing grants to child-care providers for construction and capital improvements to public or commercial buildings. Also, scholarships paid to families to subsidize the cost of care. Must be a Burlington resident; at least 8 weeks old at the time of enrollment and younger than 3 years;

looking for full-time care; be either currently enrolled at a First Steps approved partner program and eligible for the state assistance or be willing to apply for it if newly entering child care; family household income must be at or below 80% of the Area Median Income.

Administrator: The Early Learning Initiative

Location: [Madison, SD](#) “Child care is infrastructure”

Date: 2023

Intervention: Unique use of tax increment financing for child-care infrastructure

Mechanism: City use of tax increment financing (TIF) with four businesses to build a child-care center. TIF districts provide upfront financing for public improvements and then capture the new and higher property taxes generated by a development project to pay off the financing.

Outcome: The TIF will provide about \$1.7 million for constructing the building, conservatively, but could generate up to \$3 million. The rest of the money will be raised in a capital campaign.

Remedy: The 14,000 square foot, state-licensed facility will accommodate up to 140 children. The building, which will cost around \$4 million, will be owned by the Lake Area Improvement Corporation.

Administrator: Sioux Falls-based child care nonprofit Embe will operate the center

TIF districts provide upfront financing for public improvements and then capture the new and higher property taxes generated by a development project to pay off the financing. The public improvements are usually infrastructure such as roads, sidewalks, sewer and water lines.

But the new TIF will pay for the construction of a child-care center. It’s the first time a community in South Dakota has used TIF money for that purpose.”

[Brooke Rollag, economic development director, Lake Area Improvement Corporation in Madison](#)

Location: [New Orleans, "City Seats"](#)

Date: 2022

Intervention: Dedicated funding to support new infant and toddler care child care seats

Mechanism: Ballot referendum enacted a 20-year millage increase of \$5 per \$1,000 of assessed property value

Outcome: \$21 million annually

Remedy: 90% of millage revenue flows through Agenda for Children to provide seat scholarships to child-care centers, child-care ecosystem capacity building (first five years only), and wraparound services to support children and families. City Seats provides scholarships of \$12,000/seat per year per child. Scholarships are paid directly to the early learning program providing services on a monthly basis. This funding rate was established in 2017 for municipal seats using Head Start comparisons for similar services and scale. Scholarship seats are contracted to providers that meet or exceed established quality ratings, participate in professional development, and allow for ongoing monitoring. City Seats will serve as many as 2,000 children this school year. Funds are available for capacity building in the early care ecosystem for the first five years of the City Seats millage, and will be used to support facilities upgrades/expansion, new center construction, and quality improvement efforts. The Facilities Fund will offer a mix of competitive small and large grants to support both expansion and new center construction. City Seats provides a set of wraparound supports valued at ~\$3,000 per child to help ensure that the child, the child’s family, and the program will be successful.

Wraparound supports include infant and early childhood mental health consultation, teacher professional development, hearing, vision, and developmental screenings, and 1:1 coaching to classroom educators to support quality child-teacher interactions in each classroom.

Administrator: New Orleans Early Education Network with enrollment managed by NOLA Public Schools.

Location: [Salt Lake City, Granite School District - Utah High Quality Preschool Program](#)

Date: 2013

Intervention: Delivery of high impact and targeted curriculum to increase school readiness and academic performance among preschoolers. The program is a locally designed, structured preschool model that lasts 1 or 2 years. As a result of entering kindergarten better prepared, it is expected that fewer children will use special education and remedial services in kindergarten through 12th grade which results in cost savings for school districts, the State of Utah and other government entities.

Mechanism: Social Impact Bond, an innovative financing approach that leverages private investment to support high impact social programs.

Outcome: Project expands Granite School District's high-quality preschool model to 3,500 students in Salt Lake City. Special education avoidance is the single outcome metric.

Remedy: Outcome metrics - Decrease in use of special education between grades K-6. Full year that student avoided using special education in primary school. Administrative data provided by schools.

- Decrease in use of special education between 6th and 12th grades. Full year that student avoided using special education in secondary school. Administrative data provided by schools.

Administrator: Private capital from J.B. Pritzker and Goldman Sachs will finance an expansion of the Utah High Quality Preschool Program to provide early education services to up to five cohorts totaling over 3,500 children. In this approach, there is no upfront cost to the taxpayer or other funders, instead:

- Goldman Sachs loans up to \$4.6 million to United Way of Salt Lake.
- J.B. Pritzker provides a subordinate loan up to \$2.4mm to United Way of Salt Lake, reducing risk to the senior lender if the preschool program proves to be ineffective.
- United Way of Salt Lake oversees the implementation of the project and is also responsible for managing repayments to the private investors. Voices for Utah Children provides research and analytic support, and Granite School District supports the training and professional development to ensure quality implementation and model fidelity across providers.
- Granite School District and Park City School District provide the preschool program to low-income 3- and 4-year-olds.
- Private capital and other public funding sources provide Pay-for-Success payments to repay the loans, based on the cost-savings associated with the reduced use of special education and ancillary services.
- If the preschool program does not result in increased school readiness and decreased use of special education services, then there is no obligation on the part of United Way or other public funding sources to repay the loan.
- After initial funding, subsequent investments will be made based on the availability of repayment funds from public entities that are realizing cost savings as a result of the program.

Location: [Chicago Pay for Success/Social Impact Bond Program](#)

Date: 2014

Intervention: Public-private partnership

Mechanism: Social Impact Bond

**Outcome:** The bond program provides nearly \$17 million in up-front capital to increase the number of Child-Parent Center (CPC) preschool sites in the city and open 2,618 new student slots for at-risk children and their families, over four years, to benefit from the Child-Parent Center’s high-quality early childhood education services and enhanced parent engagement resources. The program has also enabled scaling of the CPC model to new communities and student populations, including bilingual children.

**Remedy:** Goldman Sachs, the J.B. and M.K. Pritzker Family Foundation, and Northern Trust invested \$17 million. The Pritzker Family Foundation used a program-related investment. The maximum potential success payment is about \$34 million, though the expected payment is about \$25 million. An initial success payment has been made.

**Administrator:** A partnership between the City of Chicago, Metropolitan Family Services, CPS and IFF as the project coordinator and intermediary, with financing from the Goldman Sachs Social Impact Fund, Northern Trust and the J.B. and M.K. Pritzker Family Foundation.

**Location:** Anchorage, Alaska “[Care for Kids](#)”

**Date:** 2023

**Intervention:** Dedicated local tax

**Mechanism:** Voter approved referendum. The 5% sales tax on marijuana purchases has existed, but the funds will now be used for the benefit of young children and their families rather than going into the city’s general fund.

**Outcome:** \$5-\$6 million per year in funds for child care and early education.

**Remedy:** The specific ways in which the funds from Proposition 14 will be used to benefit young children will be decided in 2024, but advocates hope to use the funds to make child care and early education more accessible and less expensive for parents while taking steps to improve the wages and benefits of providers.

**Administrator:** City of Anchorage

While county-level innovations were not reviewed for this report, one in Pennsylvania in particular stands out for inspiration:

**Location:** York County, PA [Early Childhood Educator Awards](#)

**Date:** 2022

**Intervention:** A public/private initiative funded by grants from local private foundations, YCCF, individuals, and the County of York.

**Mechanism:** For three decades, the business and civic communities of York County have partnered to make quality early childhood education a priority for building York’s current and future workforce. In 2022, they launched the York County Early Childhood Educator Awards to promote the retention of qualified teachers through financial awards.

**Outcome:** In its first year, the [Early Childhood Educator Awards program](#) distributed \$459,000 to 63 Childcare Centers, reaching 311 educators throughout 22 zip codes in York County

**Remedy:** The York County Early Childhood Educator Awards put money directly in the pockets of teachers, showing sincere appreciation for their commitment to quality early childhood care and learning for children, families, and the York community.

**Administrator:** York County members of the Pennsylvania Early Learning Investment Commission (ELIC), York County Community Foundation (YCCF), Child Care Consultants, ELRC Regions 9 and 10, and York County Commissioners

In addition to these the funding innovations reviewed above, a number of cities are working to remove zoning and permitting barriers to expedite expansion of or building new child-care facilities. The Bloomberg article, [How to Fix Crumbling Child Care Infrastructure](#) reports the following examples:

- In New York City, [a recent action plan](#) for reviving downtown Manhattan envisions child care in emptied offices and retail spaces to help lure workers back downtown; housing developments with onsite child care could support hybrid work. To that end, the city has new tax abatements for property owners and a tax credit for employers who build child care. The report, released by the city's Mayor Eric Adams along with Governor Kathy Hochul, also envisions revamped safety codes to allow child care in underused basements and higher floors of office buildings.
- A number of municipalities are taking stock of public land and property such as schools, libraries, and even a convention center to see which could house free- or low-rent early education classrooms run by private providers.
- Other cities are encouraging developers to include child care in their construction plans. [San Francisco](#) has long been a leader in this. For years, the city has allowed developers who include child care in new structures to build higher or denser than normally permitted. Those who do not must pay into a city fund earmarked for child-care facilities.
- San Carlos, California, [followed San Francisco's tactics](#), voting to charge nonresidential developers who do not build child care an impact fee to help pay for space elsewhere.
- In Denver, officials required proposals for an affordable housing complex built on [the site of a defunct strip club](#) to include child care. The Rose on Colfax will have an expansive early education center on its ground floor with an outdoor play area when it opens later this year.
- Seattle's city council, meanwhile, [revamped its land use laws](#) to allow child-care facilities in all commercial and residential zones, including those slated for single-family development, where land is generally cheaper. This kind of reform makes it far easier for both providers and developers to create space for child care, experts say, [with one report suggesting](#) it can save developers months of uncertainty along with hundreds of thousands of dollars.
- [Pittsburgh City Council](#) makes it easier for child care businesses to operate via a measure to allow businesses that care for up to six children to operate in residential neighborhoods without getting a special exemption. The measure also eliminates a requirement that such businesses maintain off-street parking.

## Appendix 2

### Various Types of Providers

There are multiple types of childcare options for families:

- A child-care center provides care to children in an institutional-type center similar to a school. Centers range in size from a small center caring for 25-30 children to large centers that provide care to hundreds of children. Child-care centers are licensed by the PA Department of Human Services and have multiple regulations that must be adhered to in order to obtain and maintain the license. An annual inspection by the Department of Human Services (DHS) occurs. Child care center operators are eligible to receive reimbursements for care that they provide to children participating in Pennsylvania’s child care subsidy program for low-income workers, Child Care Works (CCW).
- A group home is a “home” that is licensed by the Commonwealth to care for up to 12 children and undergoes annual licensing inspections. Group home operators are eligible to receive reimbursements for care that they provide to children who are eligible for Pennsylvania’s child care subsidy program for low-income workers, Child Care Works (CCW).
- A family child-care “home” is a home that can provide care for up to 6 children unrelated to the owner and undergoes annual licensing inspections. Family child care home operators are eligible to receive reimbursements for care that they provide to children who are eligible for Pennsylvania’s child care subsidy program for low-income workers, Child Care Works (CCW).
- Licensed exempt care or legally unregulated individual providers are caregivers that provide care for no more than 3 children in a home and does not need a license by DHS.
- Relative Providers provide legally unregulated care for three or fewer related children who do not live in the same household (grandparents are permitted to care for up to six grandchildren). Relative Providers who complete CareCheck are eligible to receive reimbursements for care that they provide to children who are eligible for Pennsylvania’s child care subsidy program for low-income workers, Child Care Works (CCW).

### Pennsylvania Organizations

[Office of Child Development and Early Learning](#) (OCDEL)

[Early Learning Resource Centers](#) (ELRCs)

[The Pennsylvania Key](#)

[Pennsylvania Early Learning Investment Commission](#)

[Pennsylvania Head Start Association](#)

[Children First PA](#)

[Early Learning PA](#)

[Start Strong PA](#)

[Pre-K for PA](#)

[Childhood Begins at Home](#)

[Thriving PA](#)

[First Up](#)

[Pennsylvania Child Care Association \(PACCA\)](#)

[PENNAEYC](#)

[Pennsylvania Partnerships for Children](#)

[Erie's Future Fund](#)

## Early Learning Resource Center – Region 1

### Infant and Toddler Child Care Survey

This survey will assess the challenges of providing care to Infants and Toddlers in the City of Erie.

Top of Form

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Dear Child Care Provider,

Please take some time to help us help you by responding to this brief survey. ELRC Region 1 has partnered with the Erie-based Jefferson Educational Society on a project to identify ways to increase access to affordable, quality care for children ages birth up to three years who live in the city of Erie. We are seeking to understand gaps in demand, supply, and access. **The following questions are requesting information regarding children under the age of 3 (birth to 35 months).** Your response by *February 26, 2024* will be instrumental to helping with this task. If you prefer to provide your response over the phone, please email [region1cares@nwirelrc.org](mailto:region1cares@nwirelrc.org) to arrange a phone interview. Your name and responses will be confidential and any information we deem to be sensitive will not be publicly released.

**1. Please select the option that best describes your program history related to providing care for children under the age of three. \***

- We currently provide care for Infants and Toddlers.
- We are currently not providing care to Infants and Toddlers but we have in the past.
- We have never provided care for Infants and Toddlers.

**2. Currently, how many children under the age of three years are enrolled? \***

**3. What is your estimated average enrollment for children under the age of three years? \***

**4. Approximately, how many more children under the age of three years could you serve if you had all resources needed to do so in your present location? \***

**5. If you serve children under the age of three years, do you provide non-traditional hour care? (Evening after 6pm, Overnight, Weekend)**

**Please check all that apply.**

\*

- N/A Do not serve children under the age of three.
- Evening Care
- Overnight Care



- Weekend Care

**6. If non-traditional hours are not provided, what is preventing you from offering one or more of these options for children under the age of three years?**

**7. Approximately how many children are enrolled during non-traditional hours? ( Combination of evening, overnight or weekend enrollments).**

**8. Do you maintain a waiting list for children under the age of three years?**

\*

- Yes
- No

**9. If there is no list, why not?**

**10. If there is a wait list, what is the approximate number of children under 3 on the waiting list.**

**11. Approximately, how long is the average wait time?**

\*

- Under 1 month
- 2-3 months
- 2-6 months
- Over 6 months
- Over 9 months
- Over 12 months
- Over 18 months
- We do not maintain a waiting list.

**12. What is the percentage of Black families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**13. What is the percentage of Indigenous families under 3 years in care? (American Indian or Alaska Native)**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**14. What is the percentage of Hispanic families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**15. What is the percentage of White families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**16. What is the percentage of Asian families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**17. What is the percentage of Native Hawaiian and Other Pacific Islander families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**18. What is the percentage of Other families under 3 years in care?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%

- 91-100%

**19. What percentage of children under three years are supported by Child Care Works (CCW)? (ELRC funded children)**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**20. What percentage of children under three years are funded privately? (Family pays the full cost of care)**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

**21. What percentage of children under three years are "other" funding sources?**

\*

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%

- 71-80%
- 81-90%
- 91-100%

**22. Does your average weekly rate for infants (Birth - 12 months) cover your expenses? \***

- Yes
- No
- Maybe

**23. Does your average weekly rate for toddlers (13 months to 35 months) cover your expenses? \***

- Yes
- No
- Maybe

**24. What would be the true annual cost per child for an infant (Birth - 12 months)? (Ideal: Children have access to healthy environments and developmentally appropriate activities and staff are afforded comparable wages & benefits to other educational entities) \***

- \$8,000 - \$12,000 per year
- \$13,000-\$16,000 per year
- \$17,000-\$21,000 per year
- \$22,000 - \$25,000 per year
- \$26,000 - \$30,000 per year

**25. What would be the true annual cost per child for toddlers (13 months to 35 months)? (Ideal: Children have access to healthy environments and developmentally appropriate activities and staff are afforded comparable wages & benefits to other educational entities) \***

- \$8,000 - \$12,000 per year
- \$13,000-\$16,000 per year
- \$17,000-\$21,000 per year
- \$22,000 - \$25,000 per year
- \$26,000 - \$30,000 per year

**26. With regard to being able to serve infants (Birth - 12 months), how many staff vacancies do you presently have?**

\*

**27. With regard to being able to serve toddlers (13 months to 35 months), how many staff vacancies do you presently have?**

\*

**28. How many additional infants (Birth - 12 months) could you serve if staff were available?**

\*

**29. How many additional toddlers (13 months to 35 months) could you serve if staff were available?**

\*

**30. What are your greatest challenges to being able to provide care to children under three?**

\*

**31. What would be most helpful to sustain or increase your ability to provide care to children under three?**

\*

**32. What are the top challenges to achieving or maintaining a STAR 4 quality level?**

\*

**33. What assistance do you need to elevate or maintain a STAR 4 quality level?**

\*

**34. One potential support strategy being explored is a wage enhancement for child care staff. In order to fully understand the investment that would be required, we need to understand current wages. Please share the average wage that you pay a Director or you as Owner/Operator:**

\*

**35. One potential support strategy being explored is a wage enhancement for child care staff. In order to fully understand the investment that would be required, we need to understand current wages. Please share the average wage that you pay a Group Supervisor:**

\*

**36. One potential support strategy being explored is a wage enhancement for child care staff. In order to fully understand the investment that would be required, we need to understand current wages. Please share the average wage that you pay an Assistant Group Supervisor:**

\*

**37. One potential support strategy being explored is a wage enhancement for child care staff. In order to fully understand the investment that would be required, we need to understand current wages. Please share the average wage that you pay an Aide:**

\*

**38. What else would you like us to know regarding challenges and successes in serving infants and toddlers in the city of Erie?**

## Survey - Where Best to Apply Remedies in the Child Care System

How best to increase access to quality, affordable child care for birth to 3 child care in Erie?

Note:

- All the remedies (rows) refer to child care in the city of Erie, ages 0 to 3 years.
- All the evaluation criteria (columns) refer to city of Erie circumstances per 0 to 3 years.
- This exercise does not address funding sources. That will come later.
- The list of both possible remedies and criteria could be infinitely long. Let's focus on the potentially most impactful.

Action Items:

- In each open square, please insert a score of 1 to 5. 5 being highest agreement with the evaluation statement in the column.
- Also, please add more interventions and criteria. What is missing?
- Lastly, identify the top two remedies that you deem to be most promising in consideration of all the criteria.

	a. Would lead to very high impact, i.e. more slots for 0-3 in city.	b. Probably not too expensive compared to other interventions.	c. Probably wouldn't take too long to implement once funds are secured.	d. Probably would be embraced among elected officials in the city.	e. The general city public would likely be supportive.	f. Probably would be embraced among business leaders in the city.	<i>Choose the top two remedies per factoring all the criteria.</i>
1. Provide subsidy to pay teachers more akin to school age. <i>Money goes to teachers themselves.</i>							
2. Provide subsidy to pay teachers more akin to school age. <i>Money goes to the providers.</i>							
3. Pay providers to offer more 2 <sup>nd</sup> /3 <sup>rd</sup> shifts slots.							
4. Subsidize construction of new centers.							
	a. Would lead to very high impact, i.e. more slots for 0-3 in city.	b. Probably not too expensive compared to other interventions.	c. Probably wouldn't take too long to implement once funds are secured.	d. Probably would be embraced among elected officials in the city.	e. The general city public would likely be supportive	f. Probably would be embraced among business leaders in the city.	<i>Choose the top two remedies per factoring all the criteria.</i>
5. Subsidize operations work to get to and maintain STAR 4.							
6. Subsidize physical renovations of existing centers to achieve higher STARS ratings.							
7. Provide business training to center owners/operators.							
8. Provide more subsidy to families.							
9. Provide more subsidy to providers.							
10. Subsidize families that make more than the CCW max. to qualify.							
11. Provide low cost liability insurance to providers.							



## About the Author

Court Gould is the facilitator for the Jefferson Educational Society's Erie Early Childcare Investment Policy Initiative.

A featured JES contributor who lives in Erie, Gould served 20 years as founding executive director of Sustainable Pittsburgh. He established the organization as a leader in accelerating the policy and practice of sustainable development by borrowing from cities around the world regarding local strategies for Smart Growth, Regional Equitable Development, DEI, Transportation for Livable Communities, Energy Visioning and Strategy, Outdoor Recreation, Sustainable Community Development, Blight and Abandonment, Sustainable Business Strategies, and more.

After three years with the Erie Community Foundation as vice president of Community Impact, Gould is now a sustainable solutions consultant and certified professional coach. His education includes an MPA from the University of Southern California, and a BA in Political Science from Tufts University. He attended the Stanford Graduate School of Business Executive Program for Nonprofit Leaders and earned Professional Coach Certification from Duquesne University. Among past leadership roles, he served as chairman of the Bayer Center for Nonprofit Management, Pittsburgh Nonprofit Partnership, and Local Government Academy.



## **About the Early Childcare Investment Policy Initiative**

With funding generously awarded from the Erie Community Foundation, the Jefferson Educational Society deployed a team of experts to assess the city of Erie's child-care challenges and propose practical remedies through the Early Childcare Investment Policy Initiative. Over the course of some-six months, the team of professionals convened to gather data, benchmark other cities, and identify and assess the implementation-ability of a range of policy remedies.

## **About the JES**

As a nonprofit think tank, the Jefferson Educational Society of Erie was founded in 2008 to promote civic enlightenment and drive community progress for the Erie, Pennsylvania region through the study, research, and discussion of ideas and events that have influenced the human condition. The JES ensures the preservation of the past for study and examines key lessons to better build the future of our region, and through the exploration of contemporary issues facing our region and nation, the think tank serves as a platform of civil, civic dialogue and discussion, and as a vehicle for progress to enhance the civic future of the Erie region and beyond.