

State of Child Care in Coös County

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Executive Summary

The Coös County Director Network (CCDN) contracted with Management Consultant's Mollie White and Kim Votta to develop a report on the State of Child Care in Coös County, NH. The purpose of the report is to document the current and potential future state of the child care industry, specifically as it pertains to market and financial viability. This report also outlines the impact The CCDN has had on the child care industry in Coös County and discusses potential opportunities for economic sustainability of the industry overall.

The analysis of **Market Viability** focused on the characteristics of the child care industry; demographics of the target market; scope of supply and demand; impact on working families and regional economy; and the dynamics influencing the labor market.

The child care industry in Coös County consists of 46 organizations, with nearly half being for-profit businesses, providing a variety of child care services including infant and toddler care, preschool and after-school programs. Shortly after Covid-19 hit, all but two of the thirteen licensed child care centers closed with many staff helping essential worker families fill the gap by taking children into their own homes. **Today, all these centers, including four Head Start programs have reopened but are only operating at 60 - 70% of pre-pandemic enrollment levels.**

Licensed child care providers have a preferred enrollment capacity of 525 children as opposed to a 636 licensed capacity. **Infant and toddler care is scarce with only 9% of infants and 14% of toddlers able to access early care and education, far below the national average of 20%.** The county does not have any early Head Start programs which are specifically designed for infant and toddler age groups.

Conversely, **66% of 3 to 5-year-olds attend preschool programs**, higher than both the state and national averages at 55% and 48% respectively. The preschool market also faces increased competition as public schools consider expanding their programs and lawmakers propose universal preschool initiatives. However, this also **presents an opportunity for community partnerships between public schools and child care centers.** The competitiveness of the preschool age market varies by region but overall is quite competitive which is troubling as this age group is the main profit generator for most centers.

This regional chart shows the number of children with all caregivers in the workforce who are unable to access preschool and the number of additional classes and teachers that would be needed to meet 100% of working families’

Coös County	Preschool Need		
	Children	Classes	Teachers
SAU 20 – Gorham area	0	0	0
SAU 36 – Lancaster area	36	1.5	3.5
SAU 58 – Groveton area	26	1	2.5
SAU 7 – Colebrook area	0	0	0
SAU 3 - Berlin	22	1	2
TOTAL NEED	74	3.5	8

need for high-quality preschool programs in Coös County.

75% of Coös families have all caregivers in the workforce. This means roughly 500 working families need some form of child care for their 985 children. Thus, the primary target market is working families with children under age 6. Most of these families have two children under age 6. The child care industry in Coös County is only filling 18% of the target market’s need for toddler care and 12% for infant care. These figures vary greatly between regions within the county. The following chart shows the estimated number of children who are currently unable to access infant and toddler care and the number of additional classes and teachers that would be needed to be able to say there is a suitable supply of high-quality infant and toddler child care in Coös County.

Toddler care followed by infant care in Berlin is the highest area of need.

Coös County	INFANT NEED			TODDLER NEED		
	Children	Classes	Teachers	Children	Classes	Teachers
SAU 20 – Gorham area	14	1	3.5	32	2	6
SAU 36 – Lancaster area	46	4	11.5	74	4.5	13
SAU 58 – Groveton area	17	1.5	4	29	2	5
SAU 7 – Colebrook area	5	1	1	17	1	3
SAU 3 - Berlin	58	5	14.5	122	7	22
TOTAL	140	12.5	34.5	274	16.5	49

Two main challenges child care businesses face is balancing regulatory requirements with financial profitability and a critical workforce shortage. For working parents, cost and lack of availability are the most often cited reasons for why their child is not in organized child care.

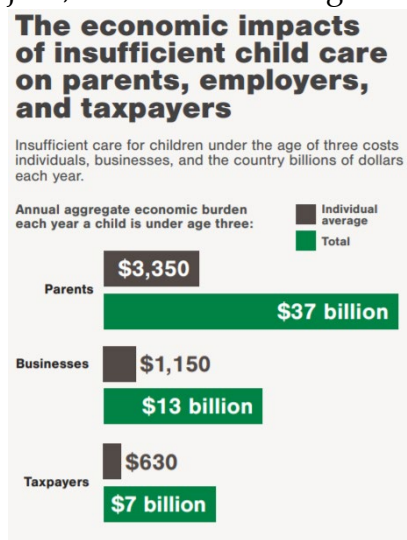
Coös County is the 2nd least affordable county for infant care in the state. Married couples with children pay 14% of their income and single parents pay 40% of their income for full-time child care, based on median incomes for this group. The recommended income percentage for child care is 7% meaning Coös families with one child in infant care would need to earn \$150,000 annually. This is far above the median

household income for Coös families at \$45,200.¹ Furthermore, it is particularly concerning that 53% of families receiving food stamps are single mother households with 160 having children under age of 6. The median income of food stamp recipients in the Coös County is \$16,500.² All of Coös County’s licensed child care centers accept child care scholarships, a federally funded program which helps low-income families. 40% of children enrolled in licensed centers were receiving scholarships. **Given the county’s median income and scholarship income guidelines, it is likely that between 8% and 12% more families could be taking advantage of this program.**

Lack of availability was also noted as a challenge through employee surveys. Further exploration on the feasibility of providing non-standard hours and flexible scheduling models to better meet the needs of hospital workers, at-home workers and those who work in hospitality businesses is needed.

Child care decisions can have a substantial impact on family finances as well as the local workforce. This is especially true for women as the primary child care decision-makers. Prior to the pandemic, in Coös County, 78% of women with children under the age of 6 were in the workforce. This figure varies by region from nearly 100% in SAU 20 (Gorham area) region to a low of 67% in SAU 7 (Colebrook area) region. The pandemic has had a disproportionate negative impact on working women. Between February and November 2020, women’s labor force participation decreased by 1.7%, twice that of men at 0.7%. And in December all the jobs lost were women’s jobs, while men saw a gain in jobs.³ Career advancement is also negatively impacted as women choose to reduce hours, forego education, or turn down promotions.

Lack of affordable and available high-quality child care negatively impacts Coös businesses and taxpayers as well. A recent study produced by Ready Nation reports the annual economic cost to employees, employers and the community is \$57 billion in lost earnings, productivity, and revenue for each year a child is under the age of three.⁴



¹ [Statisticalatlas.com](https://www.statisticalatlas.com) – Household Income

² [Statisticalatlas.com](https://www.statisticalatlas.com) – Household Food Stamps

³ [National Women’s Law Center](https://www.ready-nation.org) calculations based on BLS, December 2020 Employment Situation Summary, Establishment Data Table B-1 and BLS, December 2020 Employment Situation Summary, Establishment Data Table B-5: Employment of women on nonfarm payrolls by industry sector, seasonally adjusted, available at <https://www.bls.gov/news.release/empst.t21.htm>.

⁴ [StrongNation.org](https://www.strongnation.org). *Want to Grow the Economy? Fix the Child Care Crisis.* (Ready Nation:2019)



This means Coös’ regional economy losses of over \$3.5 million annually or \$10.5 million for the three-year period it takes children to reach preschool age.

Given that most working families have two children under age 6, the financial loss is longer and greater at a total of \$20,000 over a 6-year period. **When child care expenses are factored in the economic impact for families reaches over \$100,000 during their children’s early years.** A heavy burden for any family, but for the 164 women head of households with children under the age of 6, it is a driving force for family poverty.

Economic Impact for Coös County	Annual Cost Per Child	# of Children < 3	Total Annual Cost
Parents	\$3,350	692	\$2,318,200
Business	\$1,150	692	\$795,800
Taxpayers	\$630	692	\$435,960
		Total	\$3,549,960
<i>Notes:</i>	<i># of children under age 3 based on NH Birth Rate 2018 -2020</i>		

To meet working family’s needs, Coös County should have an additional 93 early learning teachers or roughly double what we have today. Child care employers across the state and elsewhere uniformly report their biggest challenge is finding and keeping qualified workers. Contributing factors include low wages, few benefits, a stressful work environment, burnout, and the limited ability of employers to raise wages because of tight profit margins. **Finding a way to pay living wages and good benefits will be essential for Coös’ child care businesses to attract the additional qualified workers needed to for an adequate skilled child care workforce.**

To assess the **Covid-19 Financial Impact** on child care in Coös County, nine center-based programs were invited to share financial data and answer a qualitative survey to share their perspective on Covid-19 effects. Four centers contributed all requested data. The small number of respondents offers an instructive example of the impacts of Covid-19 on child care centers.

Financial analyses considered centers’ current cash position, the impact of Covid-19 financial resources on financial viability, and the sustainability of operations based on enrollment, full-time equivalent staffing, and net income generation.

Covid-19 financial resources were instrumental in seeing centers through the pandemic. Overall, centers are in a stronger cash position one year later. However, enrollment at centers has declined considerably; three out of the four centers experienced an average 32% drop in enrollment. Despite the decline in enrollment centers are making every

effort to hold on to staff. Full-time equivalent staffing levels decreased 11%, and overall wages for staff increased. This is in response to Directors' concern over retaining qualified staff and was only made possible through CARES act funding. There was a shortage of qualified teaching staff available in Coös County before the pandemic, which has continued. Directors are also doing their best to minimize stress on staff while managing the increased work brought on by the pandemic and addressing staffing challenges created by temporary Covid-19 closures. Centers cannot continue to operate at current enrollment and staffing levels. **Sustained financial support is needed until centers can achieve pre-pandemic enrollment.**

Long-term financial viability of child care centers is improbable under current operating conditions. Child care centers in Coös County have successfully made do up to now; despite workforce challenges and tight operating margins, centers have successfully served the region's families and children with quality early education. However, the workforce continues to shrink as child care wages cannot compete with other job sectors in a county where 84% of occupations pay a higher average wage. And external pressures, such as a national effort to increase the minimum wage and the push for universal preschool further threaten the profit-making ability of child care centers.

Collaborative efforts to invest in child care need to address the systemic problems plaguing the industry. There is a strong effort in the state and Coös County to change the economic model under which child care centers operate. In January 2020, the Coös County Director Network (The CCDN), Upper Valley Early Childhood Education Association (ECEA), and Coös County Coalition for Young Children and Families came together to form the Child Care Task Force (Task Force). The Task Force as a collaborative working group of early learning, economic development, and philanthropy organizations and individuals focuses on improving financial viability of child care in Coös County and increasing awareness of the industry's importance to a strong regional economy.

In conclusion, the findings in this report show there is a critical shortage of child care available to working families in Coos County, specifically toddler and infant care. The current cost of child care exceeds affordability for many working families, yet the rate is far less than the actual cost to provide the service. Universal PreK initiatives present a threat to community-based child care providers who are dependent on the profit generated by preschool services which offset the financial loss of providing services to the younger age groups. And lastly, a lack of viable workforce development programs combined with extremely low professional wages has caused a serious workforce shortage.

There is a strong effort in the state and Coös County to change the economic model under which child care centers operate. **Collaborative efforts to promote investment in solving the child care crisis must address systemic problems plaguing the industry.**

The theory of change model developed by the Task Force, *Economic Solutions for Childcare in Coös* addresses systems issues by applying proven workforce and economic development strategies. Focusing on solutions aimed at reducing center expenses, promoting private investment, increasing staff compensation, and expanding workforce education opportunities the model is well-positioned to be piloted. **Continued and expanded collaboration with all child care stakeholders, including parents, business leaders, state legislators and economic developers will be essential to achieving real change.**

Market Viability

The Market Viability section gives an overview of the child care industry at the county, state, and national level along with a detailed analysis of current and future market trends. The analysis focuses on the characteristics of the child care industry; demographics of the target market; scope of supply and demand; impact on working families and regional economy; and the dynamics influencing the labor market.

Source data includes state and regional demographics and child care market studies, as well as aggregate data available to Consultants through their work in statewide and regional child care initiatives.

THE CHILD CARE INDUSTRY

The child care industry has been steadily evolving since the second industrial revolution as mothers increasingly began working outside the home. First known as “daycare” which denoted the need for someone to care for children during the day, the term has been replaced with “child care” to better reflect the range of expertise and work that is needed to provide quality care. Thanks to breakthroughs in brain science and early childhood research, there is a growing awareness that high-quality, stable child care plays a critical role in the intellectual, social, and emotional development and wellbeing of young children. This awareness is changing the industries terminology of “child care” to a more accurate and inclusive descriptor of “early care and education”. For simplicity, we will mainly use the more commonly recognized term of “child care” which will include preschool and after-school programs.

The child care industry in New Hampshire is comprised of an eclectic mix of organized in-home and center-based; licensed and non-licensed; public and private; for-profit and nonprofit providers along with informal care providers such as relatives, neighbors, and babysitters.

New Hampshire requires organized child care providers to be licensed. The State has seven licensing classifications which are commonly grouped as center-based or family child care homes.

Center - Based

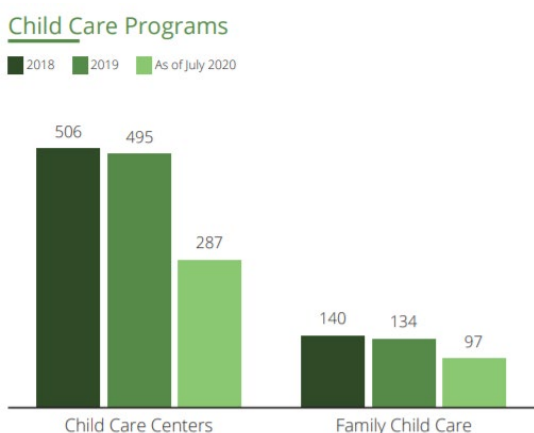
- Group Child Care Agency
- Infant/Toddler Program
- Preschool Program
- School-Age Program
- Night Care

Family Child Care

- Family Child Care Homes
- Family Group Child Care Home
- Night Care

Family child care homes are licensed providers and are different from in-home providers who are not required to be licensed and can care for up to three children in addition to their own children. It should be noted that public preschool and public after-school programs fall under the category of public education and are subject to different regulations than private providers.

The number of licensed child care programs in New Hampshire has declined by 31% since 2001. In 2019 there were 495 center-based child care programs and 134 family child care home businesses, a 3% decline from 2018.



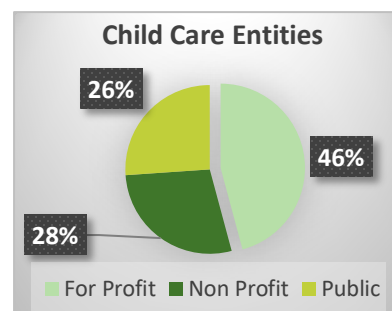
Covid-19 contributed to an even larger decline in 2020 with only 287 centers and 97 family child care homes open as of July 2020.⁵ This number increased with the start of school in September, but all reports indicate the numbers are not expected to fully rebound to pre-pandemic levels.

Covid-19 notwithstanding, the simplified reason for the decline is a market failure of the industry exemplified when the consumer (parents and caregivers) is unable to afford the *real cost* of providing the service (child

⁵ [Child Care Aware of America - 2020 State Fact Sheet New Hampshire](#)

care). The cost of providing child care services varies by age group based on regulatory requirements for teacher-to-child ratios and maximum class sizes. The high teacher-to-child ratios for infant and young toddler groups coupled with an artificially low market rate for these age groups often does not produce enough income to breakeven, let alone make a profit.

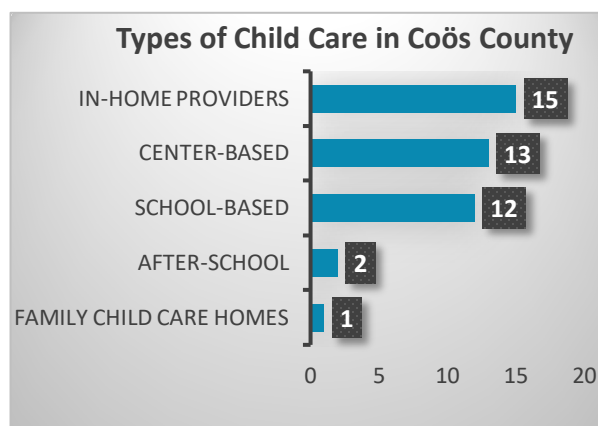
We have identified 46 businesses and organizations across Coös County currently providing a variety of child care services including infant and toddler care, preschool and after-school programs. All providers operate within the boundaries of Coös County however, it should be noted that the neighboring towns of Littleton and Bethlehem in Grafton County have several child care providers who may be providing services to children who reside in Coös County.



Twenty-one child care providers in Coös County are organized as for-profit ventures, while 13 are nonprofit and 12 are operated within public school districts. The child care industry in Coös County serves children from six-weeks up to 12 years old.

There are 13 licensed center-based child care providers, four of which are Head Start preschool age programs. All but one has achieved a high-quality status of licensed plus or accredited. Only seven accept infants while nine offer after-school care. There are no Early Head Start programs which serve infant and toddler age children. Five centers are organized as for-profit and eight are nonprofits. There is a growing trend for center-based providers to become nonprofits as it becomes more and more obvious the current child care business model is unsustainable.

An informal survey of area providers identified 15 non-licensed in-home providers and one licensed family child care home provider operating within the county. All operate as for-profit businesses. While not much is known about these providers, The CCDN recently started formulating plans on how to best work with these providers to provide support and educational opportunities.



While the number of center-based providers is roughly equal to in-home and family child care homes, the number of children that are served by these two types of providers is not. In-home providers can legally provide care for their own children plus 3 others. The family child care home provider is licensed for 9 children. Thus, the maximum number of children these providers could serve in Coös County would be in the range of 55 - 80. These providers are not considered “high-quality” as the scope of early learning and the overall environment is unknown.

Center-based licensed capacity is based on the physical size of the facility. In Coös County, the licensed capacity of all center-based programs including after-school programs is 636. It should be noted that “licensed capacity” does not necessarily correlate to “preferred capacity” which is most often based on the staffing-ratio capacity or a provider’s preferred optimum enrollment. Therefore, in this report, references to enrollment are based on provider preferred capacity limits which is 525.

Twelve school-based programs are operated within the five public school districts. All are public entities serving pre-school age students. Even though they are listed as separate pre-school programs some districts have co-located these programs within one school facility. For example, SAU 20’s preschool program takes place at Milan Village Elementary School even though there are two other elementary schools within the district.

While many child care providers offer after-school care, only two programs in Coös County are designated as after-school programs. The Berlin After-School Program is operated by the Family Resource Center through a 21st Century Community grant and is licensed through the state. Up until 2019, the Family Resource Center also operated an after-school program within Gorham Elementary School. The program closed when the town no longer qualified for a 21st Century Community grant and no other funds were available. Colonel Town Recreation Center which offers a program called Safe Haven in Lancaster NH also offers after-school programming. Lastly, many towns in Coös County have summer recreation and/or sports programs which are seasonal and do not accept children younger than Kindergarten. After-school programs are not a particular focus of this report and are included only when it relates directly to child care providers.

Addendum A contains a chart listing all known child care entities in the county. The chart is organized by school district regions to provide a sense of the geographic coverage within the county. In-home providers have been listed with a number indicating how many providers are known to operate within that town.

Along with many other industries, the child care industry has been negatively affected by the coronavirus pandemic. Governor Sununu ordered the shutdown of all non-essential businesses in early March 2020. Many working parents found themselves either laid-off or setting up home offices while trying to juggle at home schooling for their children.

Child care centers while considered “essential” were only allowed to serve children of essential workers and those children considered high-risk for abuse. The resulting decrease in center enrollment caused large financial shortfalls for those that remained open. Additionally, centers found themselves short-staffed as employees, afraid of exposure, chose to stop working and instead file for unemployment plus the unemployment bonus authorized by the Cares Act.

As the state worked to create phased reopening plans, they began to realize the vital role child care providers would play in getting the economy back on its feet. The Governor’s Reopening Task Force allocated \$25 million from the federal Cares Act to support struggling child care centers. This funding combined with other federal and private foundation funding allowed all center-based providers in Coös County to reopen by September 2020.

Child care centers scrambled to reconfigure their physical spaces and change daily processes and procedures for better infection control. New Hampshire’s Public Health guidelines called for small class sizes with no more than 10 people in a room. This was increased to up to 15 children in a class in September 2020. These guidelines along with parents being home resulted in lower enrollments for those centers that stayed open. This trend continues today, with most centers at 60% – 70% pre-pandemic enrollment levels.

Within Coös County, all but two child care centers closed initially with many child care staff helping essential worker families fill the gap by taking children into their own homes. The Berlin area was hardest hit with all child care programs including Head Start closing and not reopening until mid-July or September. Even then, many centers were plagued by Covid-19 exposures which forced them to close and reopen several times.

INDUSTRY CONCLUSIONS

Strength

- 92% of licensed child care centers have achieved high-quality status of licensed plus or accredited
- 4 Head Start programs

Weakness

- No Early Head Start programs
- Lack of information about in-home providers

Opportunity

- Explore feasibility of supporting in-home providers to become licensed
- Explore mechanisms for providing child care providers with additional streams of revenue

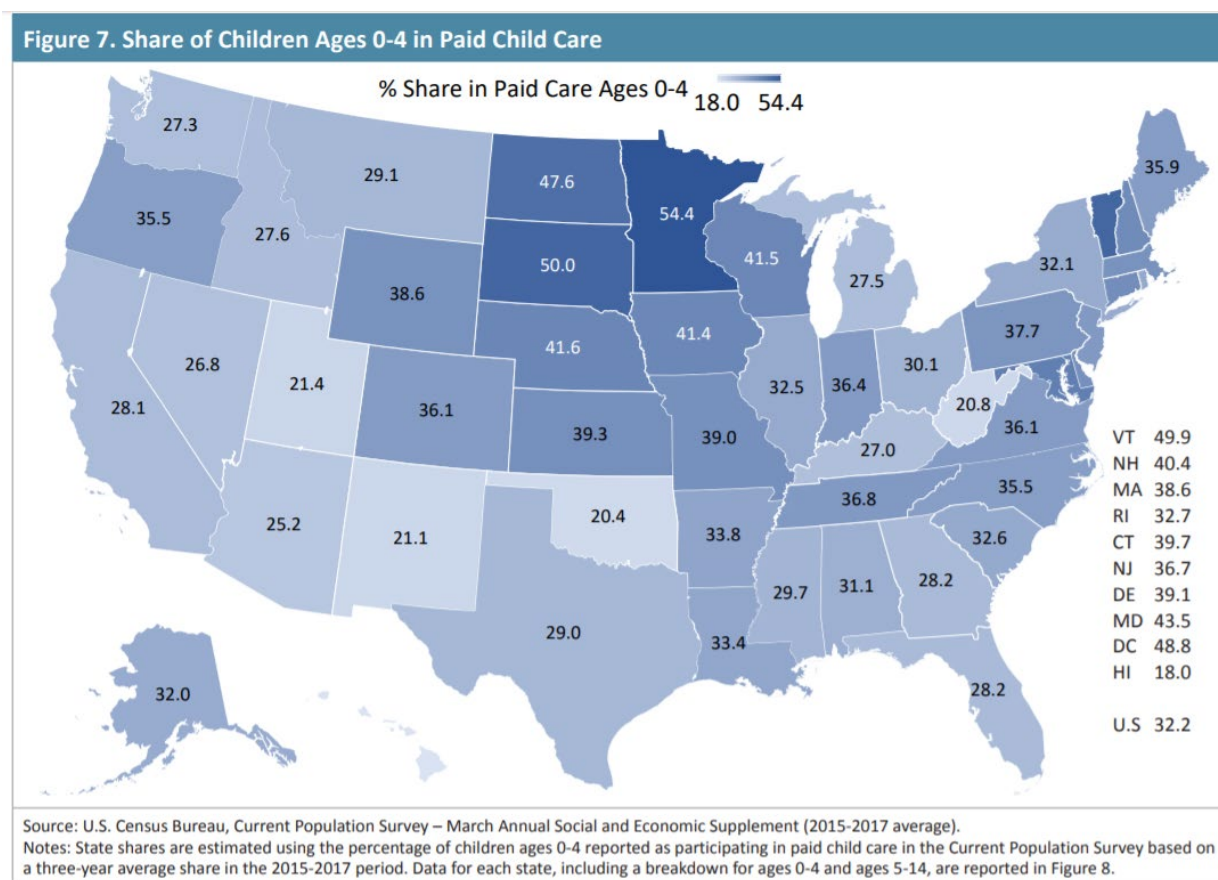
Threat

- Steady decline in number of child care providers
- The child care business model is a market failure
- Most licensed centers not operating at full-capacity due to Covid-19 space and staffing shortages

SUPPLY AND DEMAND

There are 61 million American children aged 14 and under who are potential candidates for organized child care. About one-third are preschoolers under the age of 5; the remaining two-thirds are school-aged children between the ages of 5 and 14. The percentage of children under 5 in paid child care in the US has remained relatively steady at just over 30% over the past decade as shown in the chart below.

Closer to home, 40% of New Hampshire children aged 0 – 4 in are enrolled in some type of paid child care. This map shows New Hampshire has a higher share of young children in paid care than the national average of 31.9% but lower than Vermont at 49.9%.



Analysis of 2019 data from The CCDN and NH Department of Education shows 40% of children under the age of 6 living in Coös County are enrolled in full or part-time licensed child care or attend public preschool. Interestingly, even though Coös County is one of the most rural counties, enrollment is on par with the rest of the state. The following chart shows a break-down of the percentage of children by age group who

are currently accessing high-quality child care programs in Coös County. 2019 enrollment capacity is the providers preferred enrollment capacity.

Coös County	2019 Enrollment Capacity	# of Children	% of children in high-quality child care programs
Preschool (3-5 years)	446	671	66%
Toddlers (12 - 36 months)	60	436	14%
Infants (0-12 months)	19	206	9%
Total	525	1313	40%

Infant care is the least available child care resource not only in Coös County but throughout the country. One reason is the high teacher-to-child ratios required for safe infant care (1:4 in NH). While the current infant tuition rates are considered expensive for most families, child care providers are actually keeping the rate artificially low (essentially losing money) by subsidizing the cost using profits from the other age groups. The Center for American Progress estimates that nationally, there is only infant care available for 1 in 5 infants.⁶ In Coös County this figure is closer to only 1 in 10 infants with only 9% of infants able to access high-quality child care.

In Coös County, seven licensed centers offer infant care starting as young as six weeks old with at least two having a higher age threshold such as six months. At the end of 2019, these centers reported 19 infants enrolled. A December 2020 survey of center-based providers showed infant enrollment at 15 with another 4 slots available. There was a total of 11 families on a waiting lists for infant care. It is unknown how many of the 15 in-home providers accept infants.

<i>Infant Programs</i>	<i>Location</i>	2019 Enrollment
<i>Gorham Community Learning Center</i>	Gorham	4
<i>Mother Goose Child Care Center</i>	Gorham	4
<i>Lancaster Play & Learn</i>	Lancaster	5
<i>Country Kids Learning Center</i>	Groveton	1
<i>All About Kids</i>	Colebrook	1
<i>Colebrook Country Day School</i>	Colebrook	3
<i>Day by Day</i>	Berlin	1
TOTAL FOR COÖS COUNTY		19

⁶ Steven Jessen-Howard, Rasheed Malik, MK Falgout, *Costly and Unavailable: America Lacks Sufficient Child Care Supply for Infants and Toddlers* (Center for American Progress: 2020)

Unlike many other parts of the country, Coös County does not have any Early Head Start programs which take infant and toddler age children.

We pursued it years ago ... found there was not enough of a need to change any Head Start programs to Early Head Start. The cost to run is much greater. It would have eliminated two classrooms of Head Start (18 children) to open one Early Head Start classroom (8 children). And it is hard to find qualified staff as standards are higher.
Betty Gilcris, Health & Nutrition Dept. Head at Tri-County CAP

The supply of child care in Coös County for toddler age is slightly better than infants with eight licensed centers accepting this age range. However, only 14% or 1 in 7 toddlers have access to high-quality child care which is below the estimated national average of 1 in 5. As of 2019, these centers reported 60 toddlers enrolled. A December 2020 survey of center-based providers showed toddler enrollment at 46 with another 14 slots available. Additionally, there was a total of 5 families on waiting lists for toddler care. Again, we do not know how many in-home providers are taking care of toddler age children.

Toddler Programs	Location	2019 Enrollment
Gorham Community Learning Center	Gorham	9
Mother Goose Child Care Center	Gorham	10
Lancaster Play & Learn	Lancaster	11
Country Kids Learning Center	Groveton	4
All About Kids	Colebrook	8
Colebrook Country Day School	Colebrook	10
Day by Day	Berlin	3
Kids Only	Berlin	5
TOTAL FOR COÖS COUNTY		60

Preschool age is the most competitive age group in terms of supply and demand. Nationally, 48% of children aged 3 – 5 years of age attend preschool programs. New Hampshire’s rate is higher at 55%⁷ and Coös County even higher at 66%.

In Coös County, twenty-one organizations offer preschool programs. Nine center-based licensed plus and accredited centers offer preschool programs as part of their overall age mix. There are two religious-affiliated preschools, one Montessori preschool and four Head Start preschool programs which only offer services to children aged 3 – 5 years old. Berlin High School also offers the Mini-Mountie preschool program in conjunction with its Early & Elementary Teacher Prep course.

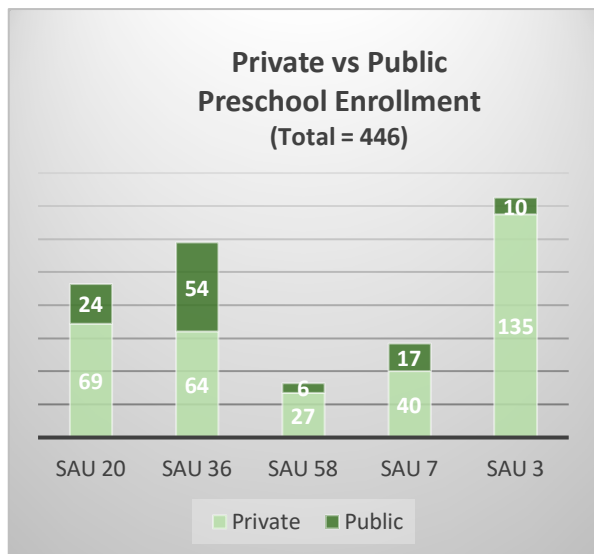
⁷ [Statisticalatlas.com, School Enrollment by Age, New Hampshire](https://www.statisticalatlas.com/school-enrollment-by-age-new-hampshire)

	Location	2019 Enrollment
<i>Public Preschool Programs</i>		
Gorham Community Learning Center	Gorham	37
Mother Goose Child Care Center	Gorham	19
Salve Regina Academy	Gorham	13
Lancaster Play & Learn	Lancaster	21
Mount Royal Academy North	Lancaster	13
Sunnybrook Montessori School	Lancaster	18
Head Start - Whitefield	Whitefield	12
Country Kids Learning Center	Groveton	7
Head Start - Groveton	Groveton	20
All About Kids	Colebrook	14
Colebrook Country Day School	Colebrook	15
Head Start - Colebrook	Colebrook	11
Mini-Mountie Preschool	Berlin	32
Day by Day	Berlin	9
Kids Only	Berlin	17
Head Start - Berlin	Berlin	77
TOTAL FOR COÖS COUNTY		335

New Hampshire school districts are required to offer public preschool services to children identified with special needs. Increasingly, school districts are accepting regular education preschoolers as space allows. Nine elementary schools reported a total preschool enrollment of 111 in 2019.

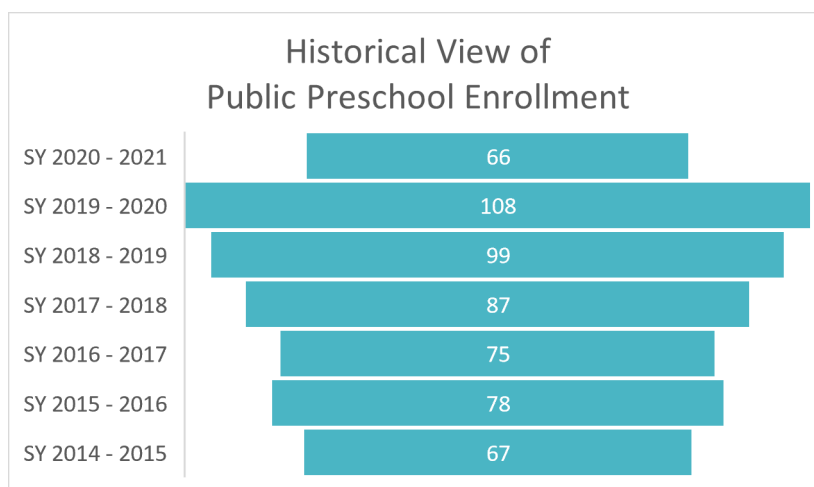
<i>Public Preschool Programs</i>	2019 Enrollment	2020 Enrollment
SAU 20 - Milan Village Elementary School	24	17
SAU 36 - Lancaster Elementary School	26	27
SAU 36 - Whitefield Elementary School	28	0
SAU 58 - Stratford Public School	3	3
SAU 58- Stark Village School	3	3
SAU 7 - Colebrook Academy Elementary School (E)	10	7
SAU 7 - Pittsburg School (Elem)	4	0
SAU 7 - Stewartstown Community School	3	3
SAU 3 - Berlin Elementary School	10	10
TOTAL FOR COÖS COUNTY	111	70

Of the 446 children enrolled in preschool programs, the majority at 335 attend private center-based programs and 111 attend public programs. This chart shows the enrollment distribution by region for private vs public programs. As a side note, all Coös County school districts now offer full-day Kindergarten.



Notably, SAU 36 has a nearly 50/50 mix of children attending private and public programs. The White Mountains Regional School District prioritizes special needs children and accepts regular education children as staffing allows. SAU 3 in Berlin has what appears to be a disproportionate number of children who attend private preschool programs. One reason may be because the district has the Mini-Mountie program which is a learning lab for students and is a licensed-exempt program not a school program.

It should also be noted that public preschool enrollment has been steadily increasing since 2014 (except for 2020 due to Covid-19). School districts are under increasing pressure both federally and locally to expand preschool offerings to all children and full day.



With preschool age children being the profit-generator for most private child care centers, these expansions will further undermine the financial sustainability of the industry and could limit parental choice. There is a need for community conversations about potential partnerships between public schools and private child care programs. For example, SAU 20 in Gorham formed a strategic alliance with the local child care center, Gorham Community Learning Center in 2018 through a community planning process aimed at ensuring greater access to preschool learning. And in Colebrook, the parent of a preschooler attending the Colebrook Country Day School is developing a similar strategy. *Addendum B* further explains both these alliances through a letter written by this parent to the local Superintendent.

While nearly 14,000 families call Coös County home only 22% are families with children under the age of 18. In 2018, there were 670 families with 1400 children under the age of 6.⁸ This suggests each family has an average of 2 children who are not of school-age.

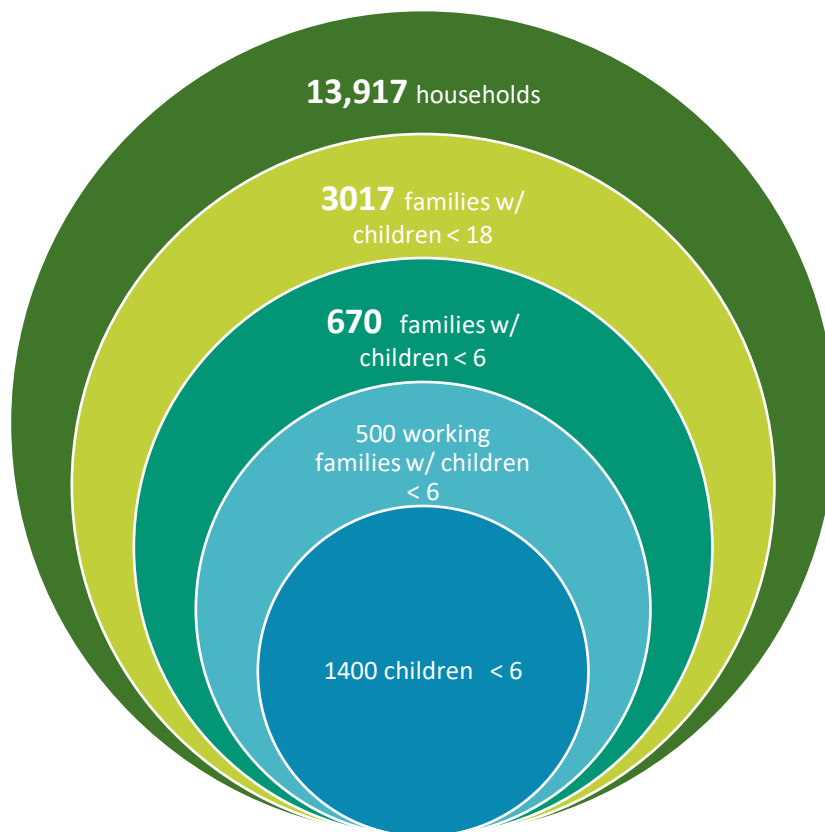
According to the 2020 State Fact Sheet produced by Child Care Aware of NH 70% of children under the age of 6 had all parents and caregivers in the workforce.⁹

Similarly, in Coös County, 73% of married couples with children both worked outside the home. 78% of females aged 20 to 64 with children under age 6 were in the labor force.¹⁰ Using an average of the two statistics above, one can estimate **75% of Coös families have all caregivers in the workforce.**

This means roughly 500 working families in Coös County need some form of child care while they work.

Thus, the primary target market is working families with children under age 6.

A review of Coös County's birth records from 2015 through 2020 shows a total of 1,313 births during that timeframe.¹¹ It should be noted that this method does not account for in and out migration of families but comes closest to actual counts of children. Therefore, this figure is somewhat less than the 1400 reported above as of 2018 by the US Census Bureau which is based on 5-year estimates rather than actual counts.



⁸ The US Census Bureau only breaks out children by age 0-4 and 5-9. The children under 6 estimate is derived from the 0-4 age census information ([Statisticalatlas.com](https://www.statisticalatlas.com)) plus the average annual birth rate in Coös County

⁹ [Child Care Aware of America - 2020 State Fact Sheet New Hampshire](#)

¹⁰ U.S. Census Bureau (2015-2019). Presence of Own Children Under 18 Years by Age of Own Children Under 18 Years by Employment Status for Females 20 to 64 Years American Community Survey 5-year estimates. Retrieved from <<https://censusreporter.org>>

¹¹ [NH Department of State, Division of Vital Records Administration](#)

The chart below translates birth year into age groups thus revealing the total number of children who could potentially be enrolled in each child care age group. Given that parents are not required to enroll their children in public school system until age 6, we have included all 5-year-olds in the preschool age group. Thus, the total number of children who could potentially need child care services is 671 preschoolers, 436 toddlers and 206 infants.

COÖS COUNTY	PRESCHOOL			TODDLER		INFANT	TOTAL
Year Born	2015	2016	2017	2018	2019	2020	
# of Births	232	234	205	218	218	206	
Child Age	5 years	4 years	3 years	2 years	1 year	< 12mo	
TOTAL			671		436	206	1313

Not every family will need or want to enroll their children in child care. In the preceding section we determined the size of the target market to be 75% of all families and their children under the age of 6. It makes sense to apply this same percentage to determine a realistic number for the potential demand for child care services by each child care age group. **Thus, the target child care market consists of approximately 985 children.**

	Total # of Children	75% Target Market
Preschool	671	503
Toddlers	436	327
Infants	206	155
Total	1313	985

Now that the size of the target child care market has been determined the next step is to compare the target market demand to the available supply. The result quantifies the current unmet need for child care.

	75% Target Market	2019 Enrollment Capacity	Unmet Need
Preschool	503	446	57
Toddlers	327	60	267
Infants	155	19	136
Total	985	525	460

The unmet need for preschool age children is relatively low at only 57 children, which means current enrollment capacity fulfills 89% of the target market's need. It also means there is strong competition as providers work to recruit preschool age students to enroll in their centers. The competitive nature of this market is somewhat troubling given the preschool market is the "profit generator" most centers use to offset the profit losses of the infant and toddler markets. Other external factors such as a national push for universal public preschool or local school districts expanding their public preschool options could further degrade this market.

Toddler and infant slots are in high demand which is consistent with state and national studies. Toddler care is the largest unmet need for working parents. Current available slots for toddler age at 60 falls way below the target of 327. This means the child care industry in Coös County is only filling 18% of the potential target market's need for toddler care. Infant care is similar in that only 12% of target market infants have access to child care services. Put another way, over 200 working parents with toddlers and infants are unable to access high-quality child care in the Coös County. There is plenty of room for growth in these markets, however, growth is substantially limited by the cost and staffing factors discussed in the next section.

Due to the rural geographical nature of the county, it is important to look at the supply and demand for child care *by regions*. A regional perspective provides information that can be used to craft local solutions rather than a one-size fits all approach.

Berlin has the greatest unmet need for both toddler care at 122 children and 58 infants. At best the five known non-licensed in-home providers could only help fill 15 slots, still an extremely large need gap. The White Mountains School district region (Whitefield, Twin Mountain, Lancaster, Dalton and Jefferson) is the second highest region of need, with 74 toddlers and 46 infants needing care. With only six known non-licensed in-home providers potentially caring for up to 18 children.

The chart on the following page, organized by school district region, shows the number of children needing care and the additional number of classes and teachers that would be needed based on state regulatory ratios. *Addendum C* provides more regional supply and demand data for each school districts region along with a conclusion summary.

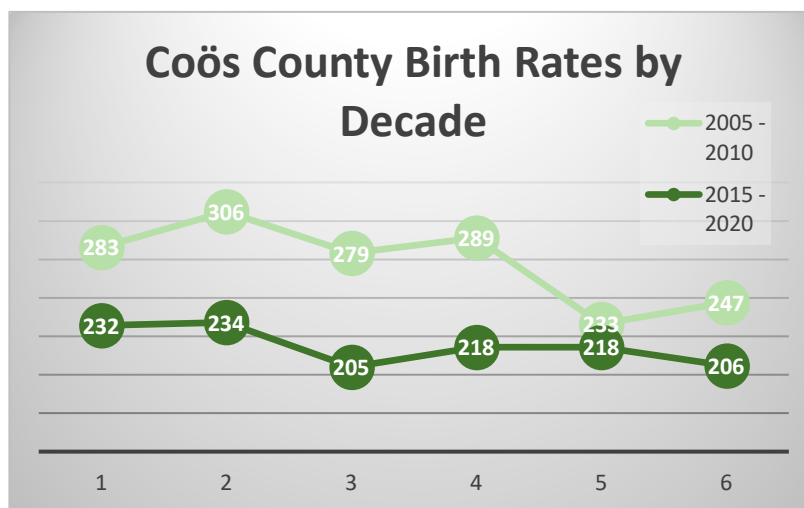
Coös County	INFANT NEED			TODDLER NEED			PRESCHOOL NEED		
	Regions	Children	Classes	Teachers	Children	Classes	Teachers	Children	Classes
SAU 20 - Gorham	14	1	3.5	32	2	6	-13	0	0
SAU 36 - Lancaster	46	4	11.5	74	4.5	13	36	1.5	3.5
SAU 58 - Groveton	17	1.5	4	29	2	5	26	1	2.5
SAU 7 - Colebrook	5	1	1	17	1	3	-4	0	0
SAU 3 - Berlin	58	5	14.5	122	7	22	22	1	2
TOTAL	140	12.5	34.5	274	16.5	49	74	3.5	8

Summary:

- Families on average have 2 children under the age of 6
- Preschool age programs are meeting 89% of the need
- Provider competition is strong for preschool age children
- The largest unmet need is high quality care for toddler age children

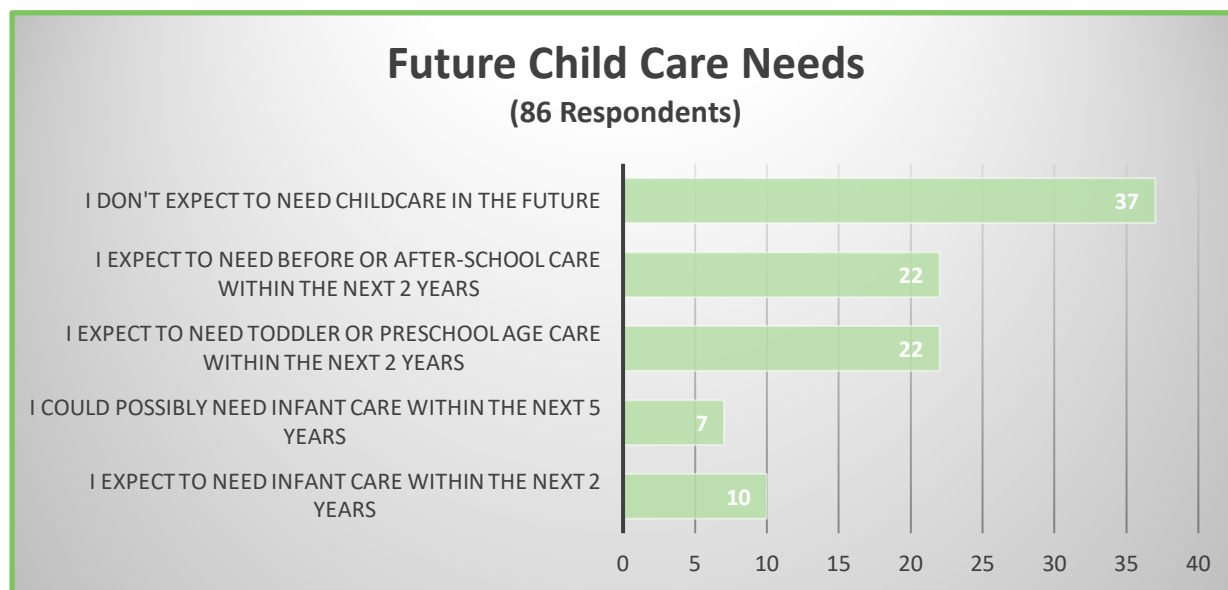
There are several factors that influence future trends and overall need for child care in the county. These include annual birth rates, family perceptions, future nature of work, and in-migration patterns.

Coös County’s birth rate has been declining steadily for some time. A trend analysis shows that the five-year average for annual births has declined by 20% in the past ten years. From 2005 to 2010 the average annual births were 295 which dropped to 238 between 2015 and 2020. This means today there are approximately 56 less babies born in Coös County each year then there were a decade ago.¹² The trendline between 2015 and 2020 shows a slowing decline in birth rates compared to the prior decade.



¹² [NH Resident Births By County, NH DHHS, Health Statistics and Data Management](#)

In December 2020, 86 employees from seven area employers completed a survey about their perspectives on current and future child care needs. The majority of respondents were from two large Berlin employers, Androscoggin Valley Hospital and SAU #3. Seven out of 86 respondents had an infant in child care prior to Covid-19. Ten employees expected to need infant care within the next two years and that number increased to 14 when the timeframe was extended to five years. Additionally, 22 expected to need toddler or preschool age care within the next 2 years.



The survey also asked if employees would think differently about the way they choose child care post-pandemic. Forty parents answered the question with 25 indicating they would *not* think differently. Thirteen responded Yes with several indicating they would stay home or work remotely.

“My thoughts are that it’s easier to live on one income and watch my own children at home rather than juggling work and the stress of sending kids to hang out with other kids (or to a facility that will close with five days’ notice).”

“Will not be using child care any longer, will continue to work remotely.”

Coös Employer Survey Respondents

A survey conducted in late June 2020 by the NH Small Business Development Center¹³ showed that 29% of the 1549 respondents had allowed or asked employees to work from home due to Covid-19. 232 or 15% of businesses reported that they expected to keep employees working at home.

Overall, this data suggests that while parents want to return to their previous child care provider, they are fearful of the health consequences. Concern for the safety of their child may ultimately influence their decision on whether children return or remain in child care, especially if a case of Covid-19 is reported within a child care center or cases continue to rise within the community. This uncertainty will no doubt have a direct impact on the timing and the number of working parents who will return to the workforce full-time. It could also have a detrimental effect on a child care center's cashflow as parents opt not to send their children more readily than before.

Lastly, Coös County is currently experiencing an uptick in local housing sales. This trend is being propelled by people moving from highly infected urban areas to "safer" rural areas and more employers allowing employees to work remotely. Only time will tell if this trend results in a measurable increase in young children residing in the county.

Taking all these factors into consideration, overall, it seems unlikely there will be any major shifts in the amount of high-quality child care needed in Coös County in the next decade.

¹³ Sean P. McKinley, et al, [NH SBDC 2020 Business Resiliency Survey \(UNH Study Center:2020\)](#)

SUPPLY AND DEMAND CONCLUSIONS

Strength

- 66% of children attend preschool programs; higher than state average
- All school districts offer full-day Kindergarten

Weakness

- Child care industry in Coös County is only filling 18% of the target market's need for toddler care and 12% for infant care.
- Preschool age market which is quite competitive is the main profit generator for most centers

Opportunity

- Build partnerships with school districts to provide preschool programs
- Explore feasibility of providing non-standard hours and flexible scheduling models to better meet the needs of hospital workers, at-home workers and those who work in hospitality businesses
- Focus on supporting non-licensed in-home providers to become licensed family providers

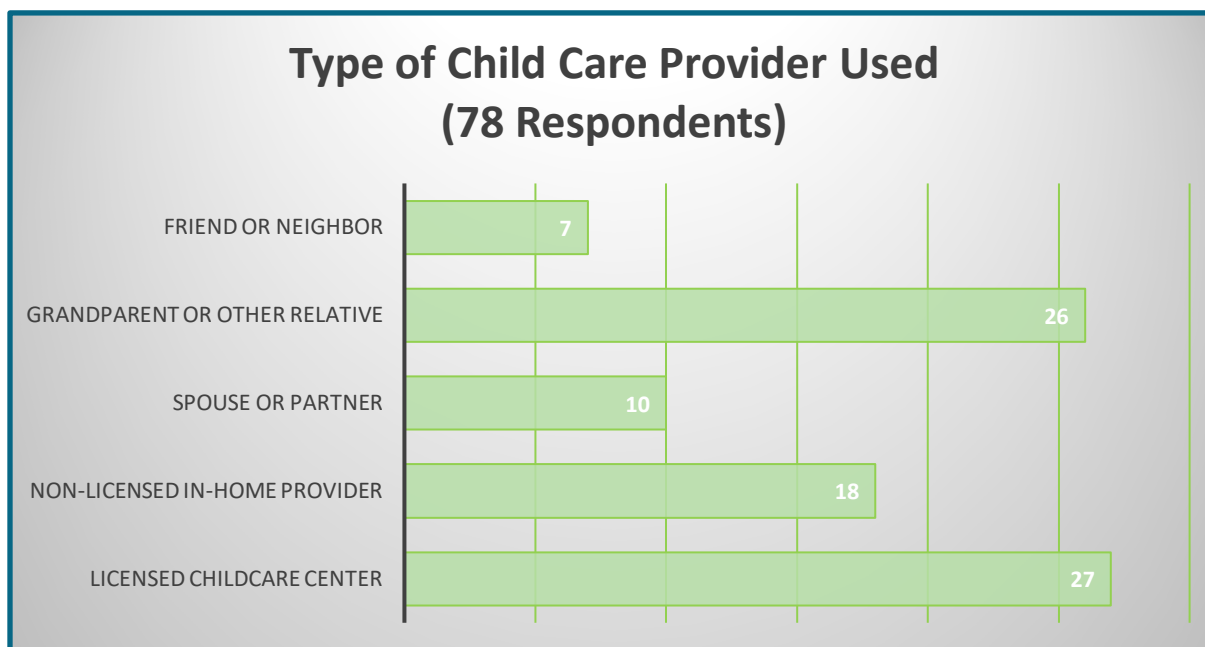
Threat

- Public schools expanding their preschool programs

IMPACT ON WORKING FAMILIES, WOMEN, AND REGIONAL ECONOMY

Working families in Coös County face many challenges when it comes to finding high-quality child care options. One of the hardest decisions a parent must make is who to entrust their child with while they are at work. These decisions can have a substantial impact on family finances as well as the local workforce. This is especially true for women as the primary child care decision-makers. In Coös County, 78% of women with children under the age of 6 are in the workforce. This figure varies by region from nearly 100% in SAU 20 (Gorham area) region to a low of 67% in SAU 7 (Colebrook area) region.

The Coös Employer Survey asked what type of child care provider employees used prior to the pandemic. Of the 78 respondents who answered the question, 55% reported using a spouse, grandparent, friend, neighbor or other relative compared to 34% who used a licensed child care center and 23% who used a non-licensed in-home provider.



The most common reason for using a grandparent, relative, friend or neighbor was cost followed closely by convenience, work scheduling, and availability. Quality was also a consideration for many employees. Given that the majority of survey respondents were from Berlin employers, this may explain why a large portion of young children in the Berlin area are not in any type of formal early education setting.

"Because it was a great way for grandparents to spend time with the kids and its free." Survey Respondent

North Country parent perspectives are in line with New Hampshire's Birth - 5 Needs Assessment conducted in 2019¹⁴ which found the top five reasons parents have trouble finding child care are ...

- Unable to afford available options - 43%
- Unable to find provider with qualities they wanted - 35%

¹⁴ [Understanding the New Hampshire Birth through Five System A Needs Assessment Lynn A. Karoly, et al. 2020](#)

- Unable to find available hours and locations to fit their needs - 33%
- Unable to find provider with space available - 27%
- Unable to afford quality of care they wanted - 27%

It is clear the cost of child care poses a real challenge for working parents, sometimes forcing them to make the decision of staying home to care for their children or use less expensive alternatives such as grandparents, neighbors, and friends.

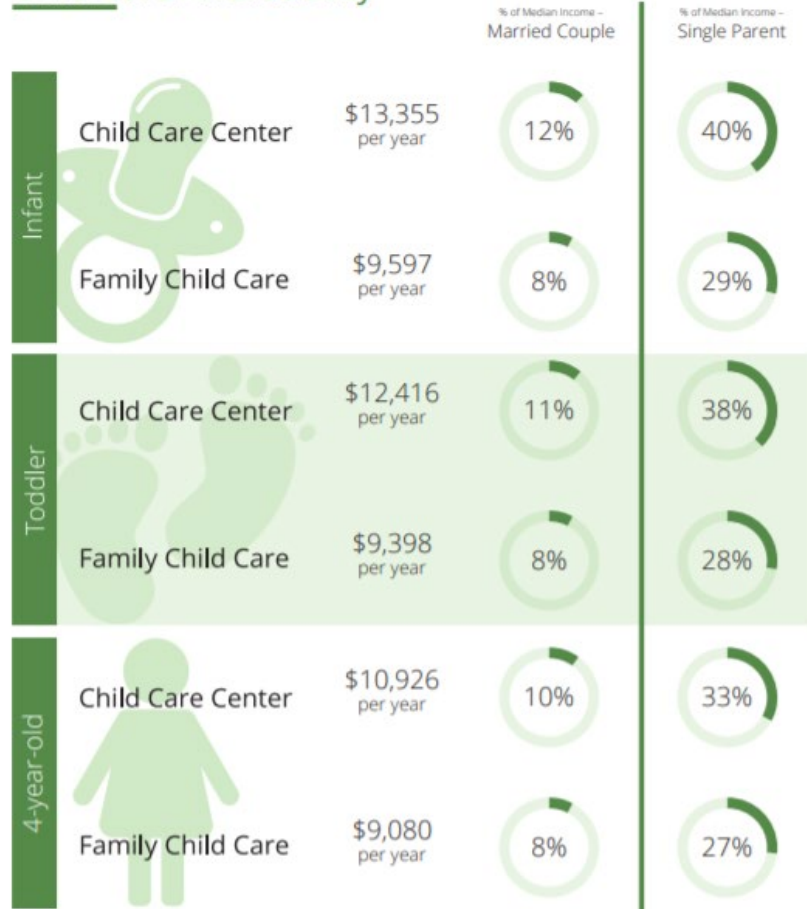
"The cost and availability of child care does not warrant my spouse going back to work." Survey Respondents

Child care costs vary according to full-time or part-time care and the age of the child. Rates for infants and toddlers are significantly higher than for preschool and school age children due to required adult-to-child ratios.

In New Hampshire, the average cost for center-based infant care is \$13,355 or \$257 per week. Preschool age is \$60 less at \$198 per week or \$3,000 more a year than infant care. The recommended maximum family expenditure for child care is 7% of a family's income

This chart excerpted from the [2020 NH State Child Care Fact Sheet¹⁵](#) shows the average annual cost for child care and the percent of income by household status. Single parents pay close to a third or more of their income, while married couples get closer to but still exceed the recommended 7%.

Child Care Affordability



¹⁵ [Child Care Aware of America - 2020 State Fact Sheet New Hampshire](#)

Coös County is the 2nd least affordable county for infant care. The average annual cost of infant care is \$10,530 which is substantially lower than the state average at \$13,355. However, when the cost is correlated with the county’s median income, the result is married couples are paying 13.9% of their income for infant care compared to the state’s average of 12%.¹⁶

Table 1: Least Affordable Counties for Infant Child Care by Type of Care

Rank	County	Average Annual Price of Infant Care*	Percent of Median Income: Married Couple with Children	Difference between County-Level and Statewide Affordability**
Statewide Center-Based Affordability: 12.0%				
1	Carroll County	\$10,169	13.9%	1.9%
2	Coos County	\$10,530	13.9%	1.9%
3	Grafton County	\$13,106	13.2%	1.2%
4	Cheshire County	\$12,368	13.1%	1.1%
5	Strafford County	\$13,612	12.9%	0.9%

To meet the 7% of income recommendation Coös families with one child in infant care would need to earn \$150,000 annually. This is far above the median household income for Coös families at \$45,200.¹⁷ Furthermore, it is particularly concerning that 53% families receiving food stamp are single mother households with 160 having children under age of 6. The median income of food stamp recipients in the Coös County is \$16,500.¹⁸

There are two programs that help parents cover child care costs. The first is a federal child care tax credit program, where families can take a tax credit on their federal tax obligations. The second is the Child Care and Development Block Grant (CCDBG), a federal grant program that provides child care scholarships for working families with low income. Families with household incomes at or below 220% of the federal poverty guidelines qualify for assistance.

In 2019, Coös child care providers reported that 40% of enrolled children had a child care scholarship. Census data shows that 48% percent of children under the age of 6 in Coös County live in households below 220% of the federal poverty guidelines. Given the county’s median income is \$45,200 and a family of 3 could make up to \$45,716 and still qualify, it is likely there are 8 – 12% more families who could take advantage of the scholarship program.

¹⁶ [Child Care Aware of America - US and the High Price of Child Care 2019](#)

¹⁷ [Statisticalatlas.com – Household Income](#)

¹⁸ [Statisticalatlas.com – Household Food Stamps](#)

Lastly, affordability is affected by the quality of care with accredited centers being the most expensive for parents. The 2019 Child Care Fact Sheet for New Hampshire reports the cost of care within accredited centers is nearly 3% higher as a percentage of family incomes than non-accredited care.¹⁹ The simple truth is high quality care costs more to provide, forcing parents and centers to make the tough choice between affordability and quality.

The cost of care is not the only financial impact child care has on families. There are widespread economic consequences when parents face challenges finding child care parent's incomes are lower, workplace productivity falls, and economic activity is reduced.

In a 2019 interview with the Laconia Daily Sun, Taylor Caswell, Commissioner of the New Hampshire Department of Business and Economic Affairs, said the lack of accessible child care presents a roadblock for development of regional economies. "It's probably more of an issue for companies that are trying to retain a workforce, particularly in rural areas... we're trying to make the case that these are great places to relocate to and raise a family. In terms of growing an economy that is sustainable, and having a workforce that we need, a younger workforce, the whole issue of child care plays directly into that."

Covid-19 brought greater awareness of the importance of child care as a foundational support for a vibrant economy. Brian Gottlob, Director of the New Hampshire Economic and Labor Market Information Bureau, said the pandemic has highlighted the barriers to work that the cost and availability of child care can create, especially for women in New Hampshire. Therefore, improving access to child care "may, in fact, be one of the most effective stimuli available" to boost the state's economic recovery.²⁰

Current economic development strategies focus on recruiting companies to relocate to the north country along with younger workers. To this end, millions of dollars are invested in workforce development training and community infrastructure such as the development or expansion of industrial parks; upgrading water and sewer in downtown and commercial zones; and in expanding high-speed internet. Everyone agrees that these types of infrastructure are critical to attract and retain businesses.

¹⁹ [Child Care Aware of NH, 2019 NH Child Care Fact Sheet](#)

²⁰ [Nora Doyle-Burr, Covid-19 has kept an outsized number of women out of the region's workforce \(The Valley News: 2021\)](#)

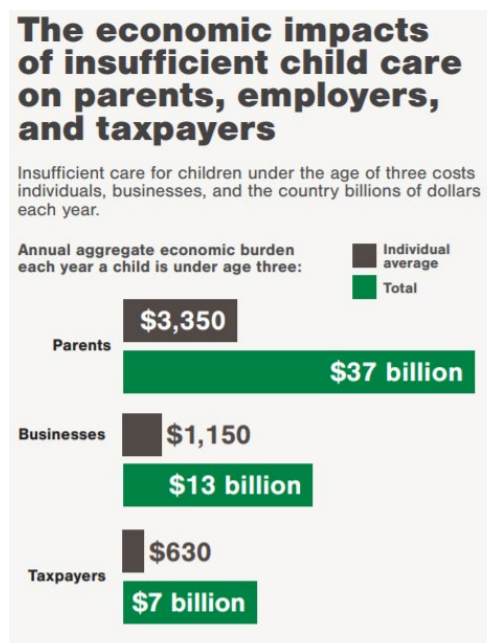
However, to date public economic and community development investment in sustaining or even growing the child care industry has been minimal at best, essentially limited to workforce and financial management training. While Covid-19 has fostered greater awareness that child care is also an essential infrastructure for two reasons 1) Businesses rely on employees and employees rely on child care and 2) The key to attracting and retaining a younger workforce means supporting young children while their parents are at work. However, it remains to be seen if this awareness will translate into long-term sustainable public investment.

There is a strong link between child care access and mothers' ability to work, yet a lack of public investment in child care means that families struggle to find the high-quality, affordable child care options that they need each day. Working families and families of color disproportionately face barriers to accessing child care, and their economic security is suffering as a result. It is long past time to implement policies that reflect and support the United States' modern—and largely female—workforce.²¹ Center for American Progress

The economic implications of not addressing the shortage of affordable high-quality child care that meets the needs of working families is substantial. Nationally businesses report losing an estimated \$12.7 billion annually because of their employees' child care challenges.

And a recent study produced by Ready Nation reports the annual economic cost to employees, employers and the community is \$57 billion in lost earnings, productivity, and revenue for each year a child is under the age of three.²²

By applying these costs to Coös County, we can calculate an economic impact of over \$3.5 million every year or \$10.5 million for the three-year period it takes a child to reach preschool age.



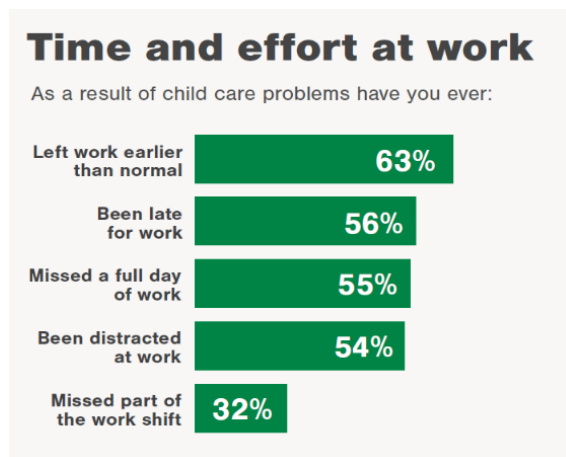
²¹[Leila Schochet, *The Child Care Crisis Is Keeping Women Out of the Workforce* \(The Center for American Progress: 2019\)](#)

²²[StrongNation.org, *Want to Grow the Economy? Fix the Child Care Crisis*. \(Ready Nation:2019\)](#)

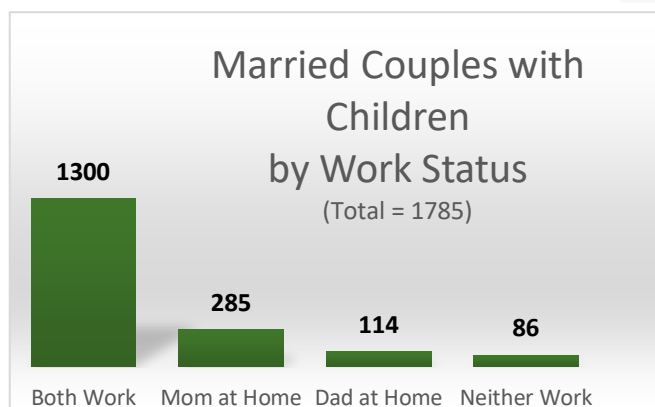
Economic Impact for Coös County	Annual Cost Per Child	# of Children < 3	Total Annual Cost
Parents	\$3,350	692	\$2,318,200
Business	\$1,150	692	\$795,800
Taxpayers	\$630	692	\$435,960
		Total	\$3,549,960
Notes:	# of children under age 3 based on NH Birth Rate 2018 -2020		

At the family level, the financial impact is even greater and longer term. Given that on average each family has two children under the age of 6, many families are facing negative economic consequences of over \$20,000 during the 6-year period. Adding these lost wages to the actual cost of child care (at average of \$10,000 per year) brings the economic impact to over \$100,000 during their children’s early years. A heavy burden for any family, but nearly impossible for the 164 women head of households with children under the age of 6 currently residing in Coös County.

Employers are also negatively affected by the lack of affordable child care in Coös County. National survey respondents reported on the negative impact on work productivity due to child care issues outlined in this chart.²³



According to the 2018 US Census Bureau, 22% of Coös County married couples with children do not join the workforce²⁴.



This means that over 400 workers could potentially be added to the work force if there was an adequate supply of affordable child care.

The impact child care centers have on the workforce can be seen in the case of North Woods Learning Center which

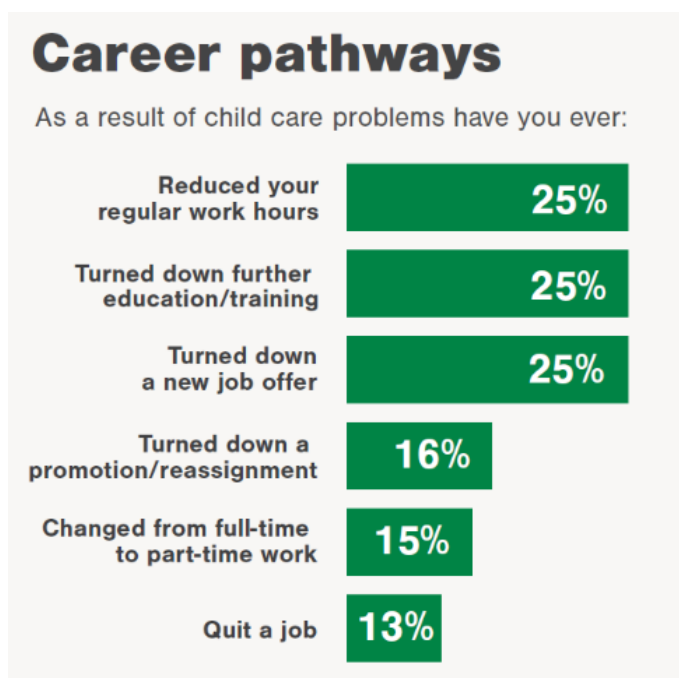
²³ [StrongNation.org. Want to Grow the Economy? Fix the Child Care Crisis. \(Ready Nation:2019\)](https://www.strongnation.org/want-to-grow-the-economy-fix-the-child-care-crisis/)

²⁴ [Statisticalatlas.com – Employment Status Among Married](https://www.statisticalatlas.com/employment-status-among-married/)

closed at the end of 2019. The closure of this accredited center suddenly left 21 employers with 41 working parents scrambling to find child care for 47 children. At least two parents left the workforce to care for their children and several of the then jobless child care teachers took children into their homes, effectively taking them out of the workforce too.

Covid-19 exacerbated the workforce shortage that Coös County businesses, along with the rest of the state, have been experiencing for nearly a decade. It also negatively impacted women’s participation in the labor force. According to New Hampshire Employment Security, between February and November 2020, the decrease in labor force participation for women was 1.7%, twice that of men at 0.7%.

Lack of accessible child care also contributes to the wage-gap between men and women. Women’s career pathways tend to be interrupted as the need to take care of one’s child supersedes the need to work. These interruptions lead to lower salary trajectories than men, as women are perceived as less experienced or less committed. Career advancement is impacted as women choose to reduce hours, forego education, or turn down promotions.²⁵



Additionally, work interruptions impact social security earnings and retirement savings increasing the odds for longer term financial instability.

²⁵ [StrongNation.org. Want to Grow the Economy? Fix the Child Care Crisis. \(Ready Nation:2019\)](https://www.strongnation.org/want-to-grow-the-economy-fix-the-child-care-crisis/)

IMPACT ON WORKING FAMILIES, WOMEN AND REGIONAL ECONOMY CONCLUSIONS

Strength

- Covid-19 brought greater awareness of the importance of child care for working families
- 40% of children enrolled in licensed centers receive child care scholarships

Weakness

- Economic and community development investment is limited to workforce and financial management training
- Issues with child care disproportionately affects women's short and long term financial stability and subsequently their children's too

Opportunity

- 8% - 12% more families could qualify for child care scholarships
- Potential for upwards of 400 parents to rejoin the workforce if affordable child care was available
- Apply traditional economic development strategies for funding business infrastructure to the child care industry

Threat

- Coös County's economy is losing \$3.5 million every year due to lack of child care services
- Young families are being forced into or are unable to climb out of poverty due to the financial impact of child care that doesn't meet their working needs

LABOR MARKET CONDITIONS

Child Care Aware of NH reports the state's child care workforce is around 2,400. There are currently 100 child care professionals in Coös County. Child care employers uniformly report their biggest challenge is finding and keeping qualified workers.

Child care providers who were interviewed for the New Hampshire Birth – 5 Needs Assessment reported “chronic vacancies for classroom staff and lack of applicants for open positions. Burnout and frequent staff turnover were also cited as contributing factors causing stressed workers to leave their jobs, and in some 84 cases, the [child care] field.”²⁶

The child care workforce shortage, particularly for high-quality staff, is caused by a combination of low wages, few benefits, a stressful work environment, and the limited ability of employers to raise wages because of tight profit margins. The Neil and Louise Tillotson Fund commissioned an early childhood workforce report in 2017 with a focus on the economic well-being of workforce members in Coös County²⁷.

The study found that although job satisfaction was relatively high among child care workers in the county, pay and benefits were relatively low, as were opportunities for advancement. There were two notable statistics that the study brought to light.

1. Approximately 84% of occupations in Coös County pay an average wage higher than child care work (i.e. hotel desk clerks, cleaning workers, and landscapers)
2. Roughly 60% of Coös County child care workers are paid less than a living wage

Average annual income for child care professionals in Coös County is \$23,774 with a median hourly wage of \$11.43. Wages for child care professionals have decreased since 2017. Most notably, the average wage at \$11.61 has declined by forth-three cents and experienced rate saw an even larger drop at ninety-four cents. Entry level rates had a forty-seven-cent increase to \$9.26/hour in 2020. Comparatively, public pre-school teacher wages are higher with entry level wage at \$11.21 and an average of \$12.58.²⁸

²⁶ [Understanding the New Hampshire Birth through Five System A Needs Assessment Lynn A. Karoly, et al. 2020](#)

²⁷ Karen Horsch M.Ed, *The Economic Security of Center-Based Child Care Providers in Coös County Summary of Findings* (2017)

²⁸ [NH Employment Security, Northern NH Wages \(2017 and 2020\)](#)

	Entry Level Wage	Average Wage	Median Wage	Experienced Wage
June 2017	\$8.79	\$12.04	\$11.40	\$13.71
June 2020	\$9.26	\$11.61	\$11.43	\$12.77
Differential	.47	(0.43)	0.03	(0.94)
<i>Source: New Hampshire Economic and Labor Market Information Bureau; Occupational Employment Wages</i>				

Given the low wage scale of child care professionals it is not surprising key informant interviews conducted as part of New Hampshire’s B-5 Needs Assessment emphasized the lack of a strong pipeline in New Hampshire of workers coming into the field.²⁹ Low wages and limited benefits make choosing a career as a child care professional unattractive and economically unfeasible for many young people. Certainly, New Hampshire is seeing a decline in enrollment in early childhood higher education programs. The closure of Plymouth University’s early childhood education program in 2019 has further reduced the pipeline of child care professionals.

The Coös County Director Network in partnership with the Upper Valley Early Childhood Education Association developed and implemented a cohort / coaching model to provide early childhood professionals the opportunity to obtain the Child Development Associate (CDA) credential. By the end of 2021, fifteen Coös professionals will have achieved this credential which meets the states requirement for lead teacher positions. The next phase will be to expand this program beyond current staff to a staff recruitment model by partnering with high schools and higher education institutions. The state has also endorsed two other professional development programs, T.E.A.C.H, and Early Childhood Education Apprenticeship both of which were piloted in 2020.

The issue of low wages and a lack of a strong pipeline for workers is compounded by teacher and staff training requirements for licensed child care centers. In addition to the requirements listed below, all early child care workers must complete 18 hours of

²⁹ [Understanding the New Hampshire Birth through Five System A Needs Assessment Lynn A. Karoly, et al. 2020](#)

professional development each year and often do not receive increased pay for meeting these requirements.

Training Requirements For Licensed Child Care Centers

A Center Director is required to have at least 1000 hours of work experience with young children and the approved equivalent of an Associate Degree in Early Childhood Education.

Lead Teachers are required to have a high school diploma and at least 18 credits in Early Childhood Education or equivalent. There must be 1 qualified teacher per every 6 staff members.

Associate Teachers must have a high school diploma and at least 9 credits in early childhood education or its approved equivalent.

Child care assistants or aides must be at least 16 years old and must always be under the direct supervision of an associate teacher.

At least one staff member certified in Infant/Child CPR and First Aid must always be on the premises.

The younger the child is the more labor (teachers) are needed to provide the service. The following regulatory chart highlights the differences starting with four infants to one adult and ending with 15 children to one adult for children older than 4. Similarly, maximum group size for older children is double that of infants. With staff wages being the largest expense for child care businesses it is easy to see why providing care for infants and toddlers is so costly.

New Hampshire Regulatory Requirements for Class Sizes

Age of Child	Child - Adult Ratio (Number of children per adult)	Group Size (Maximum number of children per room)
6 Weeks to 12 months	4 - 1	12
13 - 24 months	5 - 1	15
2 years	6 - 1	18
3 years	8 - 1	24
4 years	12 - 1	24
5 years +	15 - 1	30

In terms of labor force, the child care industry is facing yet another challenge ... minimum wage increases. In recent months, federal and state legislators have presented proposals and legislation to increase the minimum wage to \$15.00 per hour. With average wage rates for experienced child care professionals at \$12.77 per hour and

entry level rates at \$9.26 per hour, Coös county child care businesses will be looking at increases in labor costs of 20% or more. While political support for minimum wage increases has not reached the tipping point, it is likely more imminent for New Hampshire given the current minimum wage rate at \$7.25 per hour is between \$4.25 and \$6.25 per hour *less* than neighboring states.

Minimum Wage Rates in New England States

As of August 2019

State	2018	2019	2020	2021	2022	2023
Connecticut	\$10.10	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Maine	\$10.00	\$11.00	\$12.00	\$12.39*	\$12.79*	\$13.20*
Massachusetts	\$11.00	\$12.00	\$12.75	\$13.50	\$14.25	\$15.00
Rhode Island	\$10.10	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50
Vermont	\$10.50	\$10.78	\$11.13**	\$11.49**	\$11.86**	\$12.24**
New Hampshire	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Source: U.S. Department of Labor

*Minimum wage rates in Maine after 2020 are adjust with the CPI. These rates were calculated using CPI projections from the U.S. Bureau of Labor Statistics

**Minimum wage rates in Vermont after 2019 are to adjust with the CPI or inflation rate, whichever is lower. These rates were calculated using an yearly inflation rate of 3.22 percent.

LABOR MARKET CONCLUSIONS

Strength

- Job satisfaction is fairly high

Weakness

- No clear workforce pipeline
- Low wages and lack of benefits

Opportunity

- Expand CDA Cohort/Coaching model

Threat

- Median wage and experienced wages decreased since 2017
- Impending minimum wage increases

Covid-19 Financial Impact Assessment

One intent of this report is to determine the financial impact of Covid-19 on Coös County child care centers and their financial viability as they recover from those impacts.

We asked nine center-based licensed child care centers to share financial data for this report. Four centers were able to submit the information requested. Two additional centers shared some of the data. Consequently, most analyses in this report were done using data from four centers. For financial analyses, we had complete data from three non-profit centers and one for-profit center. Financial information requested included year-to-date income and expense and asset and liability information on November 30, 2019 and November 30, 2020. Additionally, centers provided enrollment, staffing, and wage data around the same two periods. These two periods were used for analysis of financial and operational metrics both before and after Covid-19. Centers also reported on Covid-19 financial resources received in 2020.

We did not ask Head Start programs to contribute data for financial analysis. Coös County's Head Start centers are centrally administered by the Tri-County Community Action Program serving Northern New Hampshire. The financial and operational stressors that affect sustainability for a Head Start center differ from the nine non-profit and for-profit centers in Coös County.

Collectively, the four centers that contributed requested data employed 22.5 full-time equivalent staff at the end of 2020. The centers have a licensed capacity for 138 children; the four centers were averaging daily attendance of 89 children in January 2021, or 64% of licensed capacity. Considering the small sample size of centers, analyses cannot provide a comprehensive assessment of financial sustainability of child care in Coös County but do provide an instructive example of the impact of Covid-19 on child care centers and their financial position one year later.

Centers were also asked to complete a qualitative survey reflecting on the impacts of Covid-19 on staffing, tuition billing and collections, and other areas of center management. Directors also reflected on primary concerns for 2021 related to Covid-19 and the status of their center. All six centers completed the qualitative survey, so we shared results from all six respondents.

Center data is aggregated. In some instances, an individual center's data may be emphasized but only to the extent that center can remain unidentified.

Financial analyses include an assessment of centers’ current cash position and the longevity of cash reserves based on current and projected enrollment and staffing. Additional assessments were made of the impacts of Covid-19 on enrollment as a percent of capacity, full-time equivalent staffing, and net income generation.

INCOME LOSS AND COVID-19 EXPENSE

The four child care centers experienced significant income loss and incurred increased expense due to Covid-19. Combined, lost tuition income and lost income from canceled fundraisers totaled \$159,258. Additionally, centers incurred increased expenses related to Covid-19 totaling \$98,219.

Fortunately, centers were eligible to receive a variety of financial resources during the pandemic. Centers were able to recoup most income loss and cover increased expense with Covid-19 financial resources. One center remained open throughout the pandemic and was most proactive in accessing available Covid-19 financial resources. Three centers were able to decrease overall expense by shutting down for a period, one center shut down for two and a half months, while two shut down for approximately five months. Shut down centers also laid off staff, who then accessed unemployment. One of the centers that shut down for an extended period received DHHS financial resources only; this center experienced a net loss of over \$30,000, primarily from lost income.

Income Loss @ 12/31/2020	Covid-19 Expenses @ 12/31/2020	Combined Covid- 19 Financial Resources*	Net Gain/Loss
\$ 47,438	\$ 68,472	\$ 127,619	\$ 11,709
\$ 1,700	\$ 12,098	\$ 24,768	\$ 10,970
\$ 35,144	\$ 12,057	\$ 66,843	\$ 19,642
\$ 74,977	\$ 5,592	\$ 50,219	\$ (30,349)
\$ 159,258	\$ 98,219	\$ 269,449	\$ 11,972

*Combined Covid-19 Financial Resources do not include resources that must be repaid (e.g., EIDL Loans)

CHANGES IN CASH POSITION AND THE LONGEVITY OF CASH ON HAND

Coös County child care centers experienced a significant increase in available cash over the past year. Cash on hand averaged \$28,209 for four Coös County child care centers in November 2019; in November 2020, cash on hand averaged, \$66,732, a 137% increase in available cash to support operations.

The four centers accessed \$277,849 in Covid-19 resources as shown in the table below; Covid-19 financial resources added considerably to the cash position of centers at the end of 2020.

Source of Funds	# of Centers	Total Amount	% of Total Funds
Payroll Protection Program	1	\$40,612	15%
Economic Injury Disaster Program (Advance)	3	\$19,000	7%
Economic Injury Disaster Program (Loan)	1	\$8,400	3%
Families First Coronavirus Relief Act Payroll Tax Credit for Sick Wages Paid	3	\$5,971	2%
Department of Health and Human Services (DHHS) Disaster Billing	4	\$94,873	34%
DHHS Emergency Child Care Program Hazard Pay	1	\$13,580	5%
DHHS Child Care Recovery and Stabilization Program	4	\$79,075	28%
DHHS Child Care Assistance Supplement Program	2	\$11,338	4%
NH Charitable Foundation Grants	1	\$5,000	2%
TOTAL		\$277,849	100%

Three of the four centers closed during the early months of the Covid-19 pandemic. Two of these centers benefited greatly from DHHS’s Disaster Billing due to the level of Child Care Scholarship (CCS) children enrolled in their program. These two centers averaged 49% CSS enrollment, slightly higher than the 40% overall average for Coös centers. Disaster payments made up more than half of the total Covid-19 funding received by these two centers.

On November 30, 2020, the four child care centers had an average of 131 days of cash on hand to support ongoing operations based on current average net income earned from operations. Cash on hand ranged from an average of 53 days for two centers to an average of 209 days for the other two. Two of the centers have less than two months of cash on hand, as shown in the table below.

Cash on Hand	Average Monthly Net Income*	Cash on Hand in Days	Cash on Hand in Months
\$133,907	(4,555.00)	176.05	5.87
\$67,437	(400.00)	242.63	8.09
\$20,003	(1,582.70)	49.80	1.66
\$45,581	(1,995.00)	55.41	1.85

*Based on profit and loss reports.

The Consolidated Appropriations Act, 2021 was passed in December 2020 and extended Covid-19 funding programs, including the Payroll Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) and Advance administered through the Small Business Administration. Additionally, the Act included \$10 billion in funding that goes to the child care sector; this funding will be administered through the states; the application process for these funds opened in New Hampshire in February 2021. These extended and expanded funding resources will provide additional funding to Coös County child care centers; though, both the PPP and EIDL have new eligibility requirements in place, which will disqualify some child care centers.

Center Directors completed and submitted their Coös County Director Network Annual Report in January of 2021. In these reports, Directors shared their perspective on various areas of operations, including program quality, staffing, and the impact of Covid-19 financial resources. Below are some of the thoughts shared by Directors on the impact of Covid-19 financial resources:

"Without the funding..., we would possibly be closed right now. We had gotten to a great point last winter and lost it. [The funding] kept us going after we reopened and allowed us to give our staff extra pay due to the changed circumstances we are working under."

[The funding]:

- *Allowed us to be open and available to our families!!!*
 - *Covered income losses due to extremely low numbers*
 - *Allowed us to pay staff full paychecks even with reduced hours*
 - *Allowed us to continue to pay hazard pay to working staff*
 - *Covered any additional expenses due to Covid-19"*
-

The importance of Covid-19 financial relief is evident, yet centers are losing money monthly under current operations, as enrollment remains below licensed capacity (see Changes in Enrollment and Staffing). Due to decreased enrollment, the average



monthly net profit margin for the four centers losing money is -13%. At the time of this report, no center anticipated imminent or significant changes in enrollment.

Decreased enrollment contributed to an average 11% decline in revenue for the four centers. Only one center experienced revenue growth as shown in the table below. This center received funding from most available Covid-19 financial resources.

2020 Income	2019 Income	% Change
\$302,392	\$279,592	8%
\$105,374	\$107,999	-2%
\$141,760	\$178,785	-21%
\$195,652	\$283,252	-31%
	Total	-11%

Centers are also experiencing Covid-19 outbreaks or exposures forcing temporary closures with a resulting loss in tuition income. Potential additional closures leave centers reliant on cash reserves at the same time they are dependent on these reserves to subsidize operations.

An annual report on the child care sector, *2020 Child Care Benchmark Report: Child Care Statistics and Industry Trends*³⁰, collected data from 862 child care centers on operations including enrollment, staffing, financials, and Covid-19 impacts. Ninety-five percent of respondents were in the United States and 5% were in Canada. The report produced by HiMama, a Certified B Corporation and provider of a child care management software, concluded that overall revenue was down for surveyed centers by 60%. Net income was down 17% on average in large part because centers were able to decrease operating expenses by reducing staff during the pandemic. This was the most effective way for centers to reduce expenses as salaries and benefits make up the largest share of child care program expense.³¹

CHANGES IN ENROLLMENT, TUITION, AND STAFFING

Child care market demand and the child care labor market are explored in detail in the *Market Viability* section of this report. Following is an assessment of the impacts of Covid-19 on enrollment, staffing levels, and staff wages for four Coös County child care centers. Directors provided enrollment, staff, and wage data from 2019 and 2020. Anecdotal assessment of the impact of Covid-19 was gathered from Director’s

³⁰ 2020 Child Care Benchmark Report: Child Care Statistics and Industry Trends. HiMama. 2020. <https://www.himama.com/resources/benchmark>.

³¹ Understanding the True Cost of Child Care for Infants and Toddlers. Center for American Progress. 2018. <https://www.americanprogress.org/issues/early-childhood/reports/2018/11/15/460970/understanding-true-cost-child-care-infants-toddlers/>.

completed *Coös County Director Network Annual Report 2020* and a qualitative survey Directors completed for this report.

Changes in Enrollment

Enrollment is down an average of 23% from November 2019 to November 2020 for the four child care centers. Three of the four centers experienced a decline in enrollment that remained consistent through the fall and winter months of 2020 and into 2021. These three centers experienced an average decline in enrollment of 32%, ranging from 23% to 45%. One center was able to enroll at capacity when it reopened in the fall of 2020, experiencing an increase in enrollment of 4%. According to HiMama's 2020 *Child Care Benchmark Report*, 862 surveyed centers experienced an average 33% decline in enrollment because of the Covid-19 pandemic.

Using November 2020 enrollment data, average enrollment as a percent of capacity was 58% for the three centers that experienced declining enrollment since March of 2020. As previously mentioned, no center is currently projecting an imminent change in enrollment.

Center Directors in some instances are controlling enrollment levels to better manage Covid-19 closures and/or Covid-19 related staff absences. Lower enrollment decreases the stress on existing staff during a challenging time and makes the temporary loss of a staff member due to a Covid-19 illness or quarantine more manageable.

Anecdotally, Directors reported impacts to enrollment in the *Coös County Director Network Annual Report*. Most centers experienced a decline in enrollment since the pandemic began and they do not currently foresee when they will achieve full enrollment again. Directors stated:

"The entire structure of our program has changed due to guidelines. Staffing and enrollment have been impacted the most."

"We have not regained our prior enrollment/income yet – that is the difficult part."

CHANGES IN TUITION AND PAYMENTS

In the qualitative survey sent to Directors for this report, they were asked if they made any changes in tuition fees or payment requirements to accommodate families during the pandemic. We received responses to the qualitative survey from all six centers. Responses were varied. Several centers made no changes in their tuition or payment

policies. One center became more lenient about payments and used Covid-19 resources to cover losses when children were absent due to Covid-19 related circumstances rather than charge families. Below are responses from Directors:

"Yes, from the start (March), families were only charged if they attended. We also offered their slot back to them when they returned to work or were comfortable bringing their child back. We also allowed families to adjust their schedule (most changed to fewer days). As families started using us again, their tuition requirements returned to paying for their agreed upon schedule (paying whether in attendance or not)."

"In September, our rates increased \$2 per day. In November we closed for 2 weeks due to a COVID positive case... and parents were not required to pay. However, a few families did pay their full tuition. After our 2-week closure, we changed our COVID policies to state that if we closed again due to COVID, families would be responsible to pay 50% of their weekly tuition for the first 2 weeks of a closure and any additional time we remained closed, there would be no charge."

"We charge a yearly tuition regardless of missed days. We deducted tuition, which we covered with CCRSP funds for any days missed due to COVID symptoms, testing, potential exposures, etc. as they would not have otherwise been missed."

"We did not change tuition fees or payment requirements due to the Pandemic. [We used] Absentee Billing for scholarship and non-scholarship children who were out due to Covid reasons-that was a godsend!... I would love to charge parents regardless of attendance, but I just can't rationalize doing that to people."

"We became stricter with payment requirements. We also had parents pay 75% of tuition the first week of a closure, 50% of tuition the second week of closure and 25% the third week of closures. We also created 2 enrollment periods and allowed parents to have double the amount of vacation days in a 'school year'."

CHANGES IN STAFFING LEVELS AND WAGES

Full-time equivalent staff is down an average of 11% from November 2019 to November 2020 for four centers though the shift in staffing is uneven. One center increased staffing. Three experienced a decline in full-time equivalent staff, two are down 7% and one is down 36%. Centers have approached staffing by either keeping the number of staff at pre-Covid-19 levels while reducing overall hours or not hiring back all staff.

Below are responses from child care center directors who were asked to reflect on staff turnover in 2020 in their Coös County Director Network Annual Report:

"Our staff turnover has historically been low. During our Covid shutdown we collected unemployment and upon reopening all staff returned even though we reopened before the expanded unemployment benefit ended."

"[Staff turnover was] not typical at all. We had a few staff leave due to Covid and others for other reasons. More money, staff moving, staffing having to care for children at home due to Covid."

Finding and retaining qualified staff was a challenge in Coös County and statewide before the pandemic. The challenges contributing to the labor shortage are discussed in more detail in the *Labor Conditions* section of this report. Many Directors are most concerned with retaining the staff that they have. This is one reason Directors are controlling enrollment; they are minimizing staff stress and burnout at the expense of serving more families. The ongoing risk of a Covid-19 related closure is also a concern.

An analysis of staff wages shows that wages have increased from November 2019 to November 2020. Director wages rose an average of 8% for the four centers and teaching staff wages rose an average of 10%. Two centers increased staff wages in response to the pandemic and have indicated these increases are permanent; respectively, these centers increased wages for the Director by 10% and 13% and for teaching staff by an average of 26% and 16%.

One center kept teacher wages the same and decreased overall teaching staff hours. The fourth center adjusted wages based on tenure and a changeover in staff but did not provide pandemic-related increases.

The median hourly wage for Directors and teaching staff for six child care centers are shown in the table below compared with 2019 NH Bureau of Labor Statistics (BOLS) wage data for child care center administrators (Statewide) and teaching staff (Statewide and in Northern New Hampshire). Overall, wages for Coös' child care professionals have decreased since 2017. As discussed in *Labor Conditions*, the average wage at \$11.61 declined by forth-three cents and the experienced wage saw an even larger drop at ninety-four cents. Entry-level child care staff gained with a forty-seven-cent increase to \$9.26 per hour in 2020.



	2019 NH BOLS Median Hourly Wage <i>Statewide</i>	2019 NH BOLS Median Hourly Wage <i>Northern NH</i>	<u>Six</u> Participating Centers 2020 Median Hourly Wage
Directors	\$23.77	Not Available	\$17.00
Teaching Staff	\$14.38	\$12.20	\$12.27

Centers that were classified as Emergency Child Care Centers by New Hampshire’s Department of Health and Human Services and that received funding linked to that classification were able to boost staff wages through June 28, 2020. One of the four centers received this funding and was able to increase staff wages up to \$5 per hour for several months in 2020.

DIRECTOR PERSPECTIVE ON IMPACTS AND THE FUTURE

Data collection for this report included a qualitative survey in which Directors were asked to reflect on the impacts of Covid-19 and on their primary concerns for the coming year. Six center Directors completed the written survey, so we are including responses from all six. Directors have clearly experienced increased stress and have had to work more hours because of the pandemic. There is also a level of fear and uncertainty that resonated in survey responses. Directors also believe the Covid-19 financial resources were instrumental in keeping their businesses open and operating. When asked to describe how Covid-19 most impacted their business, Directors shared the following:

“#1 Loss of income-this is the basis for any business affecting payroll and all aspects of what we do! Luckily, we have been blessed with financial help. #2 Fear constantly over Covid by staff/conflict over differing opinions of what we should be doing/what families should be doing-leads to conflict between staff which definitely takes away the atmosphere we have tried so hard to create!”

“The biggest impact has been an issue of time for all the additional cleaning and the expenses of taking the majority of our time outdoors and preparing for this with materials, etc. We would have struggled significantly to purchase cleaning supplies and materials for outdoors if we did not receive the CCRSP. The CARES act tax relief made it possible to pay a staff member who was supposed to begin who tested COVID positive. So far it has really been a matter of additional time needed to manage everything. The federal and state funds have made it possible to meet financial needs, and fortunately there has been very minimal illness so far keeping children out.”

“The stress level! The not knowing what will happen, when or if someone will get sick, if everyone will be honest about any contact or symptoms. Wondering if staff will quit. I feel the presence of COVID has somewhat

divided our staff. Worrying about if families will be able to afford paying if we had to close for short periods of time, worrying if we will be able to meet payroll or will we lose staff. Worrying about how we will find qualified staff if we need to replace staff. Luckily, we have been ok financially. I believe this is due to all the help we have received (which comes with more stress of keeping records straight and organized for reporting when that comes time) from the disaster billing, CCRSP, CCCAS, PPP, NHCF grant, supplies from DHHS for being an ECCP site, etc. I also believe we have been ok because we were able to stay open and had the support and guidance from [Director Network] and [Kim Votta Consulting]!”

“I think even though our income from tuition has dropped because our enrollment is lower, we have been able to adjust staffing allowing us to not lose as much money each month.”

Directors ranked the issues that most worried them relative to the current and future sustainability of their program. Director responses are ranked in order of issue that is most important to least important. Directors are most worried about the ability to meet payroll. Followed by the ability to retain or find staff during the pandemic. It is important to emphasize that finding and retaining qualified staff has been and continues to be a primary concern for most child care center Directors in Coös County.

Issue	Ranking
Paying staff or paying myself as a solo provider	1
Finding/retaining staff during the pandemic	2
Whether families will come back after the pandemic is over	3
Finding/retaining staff after the pandemic is over	4
Making /missing rent or mortgage payments	5
Finding and paying for protective and cleaning supplies for staff or myself	6

Directors were also asked what kind of support is most important to them at this time. Most indicated that ongoing financial support is most important:

“I feel the most valuable support is having help looking into, applying for, and keeping track of help and funding offered or available to us. Looking over applications, helping us understand, and check-ins to make sure we’re doing ok.”

“Right now, with the remainder of the CCRSP funds needing to be exhausted by Dec. 31, although we have stocked up on cleaning supplies and purchased all equipment, we can think of that we might need for outdoor learning, I am

concerned about potential closures and absences in the future, both of students and teachers, and how this will impact us financially.”

“I feel that money is the most important support that we can receive-the Disaster billing.... the Absentee Billing.... money to pay the payroll since they are the most important part of our “quality”! Payroll involves the employer’s matching amounts as well as our unemployment contributions, insurances, etc. Being able to maintain staff hours even with fluctuating attendance is very important to me to make it through this Pandemic-they stick by me...so I want to do right by them!”

“Financial support so we are still able to stay open and try to retain quality as much as possible.”

“Making sure there is enough money to support the center in the event that we have to close for any period of time due to Covid. Parents are not always a reliable source of income, even when told they would still have to cover some tuition costs. I fear that the money will dwindle. and I won’t be able to provide for my staff and self, on top of paying all my bills. I also fear that enrollment will go down significantly, as it has already, and this scares me that money will not be coming in.”

CONCLUSIONS

- Three of the four centers acquired sufficient financial help in 2020 to cover all income loss and expenses related to Covid-19. The financial resources also put centers in a stronger cash position, in terms of available cash, than they had previously experienced. Cash on hand increased 137% from November 2019 to November 2020.
- A stronger cash position has allowed centers to operate with decreased enrollment in 2020 and into 2021. There was an average drop in enrollment of 32% for three of the four centers.
- While enrollment is down 32%, full-time equivalent staffing levels are down only 11%. Directors’ push to hold on to staff despite decreased enrollment is closely linked to Director concerns over retaining and finding qualified staff. Directors are making every effort to hold on to the staff they have. Directors also need to keep staffing at a level that allows them to effectively manage staff absences related to Covid-19.
- Wages temporarily increased for both Directors and teaching staff over the past year, a positive outcome from the pandemic. There is an interest from some

Directors in finding a way to maintain increased wage levels for child care center staff despite there being no clear mechanism for doing that – centers are currently losing money due to low enrollment and have no expectation of increasing profit margins when things return to normal. Yet this interest exists, even though six center Directors ranked, ‘Paying staff or paying myself as a solo provider’ the number one issue of concern in the near and long-term.”

- Centers cannot sustain operations at lower enrollment levels and current staffing levels for long. Despite the increase in available cash, two of the four centers have less than two months of cash on hand to support operations based on current projected net income. Ideally, centers would be able to hold on to the cash acquired over the past year. Most centers in Coös County typically operate without adequate or any cash reserves in place.
- Directors are certain that Covid-19 financial resources kept them open and operating or allowed them to reopen during the pandemic. Financial analyses of centers’ cash position and operations support that belief. Directors also stated that continued access to financial resources is the most important way to help centers as they continue to navigate the impacts of Covid-19.

FINANCIAL VIABILITY

It is impractical to consider the financial viability for Coös County child care centers without considering the inherent challenges of operating a child care center. Child care is a low profit-margin business, in large part because child care centers cannot charge families tuition that covers the actual cost of care. Centers are restricted by both the affordability of care for families, as well as external restrictions, such as state limits on tuition. The State of New Hampshire’s Department of Health and Human Services sets maximum tuition rates for child care through its Child Care Scholarship program³². For most child care centers, tuition is the primary, if not only, source of income, which means stability in enrollment and tuition income is paramount to financial viability.

Enrollment stability is challenging as child care centers, like other businesses, are vulnerable to forces outside their control. The Covid-19 pandemic is an extreme example of this, yet it is not the only external factor that can impact child enrollment at a center. Downshifts in the local economy due to business closures and changes in K-12 education, such as the push toward universal preschool are both threats to enrollment stability for child care in Coös County.

³² New Hampshire Department of Health and Human Services Child Care Scholarship Program. Maximum Weekly Standard Rates. <https://www.dhhs.nh.gov/dcyf/cdb/eligibility.htm>

Because child care centers operate under tight operating margins, they often have limited or no cash reserves. The Covid-19 pandemic highlighted the importance of cash to the child care business, as well as the financial vulnerability of centers in crisis situations. Ready access to funding resources, such as the federal Payroll Protection Program and Economic Injury Disaster Advance, as well as the state Child Care Recovery and Stabilization funding programs, provided centers with a level of cash reserves they had never experienced. These reserves have been instrumental in keeping centers open and remain critically important, as when the Covid-19 pandemic will end remains uncertain and child care centers are still operating with reduced enrollment.

The Covid-19 pandemic also illustrated that child care is an essential service for children and the economy. The importance of early childhood education has been consistently demonstrated in recent research around brain development³³. A 2018 study demonstrated the importance of early childhood education to health and development in both the early and later stages of life³⁴. Child care centers are also essential if working parents are to remain in and return to the workforce. Without child care, families are forced to make tough choices about returning to work while employers struggle to find employees.

Director Network Impact

Coös County Director Network is a unique group of early childhood directors all serving children and families through programs. These early childhood professionals are working in early care & education programs, including licensed centers, and Head Start programs in the northern most 18 hundred square miles in the state bordering Canada, Vermont, and Maine. Together they are committed to ensuring that all children experience high quality early childhood learning environments in child care, preschool settings, and at home.

VISION

The Coös County Director Network is committed to creating and sustaining a system of highly trained, qualified professionals working with partner organizations to support all children, ages 0-12, and their families.

³³ Center on the Developing Child. 2021. Harvard University. <https://developingchild.harvard.edu/>.

³⁴ Ferrie, J.P. 2018. Early-Life Education and Late-Life Health: Exposure to Pre-School 1943-46 and Well-Being After Age 50. <https://www.evidenceforaction.org/early-life-education-and-late-life-health-exposure-pre-school-1943-46-and-well-being-after-age-50>.

The Mission of the CCDN is to collaborate and support each other as they strive to provide comprehensive, evidence-based, quality early childhood programs and services that respond to the needs of children, families, and the community while aligning with state and nationally recognized research-based definitions of quality in the field.

Specifically, the CCDN builds the capacity of child care providers through professional development and program improvement opportunities; promoting coordination and collaboration among child care centers and other relevant organizations; and by utilizing evidence-based practices in centers and with families.

The CCDN is part of the Early Childhood Initiative funded by the Neil and Louise Tillotson Fund of the New Hampshire Charitable Foundation. The CCDN's strategic partnerships with other organizations have been instrumental in supporting child care centers during the pandemic.

LEVERAGING RELATIONSHIPS

When Covid-19 hit, the CCDN was able to quickly mobilize resources to support its member centers because it had just organized the *Child Care Task Force* with the support of the Coös Coalition for Young Children and Families and partnered with North Country Council, the region's planning commission to lead the group.

One instrumental Task Force member is the *Early Care and Education Association* (ECEA). Like the CCDN, the ECEA is a collaborative effort of child care centers to support children and families by strengthening early care and education. The ECEA's work is focused on the Upper Valley region of New Hampshire and is funded by the Couch Family Foundation. With the support of the Foundation, the ECEA was also able to quickly mobilize resources to support its member centers at the onset of the pandemic.

The Child Care Task Force as a collaborative working group of organizations and individuals focuses on improving financial viability of child care in Coös County and increasing awareness of the industry's importance to a strong regional economy. The Task Force's work began in early 2020 with an intent to convene community and business stakeholders to engage them in dialog about the current market failure affecting the childcare industry and to develop solutions to address that failure. The Task Force has developed a theory of change model, *Economic Solutions for Childcare in Coös*. The model includes strategies for reducing center expenses, promoting private investment, increasing staff compensation, and expanding the early childhood educator workforce.

The Child Care Task Force's priorities quickly shifted to crisis mode with the unexpected onset of the pandemic. Because the CCDN had a financial technical assistance program already in place and Small Business Development Center representation on the Task Force, it was able to quickly mobilize to provide centers with individual support and access to Covid-19 financial resources. As a result, the three centers that remained open were able to apply for and receive SBA Payroll Protection and Emergency Disaster Loan funding and obtained Emergency Childcare Program designation within the first several weeks.

Additionally, the Task Force teamed up with ECEA to produce a Covid-19 Financial Impact Assessment based on data collected through the expanded technical assistance process. This data was used by New Hampshire's Department of Health and Human Services Build It Back Better working group to form recommendations on how to spend the \$25 million Cares Act funds available to child care centers in the state. Coös County and Upper Valley were the only two regions in the state able to provide real-time local data on the impact of federal and state relief efforts, revenue losses experienced by centers because of Covid-19, and recovery and reopening projections.

DIRECT SUPPORT TO CENTERS

The CCDN stepped in immediately to provide support to its member centers and to advocate for financial aid from the state and the allocation of that aid. Additionally, the CCDN sought funding through the Nonprofit Emergency Relief Fund to further serve the immediate need of child care centers and to address some of the issues contributing to the market failure of child care in Coös County.

The CCDN was awarded an \$197,000 grant through the New Hampshire's Nonprofit Emergency Relief Fund established in response to the pandemic. The CCDN primarily used the funds to meet three primary needs of centers:

Financial Technical Assistance – The CCDN contracted with Kim Votta Consulting to assist in mitigating the impact and extended known and unknown effects of COVID-19 in 9 Coös County Child Care Centers. These services included ongoing technical support in reviewing centers status. Collection and analyzing of financial and operation data such as cash flow, enrollment levels, staffing levels, lost revenue, upkeep of cash flow, re-opening options, and technical assistance with funding applications. The Network also acquired child care management software and technology hardware for centers to increase financial and enrollment automation.

Health Needs – The CCDN contracted with Cardinal Consulting to determine the health needs of 13 center-based child care programs in Coös, and to purchase PPE, and other

Covid-19 related supplies. Centers received cleaning supplies, air purifiers, and deep cleaning services, as well as furniture and supplies that were easier to clean and helped with social distancing.

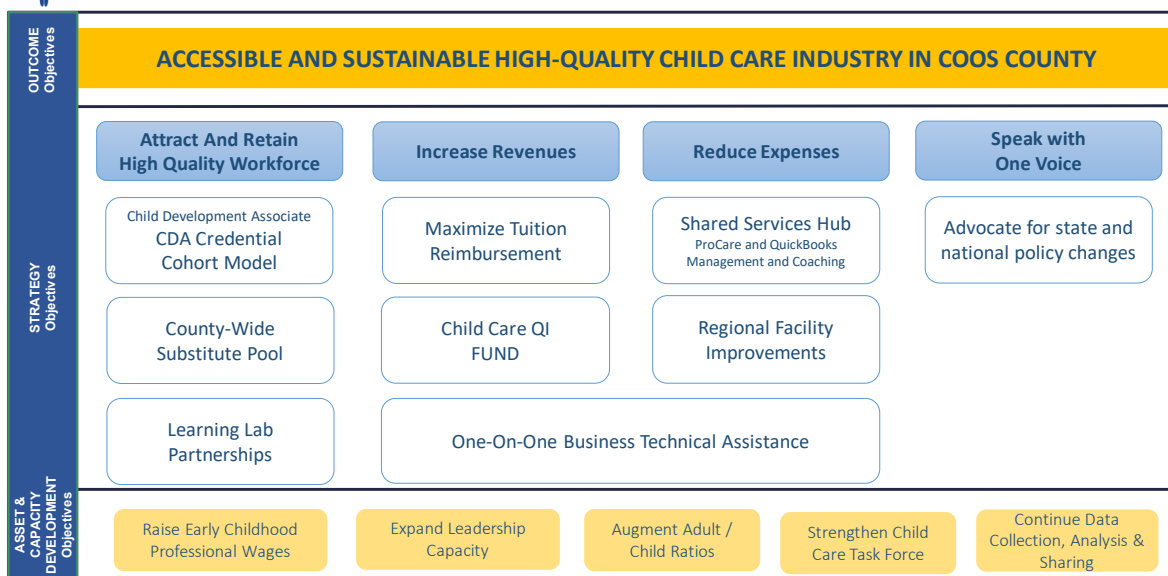
Workforce Development – The CCDN contracted with Early Childhood Education Association to provide 10 current Childcare Professionals the opportunity to receive a Child Development Associate Credential (CDA), allowing centers to increase staffing efficiency and prepare for disruptions due to potential staff quarantine. CDA courses can be taken online while participants work in a center-based environment. The investment creates a very rapid pathway for developing a candidate who meets lead teacher qualifications for very little expense and can be completed in 3 to 6 months’ time. The CCDN also purchased a ProSolutions subscription for 100 teachers/directors to access trainings to retain and rebuild workforce during Covid-19.

ECONOMIC SOLUTIONS FOR CHILD CARE IN COÖS MODEL

The events of the past year further underscored the vulnerability of the child care industry and reinforced the sense of urgency to find solutions which increase and sustain accessible child care in Coös County. The CCDN used Nonprofit Emergency Relief Funds to contract with Groundswell Consulting to create a report to help the Child Care Task Force reassess its priorities and strategies to stabilize the childcare industry and recommend a plan for moving the Economic Solutions model forward.



Strategy Map: Economic Solutions for Child Care in Coos



The pandemic has raised awareness of the both the importance of child care and the need for increased investment in the industry. This creates an opportunity for the Task Force to push forward its agenda in Coös County, contribute to the wider dialogue happening around the child care, and become a model for other regional, state, and national efforts to invest in the industry.

While the Task Force is in the early stages of resetting its work plan and redefining its priorities, there are several strategic areas of the Economic Solutions model The CCDN is actively pursuing:

- *Continue to develop the workforce to increase wages and elevate the profession.* The Child Development Associate Credential (CDA) is a promising start toward expanding the child care workforce in Coös County. The CCDN is also developing an incentive program that will support centers in efforts to raise the professionalism of the field, including increasing staff wages and enhancing benefits, providing professional development and coaching, and offering scholarships and paid time to staff for higher education classes. Additional strategies are to advocate for increased funding for child care. To meet the labor market challenges, the state must shift budget priorities to better support child care and realign current child care funding program limits. Without a new economic model for child care, centers will continue to struggle to retain qualified staff and meet internal and external pressures to raise wages. New Hampshire's minimum wage, at \$7.25/hour, is the lowest in New England and there is pressure on the federal level to increase the minimum wage to as much as \$15/hour.
- *Support efforts to pay providers based on enrollment, not attendance.* Enrollment at child care centers is below pre-Covid-19 levels and projected to remain that way in the near-term. Efforts to increase enrollment and tuition income must be continued and advocated for if child care centers are to achieve financial viability. One example to be supported is the New Hampshire legislative effort in progress, Senate Bill 144, that is intended to change payments for children enrolled in the Child Care Scholarship program from attendance-based to enrollment-based.
- *Help child care centers receive maximum reimbursement under the Child Care Scholarship Program.* Child care centers most often set tuition rates to what is affordable or competitive in the local market. Rates are often set lower than the maximum rate allowed under New Hampshire's Child Care Scholarship program. The CCDN is implementing a pilot program in 2021, working with up

to two centers to reset tuition rates to a level that maximizes reimbursement, retains affordability to families through a sliding scale fee structure, and that is based on the actual cost of care.

- *Encourage states to reconsider how reimbursement rates are set.* Federal funding for New Hampshire’s Child Care Scholarship program is administered through the Child Care Development Block Grant program. States have flexibility in how they set rates if rates are set at a level that ensures scholarship eligible children have equal access to services provided to parents that are not eligible to receive assistance.³⁵ New Hampshire sets tuition reimbursement rates using a market-based system. “Unfortunately, setting rates based on market prices, in a broken market, does not lead to equal access. Providers set rates based on what their local market can bear, so setting rates based on market price replicates the deficiencies, and inequities, within the current market.”³⁶
- *Promote Shared Services to support high quality education and improve financial and administrative efficiency for centers.* Center-based child care and family-based child care programs in Coös County operate independently. Recent national efforts have shown the benefits of creating shared service hubs in the child care sector that centralize financial and administrative tasks.³⁷ These hubs allow directors and teachers to focus on program development and implementation while redirecting time and expense spent on administration and financial management. Key functions in these areas are centralized and automated. The Task Force proposes to develop a regional model for Shared Services in Coös County.

³⁵ Public Law 113-186. <https://www.govinfo.gov/content/pkg/PLAW-113publ186/html/PLAW-113publ186.htm>.

³⁶ S. Workman & K. Hamm. 2020. *6 State Strategies To Improve Child Care Policies During the Pandemic and Beyond*. <https://www.americanprogress.org/issues/early-childhood/reports/2020/10/29/492546/6-state-strategies-improve-child-care-policies-pandemic-beyond/>.

³⁷ S. Easterling and L. Stoney. *Shared services: A strategy for building stronger systems among early care and ... Birth-5*. <https://www.researchconnections.org/childcare/resources/38038>.

Addenda

ADDENDUM A – Listing of Child Care Entities by School District Regions

Note: Chart is organized by school district to provide a sense of the geographic coverage within the county. In-home providers are listed with a number indicating how many providers are known to operate within that town.

SAU 20					
Gorham, Shelburne, Randolph, Errol, Milan, Dummer					
	Location	Type	Liscenses	Entity	Age or Grade Ranges Served
Gorham Community Learning Center	Gorham	Center-based	Accredited	Nonprofit	6W - 12Y
Mother Goose Childcare Center	Gorham	Center-based	Licensed Plus	For-Profit	6W - 10Y
Salve Regina Academy	Gorham	Center-based		Nonprofit	PS K Grades 1 - 8
SAU 20 - Ed Fenn Elementary School	Gorham	School-based		Public	PS K Grades 1 - 5
SAU 20 - Errol Consolidated Elementary School	Errol	School-based		Public	PS K Grades 1 - 8
SAU 20 - Milan Village Elementary School	Milan	School-based		Public	PS K Grades 1 - 6
SAU 36					
Berlin					
	Location	Type	Liscenses	Entity	Age or Grade Ranges Served
In-Home Provider - 1	Jefferson	In-home		For-Profit	Unknown
Mount Royal Academy North	Lancaster	Center-based		Nonprofit	PS K Grades 1 - 5
SAU 36 - Lancaster Elementary School	Lancaster	School-based		Public	PS K
Lancaster Play & Learn	Lancaster	Center-based	Licensed Plus	Nonprofit	6W - 7Y
Sunnybrook Montessori School	Lancaster	Center-based	Licensed Plus	Nonprofit	3Y - 7Y
Lancaster Cottage	Lancaster	Family-based	Licensed	For-Profit	Unknown
Safe Haven - Colonel Town Rec	Lancaster	After-school		Nonprofit	5Y - 12Y
In-Home Provider - 3	Lancaster	In-home		For-Profit	Unknown
In-Home Provider - 1	Twin Mt	In-home		For-Profit	Unknown
Headstart - Whitefield	Whitefield	Center-based	Licensed Plus	Nonprofit	3Y - 5Y
In-Home Provider - 1	Whitefield	In-home		For-Profit	Unknown
SAU 36 - Whitefield Elementary School	Whitefield	School-based		Public	PS K Grades 1 - 8
SAU 58					
Stark, Groveton (Northumberland), Stratford					
	Location	Type	Liscenses	Entity	Age or Grade Ranges Served
Country Kids Learning Center	Groveton	Center-based	Licensed	For-Profit	6W - 12Y
In-Home Provider - 3	Groveton	In-home		For-Profit	Unknown
Headstart - Grovteon	Groveton	Center-based	Licensed Plus	Nonprofit	3Y - 5Y
SAU 58 - Groveton Elementary School	Groveton	School-based		Public	PS K Grades 1- 5
SAU 58 - Stark Village School	Stark	School-based		Public	PS K Grades 1-6
SAU 58 - Stratford Public School	Stratford	School-based		Public	PS K Grades 1- 8
SAU 7					
Colebrook, Columbia, Pittsburg, Clarksville, Stewartstown					
	Location	Type	Liscenses	Entity	Age or Grade Ranges Served
All About Kids	Colebrook	Center-based	Licensed Plus	For-Profit	6W - 12Y
Colebrook Country Day School	Colebrook	Center-based	Accredited	Nonprofit	12M - 12Y
Headstart - Colebrook	Colebrook	Center-based	Licensed Plus	Nonprofit	3Y - 5Y
In-Home Provider - 1	Colebrook	In-home		For-Profit	Unknown
SAU 7 - Colebrook Academy and Elementary School	Colebrook	School-based		Public	PS K Grades 1- 8
SAU 7 - Pittsburg School (Elem)	Pittsburg	School-based		Public	PS K Grades 1- 8
SAU 7 - Stewartstown Community School	Stewartstown	School-based		Public	PS K Grades 1- 8
SAU 3					
Berlin					
	Location	Type	Liscenses	Entity	Age or Grade Ranges Served
Mini-Mountie Preschool	Berlin	Center-based	Liscense-exen	Public	PS
SAU 3 - Berlin Elementary School (Meri Center)	Berlin	School-based		Public	PS K Grades 1 - 5
Day By Day	Berlin	Center-based	Licensed Plus	For-Profit	6M - 10Y
Kids Only	Berlin	Center-based	Licensed Plus	For-Profit	18M - 12Y
Headstart - Berlin	Berlin	Center-based	Licensed Plus	Nonprofit	3Y - 5Y
In-Home Providers - 5	Berlin	In-home		For-Profit	Unknown
Project Youth - FRC	Berlin	After-school	Licensed	Nonprofit	5Y - 15Y

This chart, organized by school regions, shows child care enrollment by child care provider and age groups.

SAU 20						
Gorham, Shelburne, Randolph, Errol, Milan, Dummer						
	Infant	Toddler	PreSchool	After-School	Capacity	
Gorham Community Learning Center	4	9	37	27	39	
Mother Goose Childcare Center	4	10	19	18	72	
Salve Regina Academy			13		15	
SAU 20 - Ed Fenn Elementary School			0			
SAU 20 - Errol Consolidated Elementary School			0			
SAU 20 - Milan Village Elementary School			24		26	
TOTAL	8	19	93	45	152	
SAU 36						
Whitefield, Lancaster, Dalton, Jefferson, Twin Mt.						
	Infant	Toddler	PreSchool	After-School	Capacity	
In-Home Provider - 1 *					3	
In-Home Provider - 3 *					9	
Lancaster Cottage					9	
Lancaster Play & Learn	5	11	21	1	49	
Mount Royal Academy North			13			
Safe Haven - Colonel Town Rec						
SAU 36 - Lancaster Elementary School			26			
Sunnybrook Montessori School			18	8	24	
In-Home Provider - 1 *					3	
Headstart - Whitefield			12		18	
In-Home Provider - 1 *					3	
SAU 36 - Whitefield Elementary School			28			
TOTAL	5	11	118	9	118	
SAU 58						
Stark, Groveton (Northumberland), Stratford						
	Infant	Toddler	PreSchool	After-School	Capacity	
Country Kids Learning Center	1	4	7	8	40	
In-Home Provider - 3 *					9	
Headstart - Grovteon			20		30	
SAU 58 - Groveton Elementary School			0			
SAU 58 - Stark Village School			3			
SAU 58 - Stratford Public School			3			
TOTAL	1	4	33	8	79	
SAU 7						
Colebrook, Columbia, Pittsburg, Clarksville, Stewartstown						
	Infant	Toddler	PreSchool	After-School	Capacity	
All About Kids	1	8	14	16	35	
Colebrook Country Day School	3	10	15	8	61	
Headstart - Colebrook			11		19	
In-Home Provider - 1 *					3	
SAU 7 - Colebrook Academy and Elementary School			10			
SAU 7 - Pittsburg School (Elem)			4			
SAU 7 - Stewartstown Community School			3			
TOTAL	4	18	57	24	118	
SAU 3						
Berlin						
	Infant	Toddler	PreSchool	After-School	Capacity	
Mini-Mountie Preschool			32		50	
SAU 3 - Berlin Elementary School (Meri Center)			10			
Day By Day	1	3	9	6	31	
Kids Only		5	17	17	26	
Headstart - Berlin			77		77	
In-Home Providers - 5 *					15	
Project Youth - FRC					100	
TOTAL	1	8	145	23	299	
TOTAL FOR COOS COUNTY	19	60	446	109	766	

ADDENDUM B - Letter SAU 58 Superintendent Re: Preschool Partnerships

Dear Superintendent Beasley,

May 2019

I am writing to propose partnering with SAU 7 to explore the best way to expand preschool services in our area. I know local parents and the school administration are very interested in expanding access to preschool. When we spoke recently, you mentioned that Columbia is particularly interested in expanding preschool. As a Columbia resident with a preschool-aged child, I absolutely agree this should be a priority.

However, if the current preschool program at Colebrook Elementary is expanded, this could have significant negative effects on our region's child care system. This is because expanded public preschool would take children away from the child care centers that are currently providing private preschool programs. All child care centers depend on a strong preschool enrollment to meet their financial obligations, as the infant and toddler programs are not sustainable alone. Infant and toddler programs are more expensive because they require a higher teacher to student ratio. Additionally, there are significantly fewer infants and toddlers enrolled at our child care centers than there are preschoolers. For these reasons, among others, an infant and toddler program is not sustainable alone.

Licensed child care centers that can provide infant and toddler care are needed in our community. It is part of the infrastructure necessary to allow parents to return to the workforce after having children. When families with young children move to a community, they are looking for quality child care. Therefore, it is in everyone's best interest to find a way to offer universal preschool without jeopardizing our child care centers that offer infant, toddler, and other important services (such as summer and before and after school care).

I believe we have found a solution to this complex problem. As explained below, our solution provides several advantages over the public preschool program currently offered in the Colebrook Elementary School. Also, this solution can easily be implemented now, so that expanding our preschool programs does not need to wait for any other school administration changes, such as regionalization.

The solution is to offer expanded public preschool services at our child care center known as Country Day School ("Country Day"). This is the model used by the Gorham Community Learning Center ("GCLC") in Gorham, New Hampshire. Both GCLC and Country Day are 501(c)(3) nonprofit child care centers accredited by the National Association for the Education of Young Children (NAEYC), and as explained below, they are uniquely qualified to partner with their respective school systems in this manner.

Gorham's school administration pays GCLC to offer three hours of public preschool per day for a specific number of children. In addition to the compensation paid directly from the school administration to GCLC, this child care center raises approximately \$9,000.00 via town Warrant articles (about 3k each from Gorham, Shelburne, and Randolph). Such articles read as follows: "To see if the town will vote to raise and appropriate the sum of \$3,000.00 for the purpose of supporting the Gorham Community Learning Center in Gorham." GCLC has collected funding via Warrant articles for several years, and it reports that this has significantly improved the quality and stability of its programming, and further that the voters are always very supportive of such articles.

Offering public preschool services on site at a NAEYC accredited facility provides several advantages for the preschoolers. First, Country Day's operating hours are from 6:30am – 5:30pm. Public preschool is only for three hours in the morning ending around 11am. This presents a challenge for working parents who cannot pick their child up at 11am. Since preschool is the only grade that ends at 11am, neither child care center in Colebrook offers a bus service for afterschool care for these children (while both centers do provide a bus service for afterschool care at 2:45pm when all the other grades end). Expanding the public preschool program through Country Day will provide a built-in after school program for the preschoolers without the need for any busing services.

Another benefit to having public preschool and an afterschool program in one location is that transporting preschoolers to a different location after a short three-hour class will take valuable time away from learning, playing, and socializing. Instead of standing in line and boarding a bus after class, he or she can simply transition more easily into lunch or nap time in the next room. This would be a significantly less stressful schedule for our young three and four-year old's. Not to mention that regularly bussing a group of three- and four-year old's, while not impossible, can be expensive, and it presents a unique set of liability and safety concerns.

Another benefit is Country Day's facility. At present, Colebrook Elementary School does not have a fenced outside play area, and it does not have playground equipment that is safe or developmentally appropriate for preschool aged children. As you know, a quality preschool program is play-based with as much time as possible outside playing, socializing, and exploring nature. Country Day's facilities contain two large fenced-in play areas (one for preschoolers, and a second for the toddlers), in addition to a third outdoor space with raised garden beds that the preschoolers and toddlers help plant and tend. Additionally, Country Day has recently applied for significant grant funding to renovate and improve its existing indoor and outdoor facilities. In sum, expanding the public preschool program through Country Day will provide improved outdoor facilities that the current program does not have.

Another benefit Country Day provides is a NAEYC accredited program overseen by a licensed school teacher. NAEYC accreditation means that we are being held to high quality expectations in the following areas: Relationships, Curriculum, Teaching, Assessment of Child Progress, Health, Teachers, Families, Community Relationships, Physical Environment and Leadership and Management. We are one of the 54 programs out of 904 licensed child care programs in the State of NH that holds this title. Amy Brooks, Country Day's founder, holds a master's degree in Early Childhood Education and she is licensed to teach elementary education. She is on staff at Country Day, training, mentoring, and overseeing the preschool curriculum.

Our well-trained teachers and staff follow the High Scope Curriculum, which is a research-based curriculum that integrates social-emotional learning content with other academic areas. Country Day assesses the children's growth and development using COR Advantage and the Ages and Stages Questionnaires (ASQ) to ensure that children are excelling in all areas of development. With parental permission we share the results of this screening with the SAU for children entering kindergarten.

If the public schools partnered with Country Day to expand preschool services, I believe our respective resources and expertise would combine to create an exceptionally high-quality program—and we would also be preserving and improving child care for infants, toddlers, and the before/after school programs.

As you mentioned, Columbia is especially interested in expanding access to preschool for its children. Therefore, it might make sense to discuss a pilot project with the town of Columbia alone, or maybe with a combination of a few towns, funded in part with contributions from the school system, as well as from Warrant articles, similar to Gorham's model, for three hours' worth of public preschool per day.

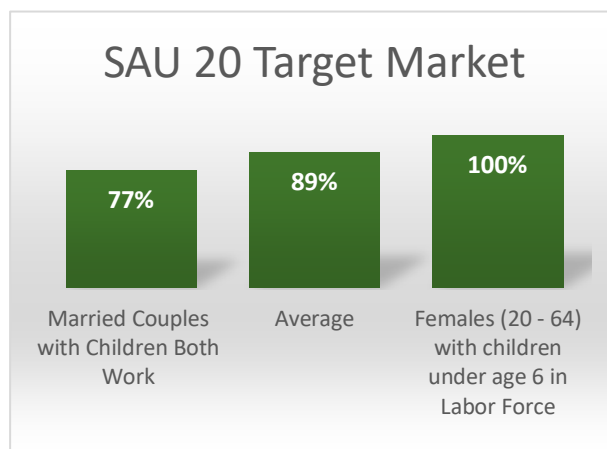
I look forward to discussing this proposal with you further. Please let me know if you would like to schedule a meeting, and if so, what time and place works for you. Thank you in advance for your time and consideration.

Sincerely,
Sandra Cabrera

ADDENDUM C – Regional Overviews of Child Care Needs

SAU 20	Location	Infant	Toddler	Pre-School	After-School	Capacity
Gorham Community Learning Center	Gorham	4	9	37	27	39
Mother Goose Child Care Center	Gorham	4	10	19	18	72
Salve Regina Academy	Gorham			13		15
SAU 20 - Ed Fenn Elementary School	Gorham			0		
SAU 20 - Errol Consolidated Elementary	Errol			0		
SAU 20 - Milan Village Elementary School	Milan			24		26
TOTAL		8	19	93	45	152

SAU 20 region is situated on the eastern side of the White Mountains and encompasses six towns - **Gorham, Shelburne, Randolph, Errol, Milan, Dummer**. Child care options consist of two licensed child care centers who also provide after-school care and one religious affiliated preschool. While there are three elementary schools, the district’s preschool program is located at the Milan Village Elementary School. There are no known non-licensed in-home providers in the region.



The supply of child care slots based on 2019 enrollment is estimated at 120. There are 172 children under the age of six residing in this region. 89% of all caregivers with children under the age of 6 are in the workforce.

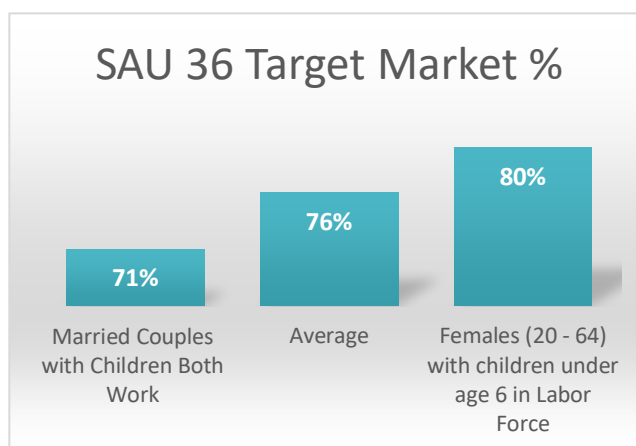
SAU 20	2019 Enrollment Capacity	# of Children	% of children in ECE	89% Target Market	Unmet Need
Preschool	93	90	103%	80	-13
Toddlers	19	57	33%	51	32
Infants	8	25	32%	22	14
Total	120	172	70%	153	33

Conclusions:

- This region has highest percentage of children in child care and preschool in the County.
- Preschool market is over-subscribed indicating some families are using more than one preschool provider to fill their needs.
- Most children entering Kindergarten have had early education.
- One-third of infants and toddlers have access to early care and education programs.
- To meet the needs of working families, the region would need to add at least one class for infants and 2.5 teachers along with two toddler classes and 6 teachers.

SAU 36	Location	Infant	Toddler	Pre-School	After-School	Capacity
In-Home Provider - 1 *	Jefferson					3
In-Home Provider - 3 *	Lancaster					9
Lancaster Cottage	Lancaster					9
Lancaster Play & Learn	Lancaster	5	11	21	1	49
Mount Royal Academy North	Lancaster			13		
Safe Haven - Colonel Town Rec	Lancaster					
SAU 36 - Lancaster Elementary School	Lancaster			26		
Sunnybrook Montessori School	Lancaster			18	8	24
In-Home Provider - 1 *	Twin Mt					3
Head Start - Whitefield	Whitefield			12		18
In-Home Provider - 1 *	Whitefield					3
SAU 36 - Whitefield Elementary School	Whitefield			28		
TOTAL		5	11	118	9	118

The SAU 36 region is situated on the western side of the White Mountains and encompasses five towns – **Whitefield, Lancaster, Dalton, Jefferson, and Twin Mt.** Child care options consist of one Head Start program, two licensed plus centers who also provide after-school care and one religious affiliated school. Lancaster Cottage is the only licensed family home care provider in the county and Colonel Town Recreation runs Safe Haven an after-school program. Both elementary schools offer public preschool to special education and regular education. There are 6 known non-licensed in-home providers in the region with the ability to serve 18 children plus their own.



The supply of child care slots based on 2019 enrollment is estimated at 134. There are 381 children under the age of six residing in this region. 76% of all caregivers with children under the age of 6 are in the workforce.

SAU 36	2019 Enrollment	# of Children	% of children in ECE	76% Target Market	Unmet Need
Preschool	118	202	58%	154	36
Toddlers	11	112	10%	85	74
Infants	5	67	7%	51	46
Total	134	381	35%	290	156

Conclusions:

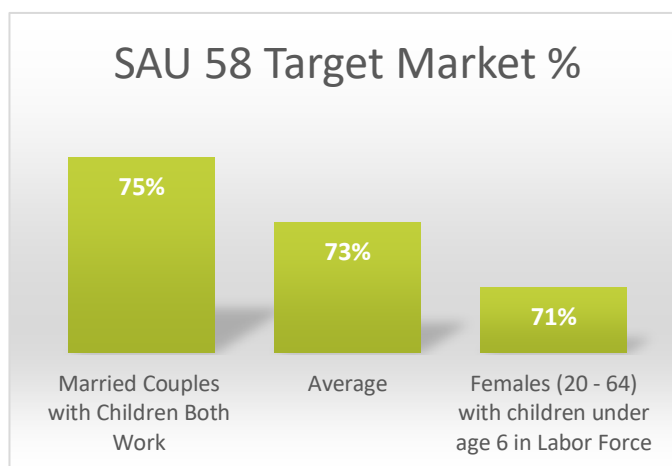
- Only 35% of children are enrolled in some type of early care and education, less than the state average at 40%.

- 58% of children are enrolled in a preschool program.
- 42% of the region's children are entering Kindergarten without some early education.
- Only 7% of infants can access early care and education and only 10% of toddlers, lower than the county's average at 9% and 14% respectively.
- The six in-home providers and one licensed family provider potentially adds 25 child care slots to the region which does not make up for the 156 slots needed.
- To meet the needs of working families, the region would need to add three to four infant class rooms and 10 teachers along with four or more toddler classes and 11 teachers.

SAU 58	Location	Infant	Toddler	Pre-School	After-School	Capacity
Country Kids Learning Center	Groveton	1	4	7	8	40
In-Home Provider - 3 *	Groveton					9
Head Start - Groveton	Groveton			20		30
SAU 58 - Groveton Elementary School	Groveton			0		
SAU 58 - Stark Village School	Stark			3		
SAU 58 - Stratford Public School	Stratford			3		
TOTAL		1	4	33	8	79

The SAU 58 region is situated on the west central side of the county and encompasses three towns - Stark,

Groveton/Northumberland and Stratford. Child care options consist of one Head Start program and one licensed center. There are three elementary schools offering public preschool. There are 3 known non-licensed in-home providers in the region.



The supply of available child care slots is estimated at 38. There are 150 children under the age of six residing in this region.

73% of all caregivers with children under the age of 6 are in the workforce.

SAU 58	2019 Enrollment	# of Children	% of children in ECE	73% Target Market	Unmet Need
Preschool	33	81	41%	59	26
Toddlers	4	45	9%	33	29
Infants	1	24	4%	18	17
Total	38	150	25%	110	72

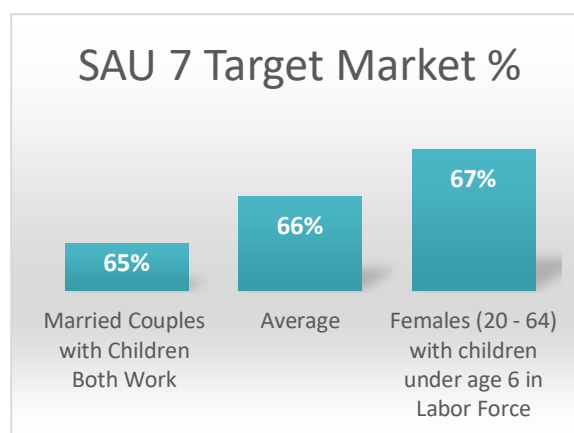
Conclusions:

- Only 1 in 4 children in Region 58 are in early care and education.
- The preschool market has room for at least one more preschool program with only 41% of children currently enrolled.
- More than half of the children entering Kindergarten have not had any early education.
- This region is lacking infant and toddler care with only 4% of infants and 9% of toddlers enrolled in licensed child care.
- The three in-home providers most likely help fill this gap by providing up to 9 additional slots, still leaving more than 30 infants and toddlers without access to child care.
- To meet the needs of working families, the region would need to add one or two infant class rooms and at least 4 teachers. There is a need for at least two toddler classes and approximately 7 teachers.

SAU 7	Location	Infant	Toddler	Pre-School	After-School	Capacity
All About Kids	Colebrook	1	8	14	16	35
Colebrook Country Day School	Colebrook	3	10	15	8	61
Head Start - Colebrook	Colebrook			11		19
In-Home Provider - 1 *	Colebrook					3
SAU 7 - Colebrook Academy Elem School	Colebrook			10		
SAU 7 - Pittsburg School (Elem)	Pittsburg			4		
SAU 7 - Stewartstown Community School	Stewartstown			3		
TOTAL		4	18	57	24	118

The SAU 7 region is the northern most area and shares a border with Canada. Towns in this region include Colebrook, Columbia, Pittsburg, Clarksville, Stewartstown. Child care options consist of one Head Start program and two licensed plus centers. Three elementary schools offering public preschool. There is one known non-licensed in-home provider in the region.

The supply of available child care slots is estimated at 79. There are 148 children under the age of six residing in this region. 66% of all caregivers with children under the age of 6 are in the workforce, substantially less than that county average at 75%.



SAU 7	2019 Enrollment	# of Children	% of children in ECE	66% Target Market	Unmet Need
Preschool	57	81	70%	53	-4
Toddlers	18	53	34%	35	17
Infants	4	14	29%	9	5
Total	79	148	53%	98	19

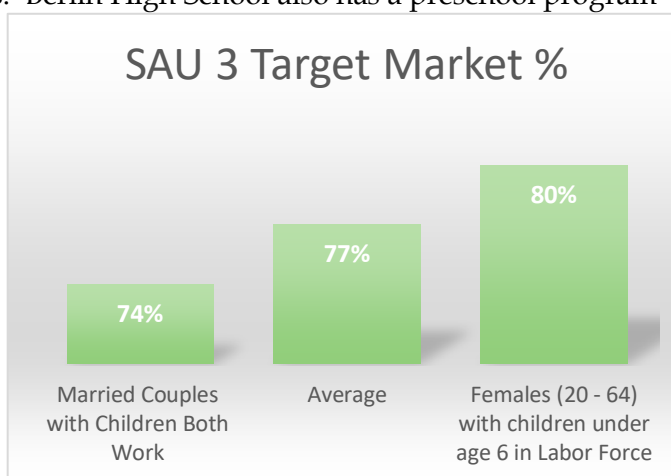
Conclusions:

- The region is higher than the state average with 53% of children in child care.
- The preschool market is extremely competitive with available slots for 70% of the children residing in the area and only 66% of children with all caregivers in the workforce.
- Nearly three-quarters of children enter Kindergarten with some early learning.
- 1 in 3 infants and toddlers have access child care, better than the county’s overall average of 1 in 10 for infants and 1 in 7 for toddlers.
- The region would need one more infant teacher and two toddler teachers plus the appropriate space to meet the need for working families.

SAU 3	Location	Infant	Toddler	Pre-School	After-School	Capacity
Mini-Mountie Preschool	Berlin			32		50
SAU 3 - Berlin Meri Center	Berlin			10		
Day By Day	Berlin	1	3	9	6	31
Kids Only	Berlin		5	17	17	26
Head Start - Berlin	Berlin			77		77
In-Home Providers - 5 *	Berlin					15
Project Youth - FRC	Berlin				54	100
TOTAL		1	8	145	77	299

The SAU 3 region encompasses the City of Berlin. Child care options consist of one Head Start program and two licensed plus centers. The school district offers a public preschool program for children with special needs. Berlin High School also has a preschool program which is a learning lab for students going into the early education field. The Family Resource Center runs an afterschool program at the elementary school. There are five known non-licensed in-home providers in Berlin.

The supply of available child care slots is estimated at 154. There are 462 children under the age of six residing in this region. 77% of all caregivers with children under the age of 6 are in the workforce.



SAU 3	2019 Enrollment	# of Children	% of children in ECE	77% Target Market	Unmet Need
Preschool	145	217	67%	167	22
Toddlers	8	169	5%	130	122
Infants	1	76	1%	59	58
Total	154	462	33%	356	202

Conclusions:

- The preschool market, while competitive, still has room for growth with 67% of children enrolled and an unmet need of 22 slots.
- Two-thirds of children entering Kindergarten have had some early learning.
- Infant care is practically non-existent with only one center taking infants at 6 weeks.
- Only 5% of the toddlers in the region are enrolled in organized child care program.
- Revisit a proposal to start an Early Head Start program in the Berlin area.
- The region would need one more infant teacher and two toddler teachers plus the appropriate space to meet the need for working families.