

SANTA BARBARA COUNTY

CHILDCARE NEEDS & ASSET ASSESSMENT

MAY 2024

Brighter Futures Childcare Initiative

UNITED WAY OF
SANTA BARBARA COUNTY

Report By:

United Way of Santa Barbara County

Maria Chesley Consulting

Maria Chesley, PhD, Lead Author

James E. Taylor, PhD, Survey Design and Analysis

Ana Cubero, Project and Research Support



Santa Barbara County Childcare Needs & Asset Assessment

May 2024 | Brighter Futures Childcare Initiative

United Way of Santa Barbara County

Maria Chesley Consulting

Assessment Funding & Partnerships

The 2024 Santa Barbara County Childcare Needs & Asset Assessment was made possible by American Rescue Plan Act funds via a contract between United Way of Santa Barbara County and the County of Santa Barbara. United Way of Santa Barbara County contracted with Maria Chesley Consulting to complete the assessment.

About United Way of Santa Barbara County

Since 1923, United Way has served the Santa Barbara County community through funding, partnership development, volunteer services, and by creating, managing, and leading its own unique programs and initiatives that involve dozens of local non-profit, business, and public sector organizations. United Way's mission is driven by a focus on school readiness and academic achievement, financial empowerment, and crisis response and recovery. Their vision is strong local communities where committed networks of leaders and organizations are united to provide children and families the education, financial skills, and resources necessary to be successful today and resilient in times of community crisis.

About Maria Chesley Consulting

Maria Chesley Consulting leads and contributes to organizations and collaborative efforts that promote the education, health, and wellbeing of children, families, and communities. They bring research and evidence-informed practices to bear on the collective development and improvement of cross-sector service delivery systems. Maria Chesley, PhD, Principal, long ago adopted Santa Barbara County as home and raised two boys here. For almost eight years, Maria led the Carpinteria Children's Project including its early care and education program.

Study Team:

Maria Chesley, PhD, Lead Author

James E. Taylor, PhD, Survey Design and Analysis

Ana Cubero, Project and Research Support

Acknowledgements

Thank you to the parents, employers, and early care and education leaders who contributed their time to complete the survey and provide in-depth interviews and information to support this countywide assessment. This dedicated leadership and engagement will generate impact for thousands of local children and families in Santa Barbara County who depend and rely on a strong childcare system.

Table of Contents

Introduction	1
Purpose and Methodology	1
Types of Childcares Utilized	2
Local Employer Support for Childcare	4
Countywide Needs and Assets Assessment	5
Need: Childcare to Support the Local Workforce	5
Need: Affordable Childcare Spaces	7
Need: Available Childcare Spaces	8
Asset and Need: Increased Government Support and Awareness	8
Regional Differences in Needs and Assets	8
Licensed Spaces Available for Infants and Toddlers	9
Breakdown of Centers Versus FCCs	11
Childcare Workforce Recruitment and Retention	12
Parent Confidence and Preferences	12
Municipal Policies That Support New Providers	13
Community Snapshot by Region	13
Recommendations	14
Provide Scholarships to Middle Income Families	14
Increase Employer Involvement	14
Increase Number of Trained Infant-Toddler Childcare Providers	15
Improve Reimbursement Rates	15
Educate Parents About Available Subsidies	16
Improve Understanding of Unmet Demand	16
Improve Municipal Policies and Advocate for Increased Public Investment	16
Appendix A: Research Methodology and Description of Samples	17
Appendix B: Revenue sources for early care and education programs	21
References	23

Introduction

Purpose and Methodology

A robust childcare system holds the potential for a healthier workforce to support the local economy and improved outcomes for families and children and the future workforce. As families and providers struggle to navigate an inefficient childcare system, local economies struggle. It is estimated that the combined impact of a struggling childcare system in Santa Barbara County ranges between \$200,381,000 and \$305,589,000 annually. As the system continues to fail local households and businesses, economic impacts will compound, exponentially growing the deficits incurred from this weakened sector¹.

This report examines the challenges surrounding childcare in Santa Barbara County from an economic perspective, while centering the importance of ensuring quality care for children. Informed by insights obtained from a comprehensive, county-wide, Brighter Futures Childcare Survey, the aim is to gain a deeper understanding of how the childcare landscape, focused on children from birth to kindergarten, is perceived by both parents and employers in Santa Barbara County. In particular, this report responds to the directive issued by Santa Barbara County urging special attention to childcare for infants and toddlers with a geographic focus on the areas of Lompoc, Orcutt, Buellton, Guadalupe, and Carpinteria.

The following approaches were used to understand the perspectives and priorities of diverse stakeholders regarding the local childcare sector:

- Online survey of parents with children aged zero to five who live or work in Santa Barbara County
- Online survey of employers located in Santa Barbara County
- Interviews with 14 local early care and education experts
- Focus group with the Child Care Planning Council of Santa Barbara County
- Communications with leaders from the Economic Forecast Project at the University of California Santa Barbara

64%

of higher-income families are enrolled in centers, while only **10% of lower-income families** utilize center-based care.

SBC Childcare Assessment, May 2024

1,028 local parents of children ages 0-5 completed the childcare survey, while Forty-five employers responded to an employer survey. Employer respondents were of various sizes and represented 14 industries and approximately 18,500 employees, which, based on census estimates, is at least around 10% of the total workforce in the county (see Appendix A for more details). Both Surveys were confidential.

Types of Childcare Utilized

Like childcare systems across the United States, the childcare system in Santa Barbara County supports childcare needs through both formal and informal programs and providers. Public government programs serve families with lower incomes, and private programs serve middle- and higher-income families. Depending on the program, government-funded revenue streams can be accessed by for-profit businesses, nonprofit organizations, and/or school districts (see Appendix B).

Types of Providers and Funding They Can Receive

Individual business owners, privately owned centers, nonprofit organizations, school districts, and faith-based communities provide licensed care for infants, toddlers, and preschoolers¹ in several settings:

- **Licensed childcare centers**

These are generally larger care settings and can be in a commercial building, place of worship, or school that also serves older children. They are typically open during traditional daytime work hours on weekdays. Centers vary in ages they serve, some taking infants and others starting between 18 months and 3 years. It is at the discretion of the center if they will accept public subsidy payments.

- **Licensed in-home Family childcare (FCC)**

Childcare set up in the provider's home that can serve a maximum of four infants in a group of 12 children or three infants in a group of 14 children. Providers can choose the ages that they serve, the days and hours that they will operate, and if they will accept public subsidy payments.

- **License-exempt care by family, friend, or neighbor (FFN)**

This includes nannies, au pairs, and babysitters, as well as people caring for their own or a relative's children, or friends. If the provider is caring for children from only one other family, they do not require a license. People or organizations caring for children for a limited number of hours per week are also license-exempt. Options vary for the use of public subsidy payments.

- **Unlicensed care**

Although not legal, some families throughout the county rely on unlicensed care for children. This can happen for any age group of children. Without a license, the families utilizing this option cannot use public subsidy payments.

- **Transitional Kindergarten (TK)**

This is a public-school program that serves 4-year-olds the year before they enter Kindergarten. TK ends well before 5:00 each day and is generally only held during the 180 days per year that schools are open. Public schools are free of cost for families and do not require any tuition.

¹ For the purposes of this report infants are defined as ages birth-1-year, toddlers are 1-3 years, and preschoolers are 3-5 years.

Parents' Use of Childcare

When deciding about childcare, a provider's location, hours of operation, cost, acceptance of public subsidies, and other factors are considered by parents and caregivers. The industry a parent or caregiver works in will often necessitate extra hours or days of care that deviate from the traditional workweek. For example, almost 20% of parents who work in healthcare need weekend and holiday care while only 5% of those who work in education need the same accommodation.

Parents use a wide range of childcare options, and in some cases more than one option, to meet their needs. Parents who employ more than one type of provider, such as those working irregular or non-standard hours, almost always use FFN care or a nannyⁱⁱ. Table 1 shows the type of care used by parents who responded to the survey.

- Results showed that middle-income families and those with only one income are more likely to have a parent at home caring for young children.
- Centers that take private pay from parents tend to be more expensive than FCC or FFN care, and a higher percentage of higher-income parents in the sample use center-based care.
- Sixty-four percent of higher-income families are enrolled in centers, while only 10% of lower-income families utilize center-based care.

Table 1. Types of childcare parents use.

Type of Childcare	% of parents	By Income			By Earning structure	
		Lower <\$90,000/yr	Mid	Higher >\$180,000/yr	Dual Income	Single Income
Parent at home	31%	30%	36%	16%	25%	49%
Close family member or friend	25%	30%	23%	16%	27%	19%
Family childcare setting	21%	22%	23%	17%	23%	20%
Center or Preschool	21%	10%	37%	64%	34%	13%
Nanny or babysitter	10%	12%	6%	13%	8%	5%
HeadStart	7%	10%	2%	1%	6%	13%
Transitional Kindergarten	13%	11%	18%	16%	16%	14%

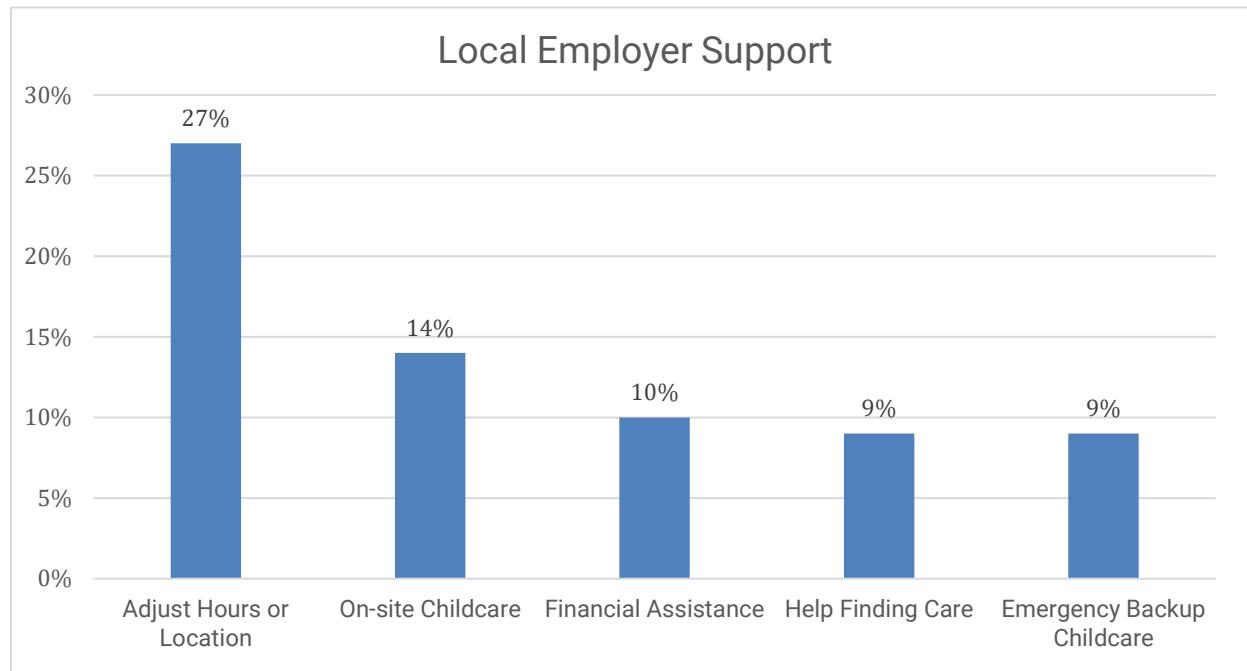
n=1028, 532, 181, 70, 470, 256 by column

**Notes: Columns can add to greater than 100% because families can utilize multiple types of care for their child(ren). Percentages are bolded if higher than the overall average of all responses.*

Local Employer Support for Childcare

Thirty-seven percent of parent respondents to the survey reported receiving childcare benefits of any kind from their employer. Figure 1 outlines the breakdown of this support.

Figure 1. Breakdown of Employer Childcare Support



Similar percentages of lower and middle-income working families reported receiving different types of employer support, but a noticeably higher percentage of higher-income working families (making more than \$180,000) reported receiving the same support (see Table 2).

Table 2. Parent-Reported Employer Supports for Childcare

Income	Provides on-site or near-site childcare	Subsidies for childcare	Helps find childcare	Provides backup or emergency childcare	Adjusts hours or locations to fit childcare needs
Overall	14%	10%	9%	9%	27%
Lower Income (< \$90,000/yr)	10%	8%	9%	7%	22%
Middle Income	16%	9%	6%	7%	27%
High Income (> \$180,000/yr)	27%	13%	14%	20%	47%

By row top to bottom, n=771, 422, 180, 70

Employer Knowledge and Provision of Childcare Benefits

Approximately half of the employers who responded to the survey had information about employees in their workforce who had young children (47%) and how many employees had not returned to work after having a child (53%). However, the majority of employers did not have information about childcare providers operating near them (51%), what other employers are doing (69%), or the requirements to operate an on-site childcare facility (60%).

The positive news, over 80% of employers currently provide childcare benefits of some kind. Nearly all employers provide flexible working arrangements to fit childcare needs such as adjustments to hours, hybrid or remote work (92%), and generous paid time off (84%). Six out of 10 employers, or 58%, provide Dependent Care Flexible Spending Accounts that allow employees to pay for childcare with pre-tax dollars. However, fewer than three out of 10 employers (29%) discuss childcare needs with employees as part of an onboarding process, inform employees about the Child and Dependent Care Tax Credit (CDCTC) (32%), or help employees find childcare (29%). Most significantly, 44% of employers say they have not offered more childcare benefits, most commonly citing that it was too expensive and 29% of respondents shared that their organization has not considered childcare benefits at all.

Countywide Needs and Assets Assessment

Need: Childcare to Support the Local Workforce

Over 30% of employers who responded to the survey agree or strongly agree that childcare challenges have harmed the recruitment or retention of employees. Seventy-four percent of employers who responded to the survey have had trouble filling an open position in the last 12 months, with lack of affordable childcare being one of the reasons. This is mirrored by parents, who, over three-quarters responded that the cost or availability of childcare has affected their or their partners' employment or career decisions. Fifty-five percent are finding it harder to recruit qualified employees than in the past despite increasing pay or benefits, and 88% have increased pay or benefits. Nearly three-quarters (72%) of employers surveyed believed that childcare challenges harmed employees' attendance, and about three in 10 (31%) reported that their employees need different hours of childcare to match their work schedules.

72%
of employers surveyed believed
that childcare challenges
harmed employees' attendance.

SBC Childcare Assessment, May 2024

Parents Want to Work More

Parents scaling back work hours, or leaving the workforce is not always a first choice. Of parents surveyed, 68% reported that they or their parenting partner would work more if free, high-quality childcare were available (N=567). Of parents who would like to work more, a quarter have one parent working part-time who would like to work full-time, and a quarter are families in which one parent does not work for pay. In the remaining half, both parents are already working full-time, and are interested in taking on an additional part-time job or taking on extra shifts.

Impact on Quantity of Work

Most parents surveyed have reduced their paid work hours due to challenges in finding or maintaining quality childcare. Sixty-seven percent said that they or their parenting partner had reduced their work hours to care for their child and 40% said a parent had quit their job completely to care for their children at home. Though some parents are happy to cut back on their employment, many have reduced the amount they work because of the expense or lack of availability of quality childcare (see Table 3).

Although significant regional disparities within the county were not uncovered, it is noteworthy that a higher number of middle-income families reported experiencing impacts on their employment hours due to childcare obligations. Middle-income parents, however, are less likely to quit their jobs compared to lower-income parents (see Table 3) due to challenges with childcare. In addition, local Welfare-to-Work case managers report that the lack of available childcare spaces is a barrier for working families to secure or maintain employmentⁱⁱⁱ.

A potential precursor to the impact on future workforce dynamics in Santa Barbara County is seen in the responses from the parent survey, which engaged over 1,000 respondents with children under the age of five. A significant majority of these parents have contemplated relocation due to challenges in accessing affordable childcare services. Notably, 62% of respondents had considered relocating from Santa Barbara County due to the cost of living, while approximately 48% have entertained the idea of moving to locales offering a wider array of childcare options. Of respondents, higher-income households exhibit an even greater propensity toward relocation to areas with a decreased cost of living (67%) and enhanced childcare provisions (54%) compared to the overall respondent pool.

Impact on Quality of Work

Childcare issues also impact the quality of the work parents do for employers. A large majority reported that childcare issues had led them or their partner to miss days of work (87%) and be less engaged or productive at work (73%). Half (50%) of parents reported that a parent had not pursued a promotion or better position in their company because of childcare challenges. Over a third (38%) reported that a parent changed employers to address childcare issues (Table 3).

Table 3. Parent-reported impacts of childcare issues on work

Impact	Overall	Lower (< \$90,000/yr)	Middle	Higher (> \$180,000/yr)
Reduce total hours work	67%	66%	76%	64%
Take temporary leave longer than provided	41%	39%	54%	41%
Quit job while child grows up	40%	47%	31%	11%
Miss days of work (sick child, inconsistent care, etc.)	87%	86%	95%	91%
Be less engaged or less productive at work	73%	69%	84%	81%
Not pursue promotion or better job within company	50%	49%	57%	53%
Change employers	38%	41%	39%	21%

By column, n=771, 422, 180, 70

Need: Affordable Childcare Spaces

The financial strain imposed by childcare costs resonates across diverse socioeconomic strata, as indicated by survey data. Overall, 78% of respondents said that childcare costs are a financial burden on their families. In families where both parents work outside the home, that number rose to 84%. Specifically, 74% of low-income households, 89% of middle-income households, and 83% of high-income households perceive childcare expenses as a significant financial burden on their family. Furthermore, anecdotal evidence gained from respondent commentary suggests that some individuals are opting to have fewer children than desired due to the financial constraints imposed by childcare expenditures, although this specific inquiry was not formally posed within the survey framework.

Policy experts recommend childcare costs be no more than 7% of a family's income^{iv}. Of parents who responded to the survey, they pay on average \$1385 per month for childcare.

- Lower-income families pay on average \$966 per month; most of these families would qualify for government programs that help with childcare costs.
- Middle-income families pay on average \$1436 per month.
- Higher-income families pay an average of \$1967 per month.

Middle-income parents in Santa Barbara County likely pay around 30% of their household income for childcare^v and are unlikely to be eligible for public subsidy programs.

30%

Middle-income parents in Santa Barbara County likely pay around **30% of their household income for childcare**

SBC Childcare Assessment, May 2024

Need: Available Childcare Spaces

Parents in North, Mid, and South Santa Barbara County reported difficulty finding available childcare spaces. Three-quarters of all parents reported it was difficult or very difficult to find care. Eighty percent of higher-income parents reported that it was difficult or very difficult to find care, the highest percentage of the three income groups. Seventy-seven percent of middle-income and 72% of lower-income families reported that childcare was difficult or very difficult to find.

Overall, 39% of parents reported being dissatisfied with their childcare options (n=883). 51% of middle-income families were dissatisfied with the options, suggesting that middle-income parents especially struggle to find affordable care. Two-thirds or more of parents who were dissatisfied with their childcare options (n=340) blamed lack of availability and cost as reasons for their dissatisfaction.

Asset and Need: Increased Government Support and Awareness

Opportunities for government support for childcare and early education are expanding. The income ceilings set by the state of California for major subsidized childcare programs have increased dramatically, a change that many families who now may qualify are unaware of. The ceilings vary by family size; for a family of four, \$96,300 per year is the limit for infant and preschool voucher programs and \$113,292 per year is the basic limit for State Preschool.

The recent changes at the federal and state levels are making a difference, according to Early Childhood Education leaders. Now that the Alternative Payment Program (APP) will pay for in-home care, for example, they have seen a noticeable increase in Mixtec families in Lompoc and Santa Maria taking advantage of the subsidies. Through the APP, license-exempt family, friend, and neighbor providers can be reimbursed 70% of what a licensed FCC provider would be reimbursed.

Regional Differences in Needs and Assets

In most analyses conducted, discernable regional dissimilarities across the county were not observed; instead, there were more disparities reported along socioeconomic lines. The variances observed between communities seem more closely associated with family income than geographic location. To explore potential regional differences, the county was grouped in two different ways – by city or town and by region. Cities and towns were aggregated into regions as delineated below:

- North County: New Cuyama, Cuyama, Guadalupe, Orcutt, Los Alamos, Casmalia, and Santa Maria
- Mid County: Buellton, Solvang, Los Olivos, Santa Ynez, and Lompoc
- South County: Carpinteria, Summerland, Santa Barbara, and Goleta

Results of the parent survey indicate that parents use more than one type of care for their children aged zero to five years (see Table 4). This trend is consistent across all regions of the

county and is particularly pronounced in Mid and South Counties. Approximately 20% of parents in North County use two or more types of care, whereas figures rise to 32% in Mid County and 35% in South County. Moreover, the predominant forms of childcare utilized vary according to the region of the county: a higher proportion of families in North County are engaged with family childcare homes, whereas a larger segment of families in South County are enrolled in childcare centers.

These observed patterns are likely indicative of varying circumstances, including those pertaining to employment. For instance, within the north region of the county, 43% of families necessitate childcare services beyond the conventional hours of 8:00 am to 6:00 pm. Such needs can potentially be accommodated through care provided within their homes or by family childcare providers. In contrast, a lower proportion of families in South and Mid County, approximately about 22 to 23%, require childcare outside of standard hours. This suggests that more families in these regions can avail themselves of childcare centers or preschools, which typically operate within standard work hours.

Licensed Spaces Available for Infants and Toddlers

Finding licensed care for the youngest children, infants and toddlers, is difficult no matter where working parents live. Obtaining an accurate picture of the number of licensed childcare spaces and available spaces within those facilities can be a challenge. Numerous childcare providers exhibit a commendable sense of responsibility by opting not to reach the maximum capacity permitted for a licensed classroom. Instead, they exercise discretion in limiting the number of children enrolled, aligning with their own discernment or adhering to quality standards, such as those outlined by the National Association for the Education of Young Children (NAEYC). Although the majority of providers' licensed capacity is available publicly, practical capacity is not. Accounting for spaces is also challenging when providers can offer part-day and part-week care, so one space might be filled by different children at different times of the week. Additionally, the number of infant and toddler spaces in FCCs can only be estimated. FCC providers are not mandated to offer services to infants and toddlers, and some either choose not to cater to this age group or accommodate very few infants and toddlers.

That said, there are 31 centers that offer care starting in the first few months of an infant's life - 694 spaces for children under two years. There are 234 large family childcare homes (FCCs) and 215 small FCCs are estimated to offer 775 licensed spaces for children aged zero to two (see Table 5). Some things are clear. There are very few licensed spaces for infants in the county. The situation is slightly less dire in South County where there are licensed spaces for 10 to 15% of the children under two years of age.

Table 4. Parents' use of childcare for children aged 0 - 5 by region (selected cities)

				Family Friend or Neighbor (FFN)		FCC	Center		Public Elementary School
Region	City or Town	# surveys (n)	Parent at Home	Family Member or Friend	Nanny or Babysitter	Family Childcare	HeadStart	Other Center or Preschool	Transitional Kindergarten
North	New Cuyama	*	*	*	*	*	*	*	*
	Santa Maria	402	24%	29%	16%	25%	3%	8%	12%
	Orcutt/Los Alamos	71	34%	24%	6%	32%	4%	17%	28%
	Guadalupe	12	33%	25%	0%	42%	0%	8%	17%
Mid	Lompoc	199	47%	30%	2%	21%	15%	13%	15%
	Santa Ynez Valley	21	29%	24%	0%	43%	5%	29%	10%
South	Carpinteria/Summerland	41	34%	17%	5%	7%	15%	61%	10%
	Santa Barbara	123	27%	13%	14%	13%	5%	54%	7%
	Goleta	54	35%	22%	9%	9%	13%	61%	17%
	All Santa Barbara County respondents	926	31%	25%	10%	21%	7%	21%	13%

*Results are not reported if the number of respondents is under 10.

Notes: Rows can be added to greater than 100% because families can utilize multiple types of care for their child(ren). Also, percentages are bolded if higher than the average of all responses (last row).

Reinforcing the conclusion that the county needs more infant-toddler spaces is information about waitlists for childcare. Early care and education leaders report that there are very long lists for any opening for infant toddler care throughout the county. Providers and parents recently reported long waitlists and a very limited number of spaces for infants and toddlers in Goleta and Santa Barbara^{vi}. In total, over a fifth of parents who responded to the survey are on at least one waiting list for a childcare space in Santa Barbara County.

Breakdown of Centers Versus FCCs

There exists a notable disparity in the distribution of childcare facilities between South County and North County. Specifically, South County is characterized by a higher concentration of childcare centers, whereas North County exhibits a prevalence of FCC providers. For instance, despite approximately 31% of children aged zero to two residing in Santa Maria, and 28% residing in Santa Barbara and Goleta combined, the number of centers starkly contrasts. Santa Maria hosts 31 childcare centers, whereas Santa Barbara and Goleta boast 72 centers. Conversely, the inverse holds true for FCC providers, with Santa Maria accommodating 274 FCC facilities compared to 74 in Santa Barbara and Goleta combined, as depicted in Table 5.

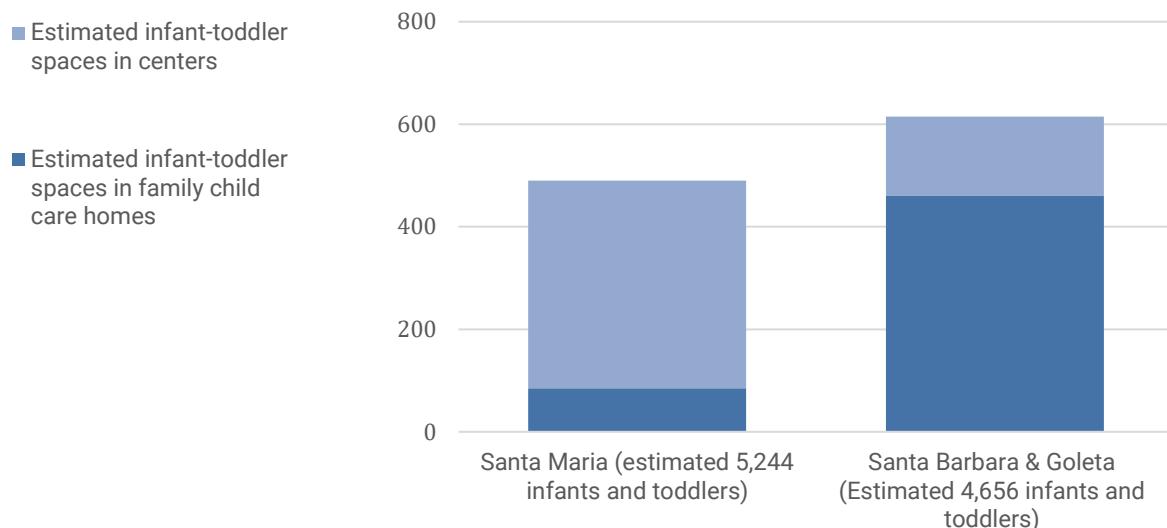
Table 5. Supply of licensed care for infants and toddlers

Region	City or Town	Number of Children Ages 0-2	Licensed Childcare Capacity Ages 0-2			% Could Access Licensed Childcare For Ages 0-2
			Family Childcare	Center-based Care	Total	
North	New Cuyama	38	0	0	0	0%
	Santa Maria	5,244	398	77	475	9%
	Orcutt/Los Alamos	2,519	103	8	111	4%
	Guadalupe	335	27	0	27	8%
Mid	Lompoc	2,719	99	87	186	7%
	Santa Ynez Valley	946	21	0	21	2%
South	Carpinteria/Summerland	417	10	32	42	10%
	Santa Barbara	3,281	95	321	416	13%
	Goleta	1,375	22	169	191	14%
	Santa Barbara County	16,874	775	694	1469	9%

Notes: Child population data is based on the American Institute of Research (AIR) analysis of American Community Survey, Public Use Microdata Sample (PUMS) data, five-year estimates (2020) retrieved from the AIR Early Learning Needs Assessment Tool by Holly Goldberg, PhD. Licensed care capacity reflects the sum of licensed spaces by large family childcares (FCCs), centers (both retrieved on October 9, 2023, from www.ccl.dss.ca.gov/carefacilitysearch/DownloadData) and small FCCs (retrieved by Children's Resource & Referral on October 13, 2023). Because they can serve children of any age, an estimate of 15% of total FCC capacity is allocated to infants/toddlers.

Table 6. Supply of licensed care for infants and toddlers in Santa Maria and Santa Barbara-Goleta

Licensed Child Care Spaces



Notes: Child population data is based on the American Institute of Research (AIR) analysis of American Community Survey, Public Use Microdata Sample (PUMS) data, five-year estimates (2020) retrieved from the AIR Early Learning Needs Assessment Tool by Holly Goldberg, PhD.

Licensed care capacity reflects the sum of licensed spaces by large family child cares (FCCs), centers (both retrieved on October 9, 2023, from www.cclcd.dss.ca.gov/carefacilitysearch/DownloadData), and small FCCs (retrieved by Children's Resource & Referral on October 13, 2023). Because they can serve children of any age, an estimate of 15% of total FCC capacity is allocated to infant-toddlers.

Childcare Workforce Recruitment and Retention

The limited supply of program directors, teachers, and aides for early care and education centers naturally limits the supply of childcare spaces in the county. Local experts report that it is harder to hire in South County than it is in North County. Jennifer Macdonald, Director of Children's Services for CommUnify said in November 2023, "I have two unused classrooms in Goleta right now that I am unable to open due to a lack of staff. I am able to recruit and hire staff in North County to expand, when possible, but in South County we are understaffed." She and Janelle Willis of the Santa Barbara County Education Office also noted that employees' salaries have gone up significantly in recent years.

Parent Confidence and Preferences

Regardless of the supply available, parents want to have confidence in the providers they choose, and deciding who to trust is often influenced by cultural and family values. In the survey, 14% of parents from South County agreed that it is not safe to leave your child with someone outside your family compared to over 30% in Mid and North County. Similarly, in South County, 27% of parents who responded to the survey agreed that children should be at home with their parents until they turn two years old; about half of the parents from Mid and North

County agreed. Because lower-income parents who responded to the survey were disproportionately from North County, these findings are intertwined with family income. In fact, 47% of lower-income parents agreed that children should be at home with the parent(s) until they turn two compared to 24% of higher-income parents. In effect, there are more parents in North and Mid County, but the percentage looking for infant and toddler care may be lower than in South County.

Municipal Policies That Support New Providers

Municipal regulations and procedures around zoning, land use permitting, requirements for new construction, and fees hold significant influence over the creation of new center-based and FCC providers, as shown in the recommendations below.

Community Snapshot by Region

LOMPOC

- 68% percent of parents from Lompoc who responded to the survey said finding childcare was difficult or very difficult. A third are using more than one type of care.
- 60% believed that children who attend high-quality childcare programs are more likely to do better in school.
- Currently there are only 87 center-based spaces for children aged zero to two. However, at least one additional provider, LEAP, is planning to open 28 more spaces.

FARMWORKERS in LOMPOC and SANTA MARIA

- 82% of farmworkers surveyed needed childcare on Saturdays.
- More than 80% needed care between 6am and 8am.
- 65% said childcare issues had led them or their partner to quit a job while their child grows up (compared to 40% in the sample overall).
- Spent an average of \$809/month on care for their children under 5 years of age.

GUADALUPE

- Currently there are no centers in Guadalupe serving infants and toddlers. However, the Housing Authority of the County of Santa Barbara's new Escalante Meadows will include space for a childcare center.

ORCUTT

- There are very few center-based infant-toddler spaces in Orcutt. FCC providers may offer infant-toddler spaces, however, parents' options for licensed care in Orcutt are among the lowest in the county.

BUELLTON

- There are no centers serving infants and toddlers in Buellton.
- The few FCC homes in the Santa Ynez Valley may offer infant-toddler spaces, however, the number of licensed spaces in the Valley remains among the lowest in the county.

CARPINTERIA

- There are estimated to be only a handful of licensed FCC spaces for infants and toddlers, so parents' options are likely constrained.

Recommendations

A strong childcare system is essential to workforce development and can contribute to a healthy and sustainable economy in Santa Barbara County and improved financial outcomes for families and academic outcomes for children. Based on information obtained from the countywide survey, a series of recommendations are outlined below to expand parent access, increase the number of childcare spaces, strengthen the sector, and ultimately sustain and grow the economy.

Provide Scholarships to Middle-Income Families

As reported in the survey, across all income groups, middle-income families are struggling the most with the affordability of childcare. Assisting middle-income families in covering the costs associated with childcare has the potential to mitigate the inclination to either leave the workforce entirely or reduce paid employment hours. Parents who make too much to qualify for government-subsidized programs, but too little to afford private childcare, have few options to assist with the high cost of care. The Santa Barbara Foundation's William & Lottie Daniel Fund Child Care scholarships is a wonderful program that gives many providers the opportunity to help working families subsidize childcare. There are more families in Santa Barbara County that would benefit from financial assistance and more options for funding are needed. United Way's Brighter Futures Childcare Fund includes a middle-income scholarship program that will assist in bridging the gap between public assistance options and the cost of childcare locally.

"As reported in the survey, across all income groups, middle-income families are struggling the most with the affordability of childcare."

SBC Childcare Assessment, May 2024

Increase Employer Involvement

The lack of affordable and available childcare negatively impacts employers in Santa Barbara County because it affects how many parents are in the workforce and how many hours they can contribute. Seventy-eight percent of the parents who responded to the parent survey said that the cost or availability of childcare has affected their or their partners' employment or career decisions. A majority of the parents who responded to the parent survey – over 1000 parents with children under age five – have considered moving because of childcare issues.

The vast majority of the Santa Barbara County employers who responded to the survey, 82%, saw offering childcare benefits as a way to attract and retain employees, but less than 20% subsidize or pay for childcare. In addition, over 30% of employers reported that childcare challenges have harmed recruitment or retention of employees. Likely recruitment or retention has been harmed for more employers than that: this study found that roughly 1 in 4 employees who are struggling with childcare want to talk with their employer about it but are afraid to do so.

Employer support is an area of growth for the county and the country. The region should raise awareness around what employers and the public do and can do to support families with young children. Collaborative partnerships should also be considered as the region works to support

working parents and caregivers across the region. Periodic local employer meetings, for example, could be held to share information about the state of the childcare system and ways public and private employers can be a part of the solution. As part of the Brighter Futures Childcare Coalition, United Way meets with employers who are exploring increasing their childcare benefits to support promising initiatives that may emerge.

"Employer support is an area of growth for the county and the country. The region should raise awareness around what employers and the public do and can do to support families with young children. Collaborative partnerships should also be considered as the region works to support working parents and caregivers across the region."

- SBC Childcare Assessment, May 2024

Increase Number of Trained Infant-Toddler Childcare Providers

Keeping childcare tuition affordable and paying staff well are competing interests that can be mitigated by external support. Many childcare directors and owners have proactively shifted towards caring for younger children as more four-year-olds are eligible for the public schools' TK classes. Despite this proactive approach by providers, more and more professionals are seeking to work in public schools where pay and benefits are better. Thesa Roepke, Professor of Early Childhood Studies at Allan Hancock College sees a shift in college students studying to enter the sector. Overall, she says, "More students are seeking bachelor's degrees and have anecdotally reported that doing so will increase their earning potential and employment options including working as a credentialed teacher in TK."

Efforts to address the workforce shortage in early care and education could include supplemental support for the pay of workers and doing more to strengthen the pipeline of trained business owners, directors, and staff who are trained to serve infants and toddlers. One promising effort is the Santa Barbara Foundation's work with the Santa Barbara County Education Office's Career and Technical Education to support childcare apprenticeships and paid internships.

Improve Reimbursement Rates

Encouraging new FCC homes, especially in South County, would also be a viable way to increase the number of spaces available throughout the county; providers could be compensated so that the financial difference between serving infants and older children is eliminated. An FCC provider who receives reimbursement for serving income-eligible children at full capacity, for example, currently receives \$4,453 a month to care for four infants or \$12,022 a month to care for 12 preschoolers. Increasing reimbursement rates for infant care would encourage more providers to allocate spots to younger children, which it is currently harder to find care for.

Educate Parents About Available Subsidies

Far more parents in California are eligible for public support for childcare costs than were a few years ago, however, many parents are not aware of these changes and the benefits they have access to. The Child Care Planning Council in Santa Barbara County recommended a campaign so that more parents know they are eligible and can apply for support. This is a strong recommendation as it would allow local families to access available services.

Improve Understanding of Unmet Demand

To effectively meet the demand for child care, it would help to more accurately understand it. Precise data about the number of parents looking for care, the ages of their children, and whether they are looking for subsidized or unsubsidized programs is not available. Estimates of demand for licensed child care, like those in this report, generally come from census estimates of the population. The Child Care Planning Council produces a report every three years that utilizes data from census and similar data sources and provides an important perspective. A regular or ongoing data collection effort could be undertaken that gets at the finer points of how many parents are actually looking for care, the ages of their children, whether they are looking for subsidized or unsubsidized care, and what part of the county they prefer to access care in. The availability of better and more consistent data would help to drive public support for increased funding for childcare.

Improve Municipal Policies and Advocate for Increased Public Investment

As shown in the results of the assessment, childcare challenges can have significant impacts on local economies. With increased engagement and support at the municipal level, the childcare sector parents can work and better provide for themselves and their children economically, and perhaps equally important, so their children receive the substantial and lifelong benefits of high-quality care in their earliest years. Investment in high-quality early education programs will generate significant community and economic impacts. It is estimated that an investment of \$1 in early education can yield a return to society between \$4 and \$9 and up to \$12. Because high-quality early education promotes later attainment, returns include, for example, a reduced need for educational interventions in school. In the shorter term, returns include parents' reduced reliance on public support because they are earning and advancing their careers; the benefits of that professional advancement compound over time^{vii}.

Policies such as accommodating zoning requirements, streamlining the application process for childcare providers and facilities, incentives for developers to build facilities, and waiving business licenses and development impact fees for in-home FCC providers have proven successful in communities nationwide. Moreover, collaborative efforts among local governments to furnish parents with a comprehensive directory of available childcare options, including eligibility criteria and associated expenses, could further enhance accessibility and transparency in childcare services.

Appendix A: Research Methodology and Description of Samples

Initiated in summer 2023, this study was designed to understand the childcare system serving children before they enter kindergarten in Santa Barbara County, how the childcare system impacts parents' work, and employers' childcare challenges and benefits. A variety of study tools were used to gather data.

Online Surveys

Parents

Over a thousand parents completed the confidential survey on childcare in Santa Barbara County. 1,251 submitted data, but some either did not have a child zero to five years of age, did not live or work in Santa Barbara County, or did not complete enough responses to analyze. For this report, there were 1,028 usable parent responses. These responses were collected online and on paper in English (720) and Spanish (201), with many respondents receiving assistance in accessibility, including oral administration in Mixteco or Spanish (107). Nearly 98% of respondents were working families. Sixty-three percent of respondents were dual income families, 34% were single income families, and just over 2% of respondents indicated that no parent currently worked for pay.

Demographic information of surveyed parents in Santa Barbara County varied, but the majority of parents who took the survey had the following set of characteristics: 88% were mothers, 65% of parents surveyed had one child under the age of five. Approximately half (46%) had an infant or toddler, and the other half's (54%) youngest child was between two and five years of age.

Just over half (53%) of survey respondents live in North County, one-quarter (23%) live in Mid County, and one-quarter (24%) live in South County (n=922). The distribution of respondents across selected areas (n=840) is:

	% of survey respondents	% children aged 0 - 5 in SB County*
Buellton	1%	1%
Carpinteria	5%	3%
Goleta	6%	9%
Guadalupe	1%	2%
Lompoc	24%	15%
Santa Barbara	15%	21%
Santa Maria	48%	31%

*AIR analysis of American Community Survey, Public Use Microdata Sample (PUMS) data, five-year estimates (2020) retrieved from the AIR Early Learning Needs Assessment Tool by Holly Goldberg, PhD.

Household Income

Among the respondents who provided income data (n=783), the distribution of household incomes was as follows: 68% reported an annual household income of less than \$90,000, categorized as lower-income households. Middle-income households, constituting 23% of respondents, reported annual household incomes falling between \$90,000 and \$180,000. The remaining 9% of respondents who disclosed income reported higher income levels, exceeding \$180,000 annually.

The \$90,000 benchmark was selected for consistency with California's ceiling for major subsidized childcare programs. The ceilings vary by family size; for a family of four, \$96,300 per year is the limit for infant and voucher programs and \$113,292 per year is the basic limit for State Preschool.

Work and Industry. About 98% of respondents were working families (n=1028). Sixty-three percent of respondents were dual-income families, 34% single-income families and 2 to 3% of respondents indicated that no parent currently worked for pay (n=748). Respondents or their parenting partners were working in a wide range of industries across Santa Barbara County.

Primary Industry	% respondents
Protective services (for example EMT, Fire, Police)	1%
Government	5%
Military	2%
Agriculture	24%
Community and social services	4%
Construction, Maintenance	4%
Education	18%
Entertainment	<1%
Finance	4%
Food services	3%
Health care	21%
Information and Technology services	4%
Hotel services	1%
Legal services	1%
Manufacturing	2%
Sales (including Business, Customer Service, Real Estate)	5%
Transportation	1%
Utilities	1%
Total:	100%

n=788

Although the parent respondents worked in all of the industries listed on the questionnaire, they most frequently worked in the agriculture, health care, and education industries. Those working in each of the three frequently reported industries were examined separately to understand the particular challenges each faces. Of those in the agriculture industry, nearly all (99%) fell into the

lower-income subgroup analyzed above and have the characteristics of that subgroup. Those in the education and health industries subgroups were more diverse in income, region, and other characteristics. It is notable that these industry subgroups included working families spread across every region, locale, income range, dual and single income status, and resembled the full sample.

The analysis of working families from different primary industries does reveal that working in each industry presents different childcare needs. For example, weekend and holiday care was needed by almost 1 in 5 of those in health, while only 1 in 20 of those in education stated that need. A larger proportion of those working in education had elected to have a child enrolled in transitional kindergarten. Both health and education industries had similar levels of difficulty finding care and experiencing dissatisfaction with care as the full sample. Both health and education industries were more susceptible to childcare challenges having a significant impact on their employment, such as missed days of work, less engagement or productivity, or being disinclined to pursue a promotion.

Relationships among subgroups. It is important to note that there are significant correlations among some subgroup categories. While there were survey responses from lower-income families who lived in all regions, locales, and other subgroups, when lower-income subgroup are examined, it disproportionately represents the North Region (63% vs. 53% in the full sample) Santa Maria (60% vs. 48% in the full sample) and single income families (46% vs. 34% in the full sample).

Employers

An analysis was conducted of the 45 survey responses representing employers throughout the county. Employers of all sizes were represented – companies with fewer than five and more than 1,000 employees responded. Together, they represent approximately 18,500 employees which, based on census estimates of the number of employed individuals, is at least approximately 10% of the total workforce in the county. Surveyed employers represented a wide range of industries. All of the 14 industry categories offered on the survey were represented, including agriculture, community and social services, manufacturing, education, sales and retail, information technology services, etc.).

Participating employers represented all 16 cities and towns listed except for Maricopa, with 38% reporting that they operated countywide. Sixteen percent reported that they also operated outside the county. Santa Barbara, Goleta, and Santa Maria were the most frequently reported locations of operation.

Interviews and Discussions

Interviews. Leaders in the early care and education sector and several others who work closely with providers, parents, or employers spoke with survey facilitators about the challenges in the sector, their ideas for improvement, and/or their suggestions for the data collection for this study.

Early Care & Education Sector Interview Participants:

- Teresa Alvarez, MA, Executive Director, Carpinteria Children's Project
- Jacqui Banta, MS, Chief Operating Officer, Children's Resource and Referral
- Jennifer Camacho, Outreach Coordinator, Santa Barbara County California Farmworker Foundation
- Bertha Escobar, Reiter Affiliated Companies
- Lori Lander Goodman, MSW, Executive Director, LEAP Central Coast
- Michelle Graham, MEd, Chief Executive Officer, Children's Resource & Referral of Santa Barbara County
- Eileen Monahan, Consultant, Creative Early Care and Education Solutions
- Vanessa Murrillo, District Assistant, Santa Maria, Driscoll's
- Annette Muse, MA, Ed. Director, Early Childhood Care and Education Services, University of California Santa Barbara
- Taundra Pitchford, Executive Director, Cathedral Oaks Children's Center
- Lorraine Rowden Neenan, Program Director, Children's Services, CommUnify
- Mari Ortega-Garcia, EdD, Director of Early Education & Support, Guadalupe Union School District
- Christian Patterson, MA, Manager, Early Care and Education, Santa Barbara County Education Office
- Alice Villarreal Redit, Resident Programs Supervisor, Housing Authority of the City of Santa Barbara
- Michelle Robertson, MA, Assistant Director, First 5 Santa Barbara County
- Thessa S. Roepke, MEd, Program Coordinator/Professor of Early Childhood Studies, Allan Hancock College
- Ben Romo, Founder and Principal, Romo & Associates
- Peter Rupert, Director, Economic Forecast Project at the University of California Santa Barbara
- Shannan Watkins, MA/MBA Executive Director, Early Development Services

Discussion. Child Care Planning Council (CCPC). September 12, 2023

In addition to these sources, Sarah Papich and Peter Rupert of the Economic Forecast Project contributed data regarding workforce and employment trends in Santa Barbara County, the employment of UCSB graduates, and the potential economic impact of childcare.

Appendix B: Revenue sources for early care and education programs

Table 1. Types of childcare providers / revenue sources for childcare in Santa Barbara County

		State and Federal Funding*			Private Funding			
Type of Provider	Licensed	To School Districts	To Providers (nonprofit)	To Providers (for profit)	Families	Philanthropic	Provider	Employer
Center	Yes	General Child Care & Development (CCTR)	General Child Care & Development (CCTR)		Families	Foundations (ex. Daniel Scholarships of the Santa Barbara Foundation)	"Chip-ins"	Offer and/or subsidize care
		CA State Preschool	CA State Preschool (grandfathered)					
			HeadStart Early Head Start					
			Alternative Payment Parent Vouchers*	Alternative Payment Parent Vouchers**				
			CACFP Nutrition Program	CACFP Nutrition Program				
Family Child Care (FCC)	Yes	n/a	n/a	Alternative Payment Parent Vouchers**	Families	n/a	"Chip-ins"	Support to parents
				CDA Nutrition Program				
				Family Child Care Home Education Network				
Family Friend & Neighbor (FFN)	Exempt if one family's child(ren)	Exempt	n/a	Alternative Payment Parent Vouchers** CalWorks Stage 1	Families	n/a	"Chip-ins"	Support to parents
Other Unlicensed Care Parent Co-ops, public recreation for > 20 hrs/wk	Exempt if meet requirements	ASES, for example	Parks & Rec, for example	limited care at a gym, for example	Families	possible	"Chip-ins"	support to parents

*Smaller programs not on the chart include Emergency Child Care Bridge Program for Foster Children, Children with Severe Disabilities, and programs for migrant families.

**Via application to Santa Barbara County Education Office and Children's Resource & Referral of Santa Barbara County or via CalWorks Stage 2 or 3

Not on the chart - care for children with Emergency Child Care Bridge Program for Foster Children (Bridge Program), Severely Handicapped Program (CHAN)

Several major government-subsidized programs serve lower-income families. They are briefly described below and at <https://www.cdss.ca.gov/inforesources/child-care-and-development>.

Head Start, Early Head Start, and California State Preschool Program These programs funded by the state and/or federal government are available to families who qualify because of lower family income or because the child is at risk. These programs include high-quality curriculum, encourage parent engagement, and connect families to social supports. In most cases, families pay on a sliding scale based on income. Individual facilities may include more than one program and more than one type of payment for services.

Although the income ceiling to qualify for the Head Start programs remain low, the income ceiling for State Preschool was raised dramatically during the pandemic. Now, a family of four that makes pre-tax \$113,292 dollars a year qualifies for State Preschool, and a limited number of families who make 15% above the ceiling are eligible if there are unfilled spaces.

California Alternative Payment Program (APP) provides preschool for families in need in the form of vouchers. Parents whose income qualifies, when accepted into the program, select a childcare provider that accepts APP and has an opening in their child's age group. Care is free

or highly subsidized, although sometimes strict rules lead to unplanned expenses that may be passed to the parent or require a “chip-in” from the provider. For example, if traffic is heavy and it takes a parent longer than allowed to pick up their child, a provider may have to work overtime.

The APP provides subsidies to pay for childcare in a location of the parent’s choice while the parent or parents are working, in training, or seeking employment. In Santa Barbara County, Santa Barbara County Education Office and Children’s Resource & Referral help families enrolled in CalWORKs Childcare or APP arrange childcare services. The agency makes payments directly to the childcare provider selected by the family. Families who make 85% of the state median income or less – up to \$96,300 pre-tax annually for a family of four – are eligible for subsidized childcare. The APP, however, has a family cap and therefore there may not be enough to cover new infants of families already receiving a subsidy for an older child. APP has recently been expanded so that non-parental family members (i.e.. grandmothers, grandfathers) who live in the same household as the family with the child being cared for, can receive payment for the childcare they provide after they are checked for criminal convictions.

General Childcare and Development (CCTR), administered by private providers, public providers, and school districts, it provides education and care for children birth through age 12 from families of lower income (same as that of the APP). FCC providers who join home educator networks and include an educational program for children, education for staff and parents, are eligible to accept parents qualified for the CCTR program.

References

ⁱ Bipartisan Policy Center. (2021, November). *The Economic Impact of America's Child Care Gap: The cost of the child care gap to parents, businesses, and taxpayers*. <https://childcaregap.org/report.html>

ⁱⁱ Powell, A., Adejumo, T., Austin, L. J., & Copeman Petig, A. (2023). *Parent Preferences in Family, Friend, Neighbor, and Nanny Care. Center for the Study of Child Care Employment*. University of California, Berkeley. <https://cscce.berkeley.edu/publications/report/parent-preferences-in-family-friend-neighbor-and-nanny-care>

ⁱⁱⁱ First 5 County of Santa Barbara. (2022, April 5). *ARPA Tranche II Considerations Child Care Sector Survey Results and Recommendation Report*. Retrieved December 21, 2023, from <https://docs.google.com/document/d/1dB9OC5YvbwAjq0nWWiR4Cu2gJxhMWPrO/edit#heading=h.gjdgxs>

^{iv} (2023 Roadmap Release: State Policies Cause Dramatic Variation in Child Wellbeing and Family Resilience, 2023)

^v From Small Area Income and Poverty Estimates (2021) as provided by UCSB Economic Forecast Project.

^{vi} Chesley, M., Taylor, J. E., & Van Mieghem, S. (2022, January). *Child Care in Santa Barbara and Goleta, Assessment and Recommendations*. <https://www.unitedwaysb.org/sites/unitedwaysb.org/files/Child%20Care%20Report%20to%20United%20Way.pdf>

^{vii} Center for High Impact Philanthropy. (2015). *High Return on Investment*. The University of Pennsylvania. <https://live-penn-impact.pantheon.io/wp-content/uploads/2016/2015/06/Why-Invest-High-Return-on-Investment.pdf>