



# TheChildren'sAgenda

Smart Choices. Bold Voices.

## Declining Child Care Options for Young Children

Pre-K Expansion and the Birth-3 Gap in Rochester, NY

By: Pete Nabozny, Director of Policy  
January 2020

## Acknowledgements

The Children's Agenda thanks Rochester's Child at the Rochester Area Community Foundation for the funding to support this study. We also thank the Lisa McCabe from the Bronfenbrenner Center for Translation Research at Cornell University for sharing much of the data that allowed for this analysis. We also acknowledge and thank many of our partner organizations around New York State, including the Center for Children's Initiatives, the Early Childhood Development Initiative, Education Trust - New York, Empire Justice Center, and the Schuyler Center for Analysis and Advocacy. This study is also being done to support the ongoing advocacy efforts of the Empire State Campaign for Child Care and Raising NY. Brigit Hurley and Eamonn Scanlon from The Children's Agenda made helpful contributions to the report.

## Table of Contents

Acknowledgements .....	1
Executive Summary .....	3
Major Findings .....	4
Recommendations .....	5
State Policy and Funding Recommendations .....	5
Local Policy and Funding Recommendations .....	6
Introduction .....	8
Methodology and Data Limitations .....	8
Background on Child Care in New York State .....	9
Types of Child Care Settings .....	9
Child Care Ratios by Age .....	10
Findings .....	11
Current Child Care Capacity in Monroe County and the City of Rochester .....	11
Trends in Child Care Capacity in Monroe County .....	15
Significant Declines in Home-Based Child Care .....	15
Divergence between Infant/Toddler and Preschool Capacity .....	19
Complexities of Child Care Capacity Changes .....	21
Rates for Preschool Child Care/Pre-K Often Subsidize Care for Young Children .....	24
Troubling Implications of Declining Home-Based Child Care and Infant/Toddler Capacity .....	26
Recommendations .....	27
State Policy and Funding Recommendations .....	27
Local Policy and Funding Recommendations .....	28
Conclusion .....	29

## Executive Summary

Child care across the state and nation suffers from an extraordinary lack of public resources. Greater investments from local, state, and federal partners are needed to stabilize our community's child care system, allow child care workers to earn a living wage, and ensure children receive the care and support they need to thrive.

Child care is a critical support for families with parents participating in the labor force and children in need of a safe and developmentally appropriate environment. Research shows that high quality child care can improve school readiness and support the educational attainment of children.<sup>1</sup> It is also key to expanding the workforce for employers.

Unfortunately, the child care system in Rochester and Monroe County is experiencing considerable strain. While capacity has increased over the past several years for preschool aged children, options for infant and toddler care have declined significantly in the city of Rochester.

The purpose of this report is to inform leaders in Rochester, Monroe County, and New York State about the growing shortage of regulated care for young children, and to identify policies that can strengthen this crucial support for families.

Children receiving formal or regulated care before entering the K-12 school system are predominantly participating in one or more of the following settings<sup>2</sup>:

- Infant and toddler programs for children ages 6 weeks to 3 years in a child care center.
- Home-based care for children 6 weeks to 5 years, in Family or Group Family settings.
- Preschool (or Pre-K) programs for children ages 3 or 4 in a school, a child care center or a community-based organization.
  - Some of these programs operate through publicly funded Universal Pre-K (UPK) or Early Pre-K (EPK) funding<sup>3</sup>, while others are dependent on family fees and/or child care assistance programs.

This report explores the interactions between these three systems that have contributed to a significant decline in infant/toddler and home-based care in Rochester, even as preschool care is growing. Note that in this report “infant and toddler care” refers to care provided in a child care center to children age 6 weeks

---

<sup>1</sup> See <https://pediatrics.aappublications.org/content/140/2/e20171488>

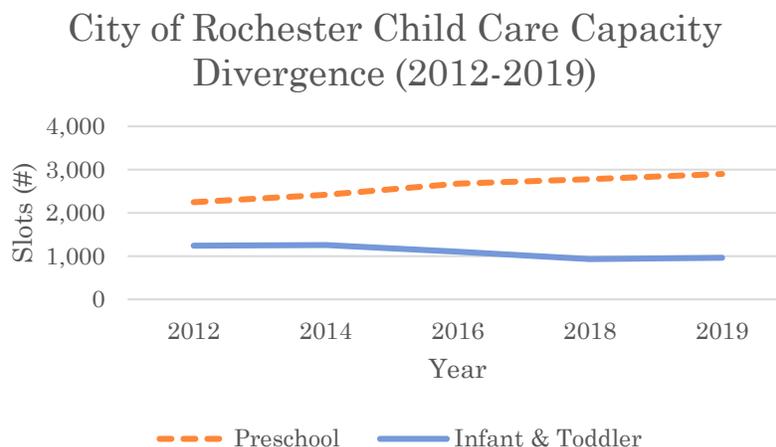
<sup>2</sup> See <https://ocfs.ny.gov/main/childcare/regs/417-FDC.pdf>

<sup>3</sup> Though the NYS Education Department refers to 3 year old Pre-K as “Expanded Pre-K”, a clearer and more common usage in the Rochester area is “Early Pre-K”.

through the child's 3<sup>rd</sup> birthday. The comparable age group in home-based child care is children age 6 weeks through the child's 2<sup>nd</sup> birthday.

### Major Findings

1. While Rochester has relatively high overall child care capacity relative to suburban Monroe communities and other upstate cities, there is a shortage of care options for children under age three. **There are approximately 9,000 children under age 3 in Rochester at any given time, but there are only 959 child care center slots for children 6 weeks to 3 years within city limits.**
2. The number of licensed preschool slots in child care centers located in the city of Rochester increased considerably (27%) from 2012 to 2019 while the number of infant and toddler slots decreased by 23% over the same period.
3. Home-based child care capacity in Rochester fell by nearly 25% from 2012 to 2019.
4. Turnover of home-based child care is a great concern in Rochester. There were 467 regulated family and group family child care programs in Rochester in 2012; by 2019, 336 (72%) had closed.
5. Expansions in New York State funded 3 and 4 -year-old Pre-K unintentionally incentivized providers to reduce infant/toddler care which has much higher costs and less stable funding sources than Pre-K.
6. State funded universal three and four-year -old Pre-K (EPK and UPK), while laudable, does not completely replace a robust child care system. Pre-K's limitations include: not providing care and education for infants and toddlers, not accommodating most parents' daily work schedule, and only providing care for approximately 70% of work days throughout a calendar year. Better coordination between EPK/UPK and child care is needed to fill these gaps for families.



## Recommendations

### State Policy and Funding Recommendations

**1. New York State should make a meaningful commitment to establishing universal child care throughout the state by 2028, with down payments in every state budget until then, including a statewide co-pay cap, increased funding for QualitystarsNY, and universal access place-based pilots.**

**2. The New York State Child Care Availability Task Force should prioritize infant and toddler child care in its recommendations.** The true cost of care for young children is astonishingly high, and will only rise as we take the necessary steps to improve compensation for the child care workforce. Any model to achieve universal child care should start with the youngest children.

**3. New York State should explore replacing its market rate methodology with a cost-of-care reimbursement model.** New York State's child care assistance or subsidy program, part of the state's Office of Children and Family Services (OCFS), currently establishes a "market rate" based on a survey of the prices charged by child care providers in different regions of New York State. This model does not account for the circumstances experienced by high poverty communities with expansive Pre-K programs like Rochester. As Pre-K becomes more universally accessible in New York, more communities might experience declines in birth-to-3 child care capacity as providers convert infant/toddler rooms to Pre-K classes since funding for Pre-K is more stable and sufficient to cover the actual costs of care. **Shifting to a cost-of-care reimbursement model, particularly for providers serving low-income communities, could increase the prevalence of infant/toddler care in many high-needs communities across New York State.** This shift would necessitate considerably higher rates for infant and toddler care, and lower rates for preschool age child care. As this model is developed, attention should be directed to ensuring that private pay families are held harmless and are not expected to pay out of pocket for the increased infant/toddler rate.

**4. New York State should also consider determining eligibility for child care assistance for entire communities based on poverty rates.** One potential way to ensure that private pay families are not penalized by a change to cost-based reimbursement is to create something like community eligibility for child care assistance in high poverty communities across the state. This approach, similar to the way that the federal government provides free meals to students in high-poverty school districts, would allow all families living in high poverty areas to receive subsidized child care. This approach would target resources to high poverty regions, and, if structured properly, could further efforts to achieve socio-economic and racial desegregation.

## Local Policy and Funding Recommendations

Monroe County and the Rochester City School District are the major government actors with the ability to strengthen our child care system, while the City of Rochester also plays a significant role. There are specific actions these governmental bodies can take to ensure that Rochester's young children benefit from consistent, coordinated, and high quality child care.

- 1. The Rochester City School District should continue to partner with community-based organizations (CBOs) to provide EPK and UPK programming.** While this report identifies several negative trade-offs that resulted from RCSD's decision to partner heavily with CBOs, that partnership is still an enormous positive for Rochester. Had the district expanded Pre-K without them, Rochester may have experienced a greater decline in child care throughout the community. This commitment is under threat over the next several years due to the district's challenging financial position and declining enrollment.
- 2. RCSD and Monroe County should explore establishing contracted child care/Pre-K networks from infancy to school entry.** These networks, comprised of home-based child care, center-based care, and district-operated Pre-K programs, would ensure that families can receive high-quality child care from infancy through age 5, and that Pre-K programming is supported by after-school care and throughout school breaks. Home-based child care providers and child care centers that entered into these networks would contract with Monroe County and RCSD to provide care before children entered school and during breaks in education. These contracts should also contain certain quality standards and other expectations for care tied to higher reimbursement.
- 3. Monroe County and the Child Care Council (CCC) should explore different strategies to better connect families with child care options and assistance paying for the cost of care.** The processes of identifying a child care provider and receiving a child care subsidy are largely disconnected from one another. Co-locating CCC staff at County facilities and County staff at the Child Care Council's offices could help streamline the process of obtaining child care for low-income families.
- 4. As detailed in The Children's Agenda's 2019-20 City Budget Analysis<sup>4</sup>, the City of Rochester should use its resources to better support child care businesses that seek to operate within city limits.** This would include establishing a small, revolving loan fund for capital improvements to child care facilities (including home-based programs), allowing home-based child care businesses to access existing small business grant and loan programs, and

---

<sup>4</sup> See <https://thechildrensagenda.org/publications/2019-2020-report-tea-review-of-city-of-rochesters-budget/>

connecting youth to careers in early childhood through recreation centers, libraries, and job fairs.

## Introduction

Child care across the state and nation suffers from an extraordinary lack of public resources. Greater investments from local, state, and federal partners would help stabilize our community's child care system, allow child care workers to earn a living wage, and ensure children receive the care and support they need to thrive.

Child care is a critical support for families with young children. It allows parents to earn income and participate in the labor force, gives children a safe and nurturing environment to thrive developmentally while their parents work, and supports an expanded workforce for employers. High quality child care can improve school readiness and support the educational attainment of children.<sup>5</sup>

This report examines changes in licensed child care capacity in Monroe County with a particular focus on the city of Rochester and the care available to children under three years old. It also includes a number of recommendations for strengthening the child care system in this community and throughout New York State. **The purpose of this report is to inform leaders in Rochester, Monroe County, and New York State about the growing shortage of regulated care for young children, and to identify policies that can strengthen this crucial support for families in this community.**

Policy experts inside and outside government have identified improving the accessibility and affordability of child care as a critical way to fight poverty, improve school readiness, support economic growth, and help strengthen families. Several proposals to make child care accessible and affordable for all families have been proposed at the federal level. Currently, the Governor's Child Care Availability Task Force is charged with developing an ambitious plan for New York State.

Meanwhile, the child care system in Rochester and Monroe County is experiencing considerable strain. The number of licensed providers operating in the city of Rochester declined by 22% from 2012 to 2019, while the number operating in suburban and rural Monroe County fell by 18%. Care options for children under three years old have declined the most. Capacity has actually increased for preschool aged children, while center-based infant and toddler care and home-based child care has declined precipitously in Rochester.

## Methodology and Data Limitations

The primary data resource for this report is the New York State Office of Children and Family Services' "Child Care Regulated Programs" database. Unfortunately, this database does not maintain a history of licensed capacity in the state, so we rely upon point-in-time data.<sup>6</sup> In addition, New York City maintains a separate

---

<sup>5</sup> See <https://pediatrics.aappublications.org/content/140/2/e20171488>

<sup>6</sup> The Children's Agenda retrieved point-in-time data from the New York State Open Data Platform on 7/12/18 and 10/2/19. Capacity data from earlier years was generously shared with The Children's

system to license child care centers and its child care system differs considerably from the rest of the state. Therefore, New York City has been excluded from this analysis.

Despite these limitations, examining differences in capacity and the overall turnover at several different points in time can help us understand certain dynamics within New York State’s child care system, identify trends in Monroe County and Rochester, and compare this community to others around the state.

This report also includes data from the US Census Bureau’s American Community Survey<sup>7</sup> and the New York State Education Department<sup>8</sup>.

### Background on Child Care in New York State

The child care system in New York State is complex.<sup>9</sup> For example:

- Adult-to-child ratios vary based on the age of the child and the setting.
- Eligibility and availability of child care assistance (usually in the form of subsidies based on family income) differ widely across the state because county Departments of Social Services (DSS) are given wide latitude by New York State in determining who qualifies for assistance.
- The cost of child care for families receiving subsidies (family-copays) also varies by county.

For more information, see the December 2019 report published by the Empire Justice Center, “Shouldering the Strain: How Counties Cope with Inadequate Child Care Funding”.<sup>10</sup>

### Types of Child Care Settings

There are four different types of licensed or registered child care settings in the State<sup>11</sup>. These settings are subject to Office of Children and Family Services (OCFS) inspections prior to the issuance of licenses or registrations, and every two years

---

Agenda by the Bronfenbrenner Center for Translational Research at Cornell University. Those files were extracted on or around 6/1/12, 5/16/14, and 3/1/16.

<sup>7</sup> See <https://data.census.gov/cedsci/>

<sup>8</sup> Pre-Kindergarten data was received from colleagues at the Center for Children’s Initiatives and the Rochester City School District.

<sup>9</sup> See [https://empirejustice.org/resources\\_post/still-mending-the-patchwork-a-report-examining-county-by-county-inequities-in-child-care-subsidy-administration-in-new-york-state/](https://empirejustice.org/resources_post/still-mending-the-patchwork-a-report-examining-county-by-county-inequities-in-child-care-subsidy-administration-in-new-york-state/)

<sup>10</sup> See [https://empirejustice.org/resources\\_post/shouldering-strain-counties-cope-inadequate-child-care-funding/](https://empirejustice.org/resources_post/shouldering-strain-counties-cope-inadequate-child-care-funding/)

<sup>11</sup> Child care centers and group family child care homes are licensed, while family day care and school age child care programs are registered. For simplicity’s sake, this paper will use the terms interchangeably. It may also refer to these programs as “regulated.”

thereafter. A brief description of each type of licensed or registered child care setting is below<sup>12</sup> :

- **Child Care Centers (CCC)** – Facilities located in non-residential settings that can serve children 6 weeks to 12 years old, where children are grouped into rooms based on their age. Staff to child ratios depend on the age of the children, and the number of children who can be served depends on the square footage of the classroom or facility.
- **Family Child Care (FCC)** – One adult caring for 6 to 8 children (depending on the ages of the children) in a residence. There must be at least one caregiver for every two children under the age of two.
- **Group Family Child Care (GFCC)** – Two adults caring for 10-16 children (depending on the age of the children) in a residence. As with Family Child Care, there must be one caregiver for every two children under the age of two.
- **School Age Child Care (SACC)** – Facilities located in non-residential settings that serve school age children (ages 5 to 12). Staff to child ratios depend on the age of the children, and the number of children who can be served depends on the square footage of the classroom or facility. These programs may be closed when school is not in session.

Finally, it is important to recognize that many children throughout the community receive informal and unlicensed care from a variety of caretakers. Grandparents, other extended family members, neighbors, and older children may care for young children while parents work. These arrangements can be an extraordinarily important support for families with young children. Some of these caretakers register as “Legally Exempt” providers and receive payments from their county in return for caring for up to 2 children.<sup>13</sup>

### Child Care Ratios by Age

Because adult-to-child ratios vary based on the setting and the age of children, care for young children is more expensive than older children. This is mostly due to the fact that young children require more intensive supervision, care, and attention. New York State’s child care regulations reflect this reality and ensure that teacher/child ratios are low enough to ensure children are being safely supervised.

---

<sup>12</sup> OCFS classifies these program types as “Day Care Centers,” “Family Day Care,” and “Group Family Day Care,” but providers, early childhood educators, and many advocates prefer the terms “Child Care Center,” “Family Child Care,” and “Group Family Child Care.” In deference to the terminology preferred by practitioners in this area, we will use the latter terms and abbreviations throughout this report.

<sup>13</sup> These providers must attest that they meet minimum health and safety requirements and other criteria, as outlined in OCFS regulation. They are also subject to site inspections.

The table below shows the teacher/child maximum ratios and the maximum group size by children’s ages.<sup>14</sup>

*Table 1: Child care center ratios of children to adults by children’s ages in New York State.*

Age of Children	Teacher/Child Maximum Ratio	Maximum Group Size
6 weeks to 18 months	1 adult : 4 children	8 children
18 months to 36 months	1 adult : 5 children	12 children
3 years	1 adult : 7 children	18 children
4 years	1 adult : 8 children	21 children
5 years	1 adult : 9 children	24 children
School age to 9 years	1 adult : 10 children	20 children
10 to 12 years	1 adult : 15 children	30 children

As noted above, home-based child care (both FCC and GFCC<sup>15</sup>) is governed by a different set of teacher/child ratios. In both center-based and home-based child care, though, care for young children requires higher staffing levels and therefore higher costs than preschool or school age children. **According to the Center for American Progress, approximately 70% of expenses in a child care program is related to personnel.**<sup>16</sup>

## Findings

### Current Child Care Capacity in Monroe County and the City of Rochester

On October 1<sup>st</sup>, 2019, there were 747 licensed child care settings in Monroe County, with 56% of all programs countywide located in the city of Rochester. Figure 1 below shows a heavy concentration of child care settings located within the city compared to suburban and rural portions of the county.

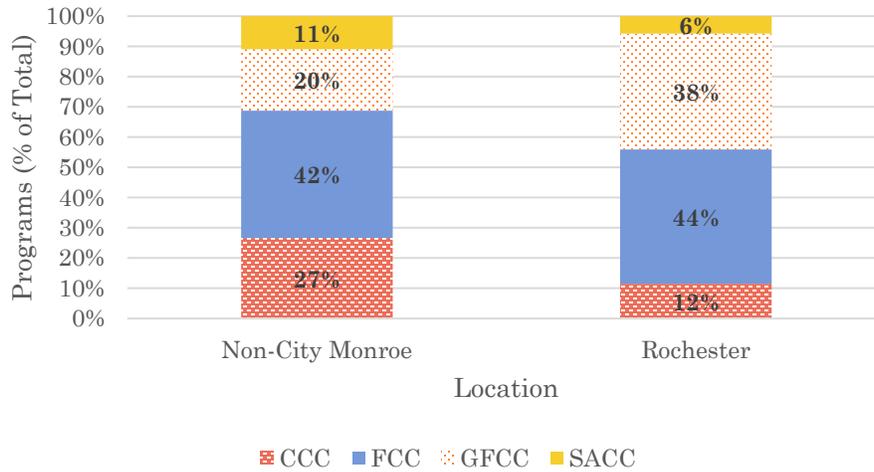
The type of child care varies considerably between Rochester and other parts of the county. As the chart below demonstrates, child care locations outside Rochester are much more likely to be center-based than those located inside the city.

<sup>14</sup> See <https://ocfs.ny.gov/main/childcare/regs/418-1-DCC.docx>

<sup>15</sup> See <https://ocfs.ny.gov/main/childcare/regs/417-FDC.pdf> and <https://ocfs.ny.gov/main/childcare/regs/416-GFDC.pdf>

<sup>16</sup> See <https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

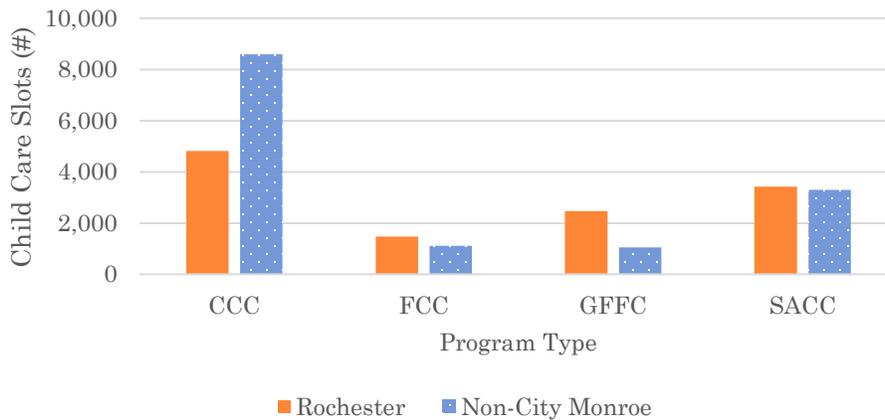
## Distribution of Child Care Programs (2019)



**Figure 1:** Distribution of Child Care Programs in 2019 for Rochester, NY and the rest of Monroe County, NY. Rochester has more group family child care and fewer child care centers compared to the rest of Monroe County. Abbreviations – Child Care Center (CCC), Family Child Care (FCC), Group Family Child Care (GFCC), School Age Child Care (SACC)

Child care centers and School-Age child care programs tend to be much larger than home-based child care settings, so while 56% of regulated programs are located in the city, only 46% of total slots are found inside city limits.

## Total Licensed Capacity by Program Type (2019)



**Figure 2:** Total Licensed Child Care Capacity by Program Type in Rochester, NY and rest of Monroe County, NY in 2019. Abbreviations – Child Care Center (CCC), Family Child Care (FCC), Group Family Child Care (GFCC), School Age Child Care (SACC)

Availability of child care varies considerably throughout Monroe County. The concept of “child care deserts” has gained attention over the past decade. This notion, based on the better-known concept of food deserts, is an attempt to identify communities with insufficient child care capacity. An area is defined as child care desert if there is less than one regulated child care slot for every three children birth to five living within that area.<sup>17</sup>

The OCFS database helpfully identifies the child care program’s school district, and we will explore the intersection of state funded Pre-K and child care later in this analysis. For this reason we decided to use school district as the unit of analysis to determine whether an area is a desert or not.<sup>18</sup> Under this definition of a child care desert, 16 school districts (out of 19) in Monroe County qualify as a child care desert for children under age 6. **Monroe County itself qualifies (albeit barely) as a child care desert.**

However, capacity by setting and age group tells a different story. While the city of Rochester has the second highest overall capacity county-wide, it has the sixth lowest infant/toddler capacity in child care centers.

Rochester’s relatively high overall licensed capacity is due to the prevalence of preschool and home-based child care settings within city limits. The higher capacity of these program types obscures the reality that care for young children within the city is quite constricted. **There are approximately 9,000 children under age 3 in Rochester at any given time, but there are only 959 child care center slots for children 6 weeks to 3 years within city limits.**

Home-based slots for children under age 2 are also limited. **There were exactly 1,000 family and group family slots available for the roughly 6,000 city children under 2 in October 2019.**

Still, when compared to Buffalo and Syracuse, Rochester has more per capita regulated child care capacity for children birth through five years old. This is largely due to a relatively higher amount of home-based care, and slightly more preschool slots in child care centers. Rochester has slightly less center-based infant and toddler capacity than those cities.

---

<sup>17</sup> See <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>

<sup>18</sup> It is important to note that many children attend child care in districts other than the one they reside within. Parents may find it more convenient to bring their child to care closer to their place of work, they may live close to the border of one district and another, or they may choose a program elsewhere in the county due to a shortage in their community or other factors. Still, availability by school district is an accessible and logical approach to determining capacity within particular communities in Monroe County.

### # of Child Care Slots per 100 children 5 Years Old or Younger (2019)

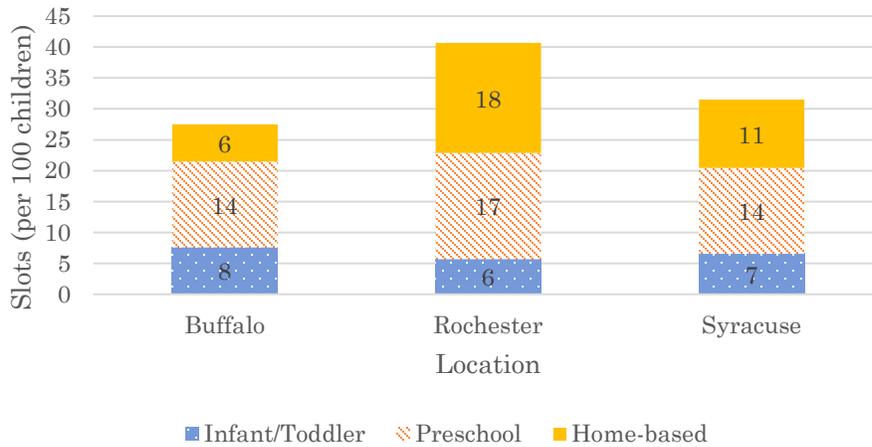


Figure 3: Number of Child Care Slots per 100 children who are 5 years old or younger in 2019.

After New York City, Rochester has the most expansive Universal Pre-Kindergarten (UPK) and Early Pre-Kindergarten (EPK) system in New York State<sup>19</sup>. Beginning in the 1990’s, Rochester’s early childhood community and leadership at the Rochester City School District (RCSD) have aggressively sought state funding to make Pre-K available to every city family that seeks it. The chart below shows enrollment in 3 and 4 -year-old Pre-K from 1998-99 to 2018-19.

### RCSD 3 and 4 Year Old Pre-K Enrollment by Year (1998-99 to 2018-19)

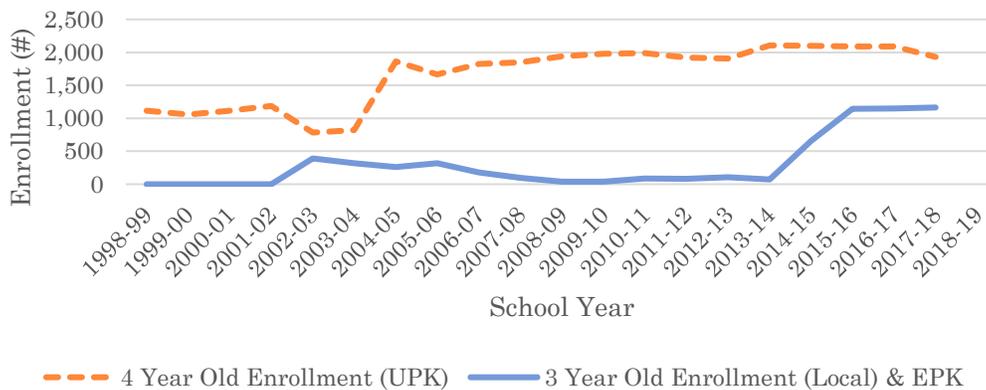
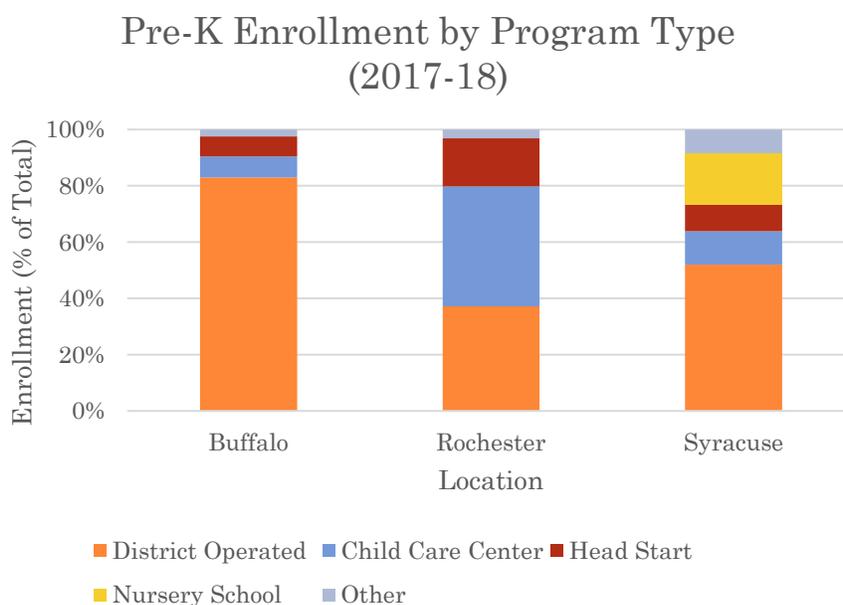


Figure 4: Pre-K Enrollment in the Rochester City School District for 3 and 4 year olds from 1998 to 2019.

<sup>19</sup> Though the NYS Education Department refers to 3 year old Pre-K as “Expanded Pre-K”, a clearer and more common usage in the Rochester area is “Early Pre-K”.

New York State requires that 10% of UPK and EPK slots within a school district go to community-based organizations. The Rochester City School District chooses to exceed that requirement by partnering with the existing network of child care programs in the city rather than just expand Pre-K through district operated schools. In Rochester, approximately 40% of state Pre-K funding is committed to community partners, and Rochester’s Pre-K program is widely regarded as a rare bright spot in an otherwise struggling school district. Many local early childhood advocates believe that this partnership between the district and community is a significant contributor to the strength of the district’s early childhood program.

The chart below shows the distribution of Pre-K setting types in Buffalo, Rochester, and Syracuse.



*Figure 5: Pre-K enrollment by program type in Rochester, Buffalo, and Syracuse, NY during the 2017-18 school year. Rochester, NY partners with more community-based organizations than other upstate cities.*

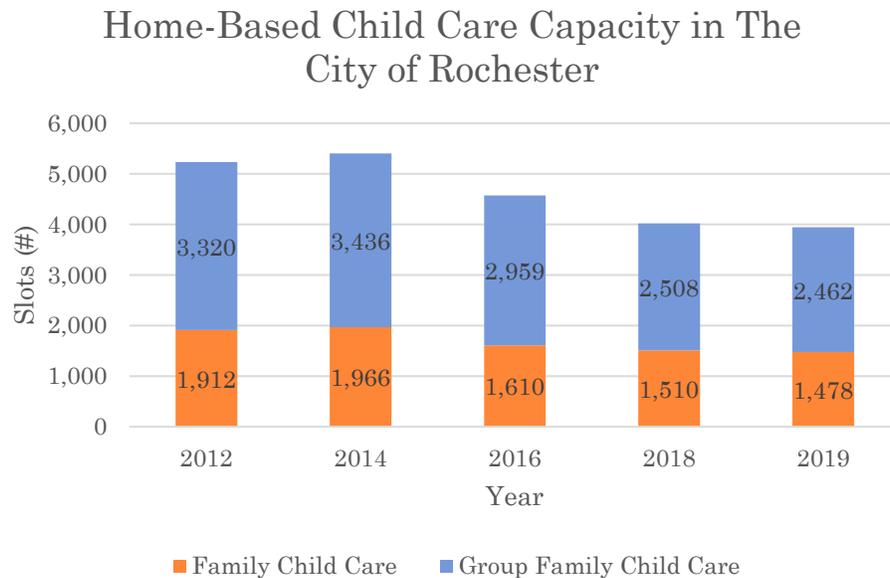
### Trends in Child Care Capacity in Monroe County

As noted above, The Children’s Agenda has compiled and analyzed regulated child care capacity snapshots from 2012, 2014, 2016, 2018, and 2019. These snapshots are not optimally spaced apart, nor are they from the same time each year. However, they still collectively provide a greater understanding of system trends and the child care sector’s overall stability.

### Significant Declines in Home-Based Child Care

In 2014, there were more than 5,400 home-based child care slots in Rochester. **Five years later, home-based child care capacity within the city had fallen by 27%, with fewer than 4,000 licensed and registered slots available citywide.**

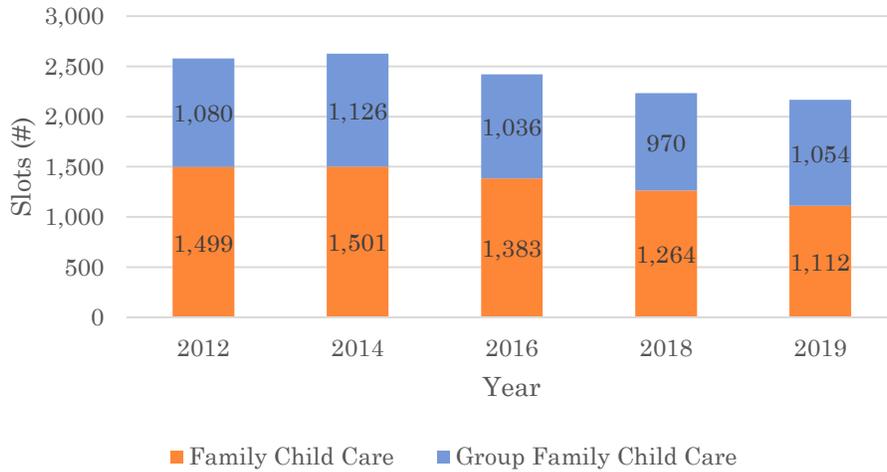
Home-based care includes both Family and Group Family Care. Because the NYS Office of Children and Families (OCFS) defines age categories differently in center-based care vs. home-based care, all references to “infant and toddler care” in this report refer to care provided in a child care center. However, many families choose home-based care. These care settings are declining in availability throughout Monroe County, creating a crisis for working families.



*Figure 6: Home-based child care capacity in Rochester, NY from 2012 to 2019. Family child care and group family child care are types of home-based care.*

In suburban and rural parts of Monroe County, home-based child care also appears to be in decline, though not quite as severely as in the city. Non-city capacity fell by 18% from 2012 to 2019.

## Home-Based Child Care Capacity in Suburban and Rural Monroe County

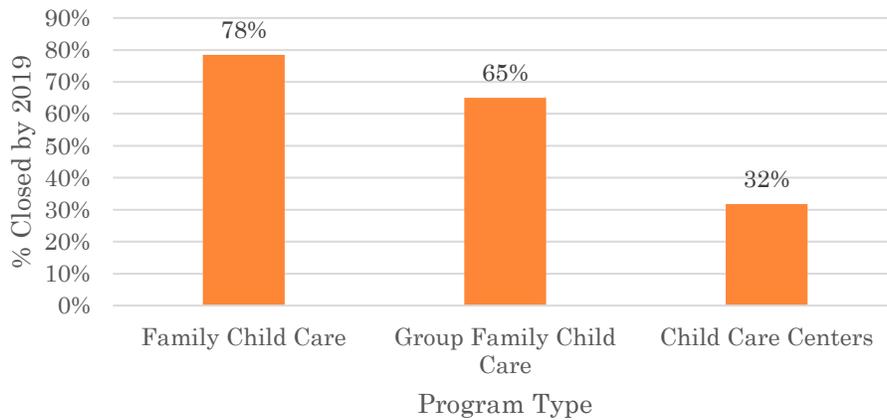


*Figure 7: Home-based child care capacity in Monroe County, NY excluding Rochester from 2012 to 2019. Family child care and group family child care are types of home-based care.*

Home-based child care is an essential part of the early care and education system in New York State, particularly within communities where a significant portion of households are living on low incomes. Family and group-family providers are more likely to be located in these neighborhoods and in communities of color than center-based programs. **The precipitous decline of regulated home-based child care in Rochester since 2014, particularly given the accompanying lack of infant and toddler care in child care centers, is deeply concerning.**

Home-based child care in Rochester experienced tremendous turnover from 2012 to 2019. **There were 467 regulated family and group family child care programs in Rochester in 2012. Of that original 467, 336 had closed by 2019. This represents a 72% closure rate over 7 years.** Family child care fared slightly worse than group family child care. Seventy-eight percent of the 241 FCC programs open in 2012 had closed by 2019, compared to 65% of the 226 GFCC programs. For context, 32% of child care centers that were open in 2012 had closed by 2019.

### Percentage of Rochester Child Care Programs Open in 2012 that Closed by 2019



*Figure 8: Percentage of child care programs that were open in 2012 in Rochester, NY that closed by 2019. Family child care and group family child care are types of home-based care.*

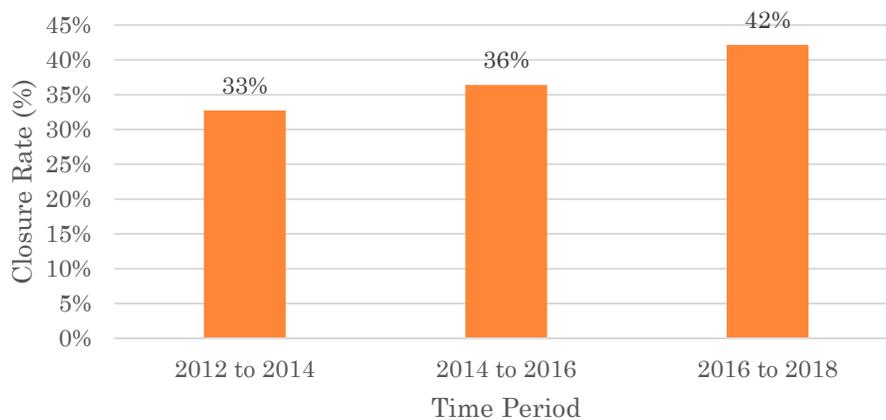
The table below shows the churn in the home-based child care system in two-year increments from 2012 to 2018.

*Table 2: Analysis of home-based child care provider turnover from 2012 to 2018 in Rochester, NY.*

<b>Analysis of FCC and GFCC Provider Turnover from 2012 to 2018</b>					
<b>Period</b>	<b># of Providers at Start of Period</b>	<b># of New Providers</b>	<b># of Providers that Closed</b>	<b># of Providers that Remained Open</b>	<b># of Providers at End of Period</b>
2012 to 2014	467	161	-153 (-33%)	314 (67%)	475
2014 to 2016	475	96	-173 (-36%)	300 (64%)	396
2016 to 2018	396	119	-167 (-42%)	228 (58%)	349

There were 467 FCC and GFCC providers in 2012. Two years later, 161 new providers had opened, 314 of that original 467 were still open, and 153 had closed. The result of turnover during this period was a small increase in the total number of home-based providers from 2012 to 2014. The number of closures outpaced openings in subsequent periods. More concerning, the percentage of providers that closed in each two-year period grew from 33% in 2012-2014 to 42% in 2016-18.

## Home-based Child Care Closure Rate (2012 to 2018)



*Figure 9: Home-based child care closure rates have increased in Rochester, NY every two year between 2012 and 2018.*

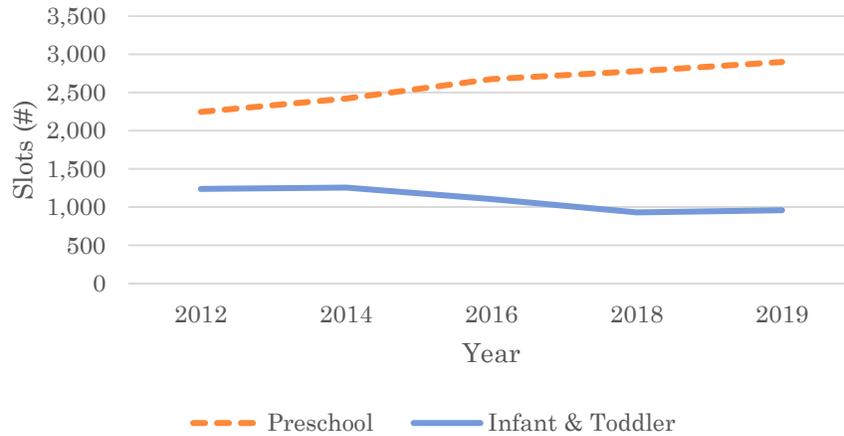
### Divergence between Infant/Toddler and Preschool Capacity

Over the last several years, early childhood advocates in Monroe County have expressed a growing concern about a perceived shortage of infant and toddler center-based care in Rochester. Some speculate that by encouraging providers to open more preschool classrooms, expansions in state-funded three and four-year-old Pre-K programs may have unintentionally shrunk the infant and toddler system in Rochester. There is considerable evidence to support this theory.

Community-based organizations that provide UPK and EPK are regulated by OCFS, and those preschool classrooms are included in this capacity data. RCSD's decision to contract UPK and EPK slots to community providers appears to have helped increase preschool capacity in Rochester, which is up 29% since 2012.

However, the district's decision to partner heavily with community-based providers appears to have negatively impacted infant and toddler care within Rochester. **In fact, while the number of licensed preschool slots in child care centers located in the Rochester increased considerably (27%) from 2012 to 2019, the number of infant and toddler slots decreased by 23% over the same period.**

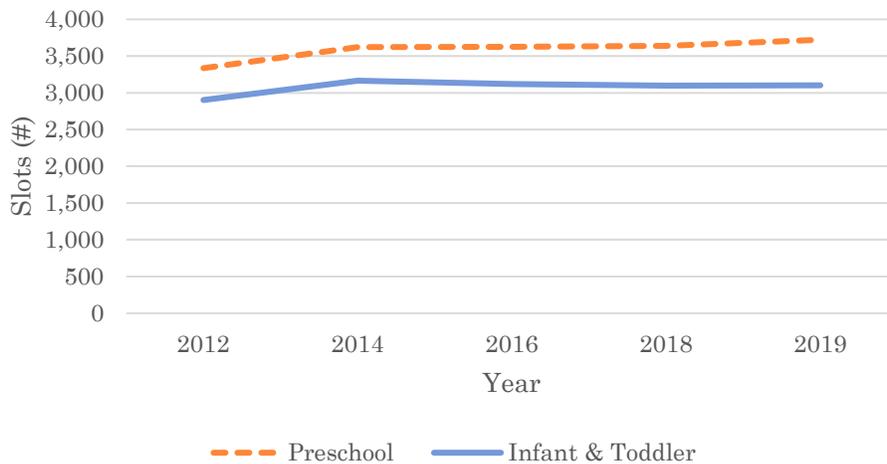
### City of Rochester Child Care Capacity Divergence (2012-2019)



*Figure 10: The growing gap between preschool and infant & toddler slots in the city of Rochester between 2012 and 2019.*

This divergence contrasts with the situation in suburban and rural Monroe County, as shown by the graph below. In areas outside the City of Rochester, the regulated infant/toddler capacity has remained roughly 80% to 90% of preschool capacity since 2012.

### Suburban and Rural Monroe County Child Care Center Capacity (2012-2019)



*Figure 11: Preschool and infant & toddler slots have remained relatively stable in Monroe County, NY outside of Rochester.*

On October 1, 2019, there were 83 infant and toddler slots for every 100 preschool licensed slots in suburban and rural Monroe County. By contrast, there are only 33

infant and toddler regulated slots for every 100 preschool seats in the City of Rochester, down from 55 per 100 in 2012.

### Complexities of Child Care Capacity Changes

Changes in the overall capacity of a child care system over time may be the result of three factors:

- Programs opening
- Programs closing
- Capacity changes within existing programs

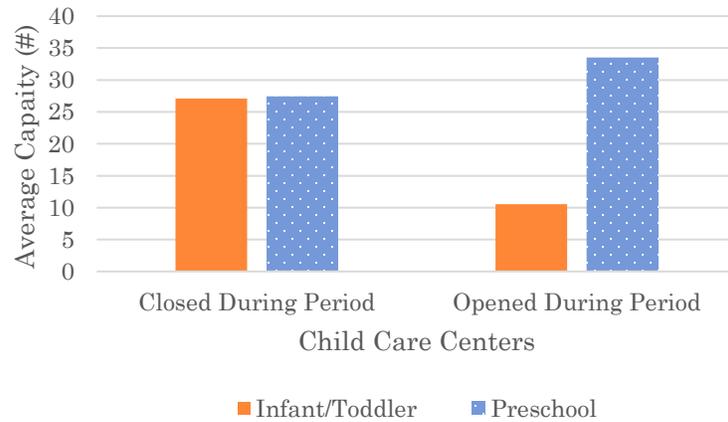
In 2012, there were 44 child care centers operating in the City of Rochester. As the table below demonstrates, the number of centers actually increased from 2012 to 2019. **However, capacity changes within existing centers resulted in a loss of 91 total infant and toddler slots over that time frame, and a corresponding increase of 434 preschool slots. More significantly, the 14 centers closed during those seven years contained significantly more infant and toddler capacity than the 18 child care centers that opened during the same period of time.**

*Table 3: Capacity changes at child care centers in Rochester, NY by age group between 2012 and 2019.*

Child Care Centers in Rochester		Capacity by Age Group				
Category	Number of Centers	Infant	Toddler	Preschool	School Age	Total
2012 Beginning Capacity	44	464	775	2247	1232	4718
Capacity Changes Among Existing Providers	12	-10	-81	434	-197	146
Program Closures	14	-151	-228	-384	-380	-1143
Program Openings	18	67	123	603	296	1089
2019 Capacity	48	370	589	2900	951	4810

The chart below shows the average capacity, by age group, of programs that closed between 2012 and 2019 and the average capacity, by age group, of those new programs that opened during this time frame.

### Average Capacity: Centers that Closed and Opened (2012 and 2019)



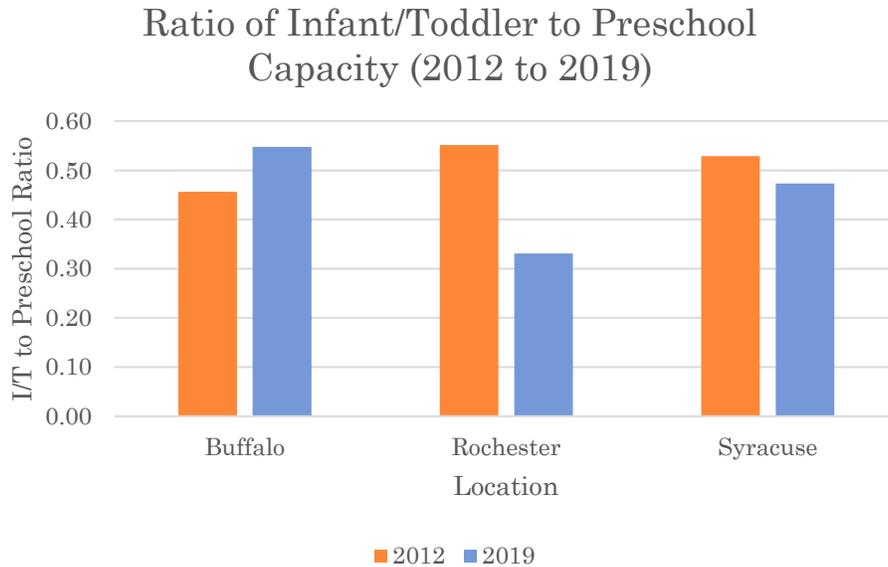
*Figure 12: The average capacity of child care centers that closed in Rochester, NY between 2012 and 2019 were relatively balanced between slots for Infants/Toddlers and Preschoolers. The child care centers that opened over that time were skewed towards preschool slots.*

The growing divergence between infant/toddler and preschool capacity in Rochester since 2012 is not found in Buffalo and Syracuse. Center-based capacity for children under 3 has increased considerably in Buffalo since 2012, while preschool capacity has remained essentially flat. In Syracuse, infant/toddler capacity has increased by 41 slots (or roughly 6%), while preschool capacity has grown by 18.5%. The table below details the capacities in all three communities in 2012 and 2019.

*Table 4: Slots for Children in Infant/Toddler and Preschool programs in 2012 and 2019.*

City	2012		2019		Percentage Change	
	Infant/Toddler	Preschool	Infant/Toddler	Preschool	Infant/Toddler	Preschool
Buffalo	1305	2860	1559	2847	19.5%	-0.5%
Rochester	1239	2247	959	2900	-22.6%	29.1%
Syracuse	690	1304	731	1545	5.9%	18.5%

The chart below shows the infant/toddler to preschool ratio in these three communities in 2012 and 2019. Infant/toddler capacity as a share of preschool capacity in Buffalo and Syracuse ranged between the mid 40's and mid 50's, while it fell from 55 to 33 per 100 preschool slots in Rochester.



*Figure 13: Comparison of the ratio of infant/toddler to preschool slots in Buffalo, Rochester, and Syracuse, NY in 2012 and 2019. Rochester experienced the largest shift with fewer infant/toddler slots relative to preschool slots.*

The data above suggests that expansions in community-based pre-kindergarten in Rochester may contribute to the growing scarcity of center-based infant and toddler care capacity. But state-funded Pre-K only explains a portion of this dynamic.

Rochester’s decision to award Pre-K slots to community-based providers is somewhat unique among school districts outside New York City. No other non-NYC school district can offer essentially universal access to three and four-year old Pre-K, and no other district has contracted so many slots to community-based organizations. However, the relatively low ratio of infant/toddler to preschool slots does not appear to be completely unique to Rochester. There are 31 school districts (excluding New York City) in New York State with at least 50,000 residents. Large high poverty districts like Rochester, Buffalo, Syracuse, Utica, and Schenectady tend to have fewer infant/toddler slots as a percentage of preschool slots than low poverty districts like Williamsville in suburban Erie and Webster in suburban Monroe.

What else could explain this gap in center-based capacity in high poverty communities relative to preschool age care? After all, most infant and toddlers in a community will eventually become preschool children in that same community. The higher prevalence of home-based child care could account for some of this difference, but family and group family providers are actually somewhat limited in the number of infants and toddlers they can serve. The child care business model itself may play a role.

## Rates for Preschool Child Care/Pre-K Often Subsidize Care for Young Children

In both center-based and family-based child care, lower staff to child ratios make the cost of caring for young children much higher than the cost of providing care to preschool age children.

A recent analysis of child care in New York State for Raising NY<sup>20</sup> by the Center for American Progress (CAP) quantified the cost of providing center based care to children of various ages in different parts of New York State<sup>21</sup>. **The analysis determined that in our region, the child care subsidy program’s “market rate” was insufficient to cover the costs of providing care to infants and toddlers.**

*Table 5: True cost and market rate subsidies for child care by age in Rochester, NY.*

Age Group	Weekly Cost	Market Rate	Difference
Infant	\$359.04	\$280.00	-\$79.04
Toddler	\$295.00	\$264.00	-\$31.00
3 Year Old	\$221.73	\$245.00	\$23.27
4 Year Old	\$198.85	\$245.00	\$46.15

In 2018, The Children’s Agenda submitted a Freedom of Information Law (FOIL) request for the raw data underlying the OCFS market rate survey. Information responsive to this request was sent to The Children’s Agenda in the summer of 2019. Of the 48 Monroe County center-based providers that responded to the OCFS survey in 2018, none charged anything approaching the actual cost of care, which is \$359 per infant per week. The median cost for center based infant care in Monroe County was \$279. Only 8 of 50 programs serving toddlers charged \$295 or more per week, and the median price for toddler care was \$265 per week.

**These CAP findings and OCFS market rate survey data seem to indicate that nearly all child care centers in Monroe County lose money on infant and toddler care.** And yet, many child care centers often offer the full continuum of care, from 6 weeks through school age, and many (particularly in the suburbs) try to maintain similar capacity at all age ranges. They do so because **infant and toddler care is a loss leader, meaning that costs exceed income for infant rooms but that gap is made up once the children move into Pre-K rooms.**

Many center-based child care providers in affluent areas seem to operate under the belief a family will grow familiar with a program during the first three years of a child’s life, and will therefore be more likely to continue paying for care in that

---

<sup>20</sup> Raising NY is a new statewide prenatal-to-three coalition focused on a wide range of issues effecting young children in New York State. The Children’s Agenda is on the steering committee of this initiative. See [www.raisingnewyork.org](http://www.raisingnewyork.org) for more information

<sup>21</sup> See <https://raisingnewyork.org/the-capacity-crisis/>

setting as the child turns three and four. **Under this arrangement, a center recoups its infant and toddler losses during that preschool period. Preschool care essentially cross-subsidizes infant and toddler care.**

Because OCFS market rates are derived from the actual prices charged to families, the state's child care assistance program follows this same structure. Providers receiving subsidy payments lose money when children are very young and cover their losses as children transition into preschool ages.

This model appears to succeed in affluent communities but does not appear to work as well in high poverty areas due to three factors of instability: employment, housing, and transportation.

Low-income families are more likely to experience employment instability than more affluent households. Even if a family receives child care assistance, that subsidy requires near continual participation in the workforce. Monroe County only currently allows families to receive ongoing child care assistance for several weeks after a parent loses their job. Therefore, disruptions in employment can result in the loss of child care assistance, which in turn can sever the tie between a child and a particular child care setting.

Low-income families are also far more likely to experience housing instability than more affluent households. According to the Census Bureau, nearly 23% of households in Rochester moved during the past year, compared to only 11% in the rest of Monroe County. The highest rate of housing mobility in Monroe County was found among families experiencing poverty. Nearly 3 in 10 Rochester households in poverty moved in the past year.

In addition, 31% of Rochester households do not have an automobile, and may therefore struggle to access the same child care provider if they move to another neighborhood in the city.

Given these circumstances, it seems reasonable from a business perspective to provide preschool rather than infant and toddler child care, especially in lower income communities. A provider charging the state's market rate for preschool care can generate a profit from that arrangement.

Home-based child care experiences a related business model challenge.<sup>22</sup> Due to appropriately limited adult-to-child ratios, a provider cannot generate much revenue caring for young children. A successful home-based child care business needs to operate near capacity, which requires more children 2 to 5 years old.

---

<sup>22</sup> One adult can only care for two children under age 2 in a home-based setting, while they can care for up to six children ages 2 to 5, along with an additional two school age children.

## **Home-based providers struggle to stay in business if they are not caring for preschool age children.**

Expansions in Pre-K, while laudable, therefore make it increasingly difficult for many home-based child care providers to operate. A 25% decline in the number of home-based child care programs in Rochester since 2012 seems to support this hypothesis.

## **Troubling Implications of Declining Home-Based Child Care and Infant/Toddler Capacity**

This report identifies steady declines in home-based child care and infant/toddler center-based care in Rochester. It also evaluates how Pre-K expansion may be contributing to Rochester's loss of child care capacity.

This report does not, however argue that Pre-K expansion is a negative development. To the contrary, expanded 3 and 4-year-old Pre-K has substantially increased school readiness<sup>23</sup> and may be at least partially responsible for some of the recent improved outcomes among elementary aged children in the Rochester City School District<sup>24</sup>. It also provides a safe and nurturing environment for thousands of young children in Rochester for many hours each day. **But even fully universal three and four-year-old Pre-K cannot fully replace a robust child care system.**

Pre-K in Rochester operates for six hours per day and 180 days per year. Some preschool children also benefit from summer learning opportunities, but capacity is limited and funding is uncertain year-to-year. A parent working full-time typically needs care for approximately 9 hours per day for up to 260 days per year. Many community-based Pre-K programs offer wrap-around care, but school-based Pre-K programs do not. **Universal Pre-K in Rochester needs a healthy child care system that supports families throughout the year.**

Pre-K also begins when a child is three years old. Before then, the development that occurs during the first three years of a child's life has a profound impact on a child's lifelong trajectory. As the Harvard Center on the Developing Child notes, "healthy development in the early years (particularly birth to three) provides the building blocks for educational achievement, economic productivity, responsible citizenship,

---

<sup>23</sup>See [https://www.childrensinstitute.net/sites/default/files/documents/recap\\_twenty-first-annual-report\\_2017-18.pdf](https://www.childrensinstitute.net/sites/default/files/documents/recap_twenty-first-annual-report_2017-18.pdf)

<sup>24</sup> See <https://rocthefuture.org/wp-content/uploads/2019/11/Report-Card-2019-Final.pdf>

lifelong health, strong communities, and successful parenting of the next generation.<sup>25</sup>

Trusting relationships with stable and nurturing caretakers is critical to healthy infant and toddler development. Declining access to infant/toddler and home-base child care could lead to more families relying on potentially unstable and ad-hoc child care arrangements before a child reaches Pre-K, which may harm child development.

Finally, there are potential broader economic implications associated with the decline of regulated care for young children in our community. Inadequate child care options for working families can push parents out of the workforce, weakening economic activity and exacerbating personnel shortages that employers are already reporting in our region. Nationally, labor force participation is 19% lower for women with children than for comparable women who do not have children.<sup>26</sup>

## Recommendations

This report identifies several troubling trends in Rochester's child care system. Despite these challenges, there are many ways the City of Rochester, the Rochester City School District, Monroe County, and New York State can improve child care in this community.

This section contains specific recommendations for each of those government bodies. **While increased funding does not solve all problems, chronic underfunding of early childhood is the primary driver of the challenges explored in this report.** Child care across the state and nation suffers from an extraordinary lack of public resources. Greater investments from local, state, and federal partners can stabilize our community's child care system, allow child care workers to earn a living wage, and ensure children receive the care and support they need to thrive.

### State Policy and Funding Recommendations

**1. New York State should make a meaningful commitment to establishing universal child care throughout the state by 2028, with down payments in every state budget until then, including a statewide co-pay cap, increased funding for QualitystarsNY, and universal access place-based pilots.**

**2. The New York State Child Care Availability Task Force should prioritize infant and toddler child care in its recommendations.** The true cost of care for young children is astonishingly high, and will only rise as we take the necessary

---

<sup>25</sup> See <https://developingchild.harvard.edu/guide/what-is-early-childhood-development-a-guide-to-the-science/>

<sup>26</sup> See <https://www.demos.org/research/parent-trap-economic-insecurity-families-young-children>

steps to improve compensation for the child care workforce. Any model to achieve universal child care should start with the youngest children.

**3. New York State should explore replacing its market rate methodology with a cost-of-care reimbursement model.** New York State’s child care assistance or subsidy program, part of the state’s Office of Children and Family Services (OCFS), currently establishes a “market rate” based on a survey of the prices charged by child care providers in different regions of New York State. This model does not account for the circumstances experienced by high poverty communities with expansive Pre-K programs like Rochester. As Pre-K becomes more universally accessible in New York, more communities might experience declines in birth-to-3 child care capacity as providers convert infant/toddler rooms to Pre-K classes since funding for Pre-K is more stable and sufficient to cover the actual costs of care. **Shifting to a cost-of-care reimbursement model, particularly for providers serving low-income communities, could increase the prevalence of infant/toddler care in many high-needs communities across New York State.** This shift would necessitate considerably higher rates for infant and toddler care, and lower rates for preschool age child care. As this model is developed, attention should be directed to ensuring that private pay families are held harmless and are not expected to pay out of pocket for the increased infant/toddler rate.

**4. New York State should also consider determining eligibility for child care assistance for entire communities based on poverty rates.** One potential way to ensure that private pay families are not penalized by a change to cost-based reimbursement is to create something like community eligibility for child care assistance in high poverty communities across the state. This approach, similar to the way that the federal government provides free meals to students in high-poverty school districts, would allow all families living in high poverty areas to receive subsidized child care. This approach would target resources to high poverty regions, and, if structured properly, could further efforts to achieve socio-economic and racial desegregation.

### **Local Policy and Funding Recommendations**

Monroe County and the Rochester City School District are the major government actors with the ability to strengthen our child care system, while the City of Rochester also plays a significant role. There are specific actions these governmental bodies can take to ensure that Rochester’s young children benefit from consistent, coordinated, and high quality child care.

**1. The Rochester City School District should continue to partner with community-based organizations (CBOs) to provide EPK and UPK programming.** While this report identifies several negative trade-offs that resulted from RCSD’s decision to partner heavily with CBOs, that partnership is still an enormous positive for Rochester. Had the district expanded Pre-K without

them, Rochester may have experienced a greater decline in child care throughout the community. This commitment is under threat over the next several years due to the district's challenging financial position and declining enrollment.

**2. RCSD and Monroe County should explore establishing contracted child care/Pre-K networks from infancy to school entry.** These networks, comprised of home-based child care, center-based care, and district-operated Pre-K programs, would ensure that families can receive high-quality child care from infancy through age 5, and that Pre-K programming is supported by after-school care and throughout school breaks. Home-based child care providers and child care centers that entered into these networks would contract with Monroe County and RCSD to provide care before children entered school and during breaks in education. These contracts should also contain certain quality standards and other expectations for care tied to higher reimbursement.

**3. Monroe County and the Child Care Council (CCC) should explore different strategies to better connect families with child care options and assistance paying for the cost of care.** The processes of identifying a child care provider and receiving a child care subsidy are largely disconnected from one another. Co-locating CCC staff at County facilities and County staff at the Child Care Council's offices could help streamline the process of obtaining child care for low-income families.

**4. As detailed in The Children's Agenda's 2019-20 City Budget Analysis<sup>27</sup>, the City of Rochester should use its resources to better support child care businesses that seek to operate within city limits.** This would include establishing a small, revolving loan fund for capital improvements to child care facilities (including home-based programs), allowing home-based child care businesses to access existing small business grant and loan programs, and connecting youth to careers in early childhood through recreation centers, libraries, and job fairs.

## Conclusion

Rochester's early childhood community has a well-deserved reputation for collaboration, innovation, and a commitment to quality. Rochester's Pre-K programs are nationally recognized for their high quality, while the Early Childhood Education Quality Council<sup>28</sup> and Early Childhood Development Initiative<sup>29</sup> have developed a number of innovative ways to support the early childhood system. These community strengths and partnerships are among the reasons that Rochester

---

<sup>27</sup> See <https://thechildrensagenda.org/publications/2019-2020-report-tca-review-of-city-of-rochesters-budget/>

<sup>28</sup> See <https://www.childrensinstitute.net/about-us/community-collaboration/eceqc>

<sup>29</sup> See <http://ecdi-rochester.org/>

has been awarded significant funding from New York State to expand Pre-K for three and four year old children.

This report identified some unintended consequences from that expansion. While Rochester's Pre-K programs have expanded considerably over the past seven years, infant/toddler care and home-based child care capacities have fallen. These dynamics appear to be linked. Greater investments in child care and Pre-K are needed to better support families, and expansions in both areas need to be coordinated with one another. There are also specific policies that local and state leaders can enact to ensure that children receive the support they need during the critical first few years of life.