

GREATER NEW BRAUNFELS

Early Care and
Education Final
Report



An Early Matters San Antonio Report

EarlyMattersSA.org

IN COLLABORATION WITH THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE
AND THE MCKENNA FOUNDATION





ASPIRATION STATEMENT

A thriving early childhood ecosystem prioritizes the success of children through strategic support for families, educators, and businesses, driving economic vitality.



GOALS



ACCESS TO QUALITY LEARNING AND DEVELOPMENT

PROFESSIONAL PATHWAYS

PARENT RESOURCES

Every family has affordable access to quality early learning and care in an environment that meets the needs of their child(ren).

Early childhood educators are professionally developed, compensated, and valued to enable them to help each child reach their potential.

Every family is aware of and connected to tools and resources that support them in making the best decisions for their young child(ren).

CONTENTS

01

02

03

04

CURRENT
STATE OF
CHILDCARE IN
GREATER NEW
BRAUNFELS

PROCESS
OVERVIEW

GREATER NEW
BRAUNFELS
PROVIDERS TOP 5
STATEMENTS

BY THE
NUMBERS

05

06

07

08

ASPIRATION
AND GOALS
STATEMENTS

SIGNIFICANT
ISSUES AND
RECOMMENDATIONS

NEXT STEPS AND
ORGANIZATIONAL
STRUCTURE

CLOSING
NOTES

EXECUTIVE SUMMARY

The *Greater New Braunfels Early Care and Education Report* is the result of a collaborative effort to understand and address the challenges facing childcare in the Greater New Braunfels area. This work was made possible by the generosity and openness of the community, particularly the providers, business leaders, and stakeholders who welcomed us into their conversations and shared their experiences. We are deeply grateful for the opportunity to work alongside this committed group of individuals dedicated to building a stronger future for children and families.

Why This Matters

Childcare is at the heart of a thriving community. It shapes the lives of children during their most critical developmental years, supports families in achieving their goals, and directly impacts the local workforce and economy. Yet, in Greater New Braunfels, families and providers face significant barriers—ranging from high costs and staffing shortages to limited access to high-quality programs. These challenges not only affect individual families but ripple through the broader community, influencing business success and economic stability.

Moving Forward

This report represents the beginning of an important journey. Building on the foundation established by the Greater New Braunfels Chamber of Commerce and the McKenna Foundation, the next steps include forming a steering committee, identifying leadership, and engaging key stakeholders to implement these solutions.

The work ahead is not without challenges, but the opportunity to create meaningful change is within reach. By working together, Greater New Braunfels can build a childcare ecosystem that prioritizes children, empowers educators, and supports families—laying the foundation for long-term economic and community vitality.



01

CURRENT STATE OF CHILDCARE IN GREATER NEW BRAUNFELS

Like so many communities across the United States, the Greater New Braunfels area has found itself facing a three-faceted challenge related to childcare and early learning – access, quality, and affordability. This triad of challenges is negatively impacting families and businesses alike, as the impacts of what both Bloomberg and the Financial Times have deemed a “failed market” have come to roost in the daily lives of this community.

As a result of the combined impact of an inability to raise wages, leading to a reduction in staff, and the limitations on what families can pay, providers are reducing the number of children that they are serving and foresee the need to even further shrink or close. This reduction in the total number of seats results in waitlists and some families struggling to find care that enables them to work.

The access issue has been brought to a head by a bill that required centers interested in serving families using Texas Workforce Commission childcare scholarships to earn a Texas Rising Star (TRS) designation by October 2024. With only 12% of providers in the Greater New Braunfels area having earned the TRS rating, access for low-income families has become and will continue to become increasingly difficult. This is further exacerbated by the closure of St. Paul's, one of the few TRS-rated centers in the area.



WITH THE GROWING UNDERSTANDING THAT THE EARLY YEARS ARE THE MOST IMPACTFUL FOR BRAIN DEVELOPMENT, THE IMPORTANCE OF QUALITY HAS NEVER BEEN HIGHER FOR TODAY'S FAMILIES AND TOMORROW'S WORKFORCE.

The Greater New Braunfels area faces the challenge of an insufficient number of quality-rated providers. With no NAEYC certified providers and only a small handful that are Texas Rising Star, many families are left with very few choices in finding quality care for their youngest learners. This factor is exacerbated by the limited amount of quality coaching and funding to build quality available in the Greater New Braunfels area. With today's youngest learners entering the workforce less than two decades from now and entering kindergarten further behind than kids were just a few years ago, the current and future workforce will be impacted by this gap.

Affordability is the factor with likely the largest impact. With childcare now costing more than in-state tuition at some universities and the cost of care for two children surpassing housing expenses, childcare is markedly unaffordable for most young families. The high and rising cost of a fairly inelastic expense is causing an increasing number of parents to leave the workforce. This has been shared anecdotally by businesses across the Greater New Braunfels area as they are met with rising costs of employee retention, recruitment, and training, as well as the need to pay higher wages for a shrinking labor pool.

The combination of these factors leads to a very challenging current reality that is felt by families and employers across the city.

The trajectory of this situation is challenging, and evidence and economics suggests that the market will not resolve it on its own. Business and community engagement, intervention, and investment will be important to support families, avoid an increasing number of closures, and stem the deleterious impact on local employers.



02

PROCESS OVERVIEW

Our work addressing the childcare landscape in Greater New Braunfels began with a call to action from the Greater New Braunfels Chamber of Commerce and the Mckenna Foundation. Their goal was to explore the current state of childcare and its economic implications for the region. To achieve this, a multi-step process was implemented, involving data collection, engagement, and strategic planning with key stakeholders.



KEY STEPS IN THE PROCESS:

STAKEHOLDER ENGAGEMENT

- Separate series of meetings were held with local childcare professionals and business/community leaders.
 - Three meetings were held with childcare providers and professionals with an average attendance of 20 participants.
 - The Business Leaders Convenings were conducted on 4 occasions with an average attendance of 15 participants.
 - The chart below outlines the dates of provider meetings and business leader convenings.

Provider Meetings	Business Leader Convenings
08/24/2024	08/27/2024
10/05/2024	09/24/2024
11/16/2024	10/29/2024
	11/21/2024

All meetings were held at the McKenna Center.

- 2) Providers discussed daily challenges, such as financial constraints, staffing shortages, and limited resources for quality improvement.
- 3) Business and community leaders were introduced to the broader economic implications of childcare challenges, both for their businesses and community at large.

DATA COLLECTION

- 1) Surveys were distributed to approximately 60 providers, yielding 16 responses that revealed critical barriers and opportunities in the childcare system.
- 2) Workforce insights and quality ratings were analyzed to identify gaps in service and quality.

COLLABORATIVE DISCUSSIONS

- 1) Brainstorming sessions were facilitated amongst providers and business leaders to generate innovative solutions and align goals.

What is your aspiration for early learning and care in Greater New Braunfels?

88 responses



- 2) Participants created shared aspirations emphasizing the importance of early childhood education in driving economic vitality.

RESEARCH AND RECOMMENDATIONS

- 1) Local childcare professionals and business/community leaders reviewed successful models and best practices from other communities.
- 2) An outline of potential actions was developed, with a focus on connecting businesses to childcare in innovative ways.
- 3) Potential solutions were evaluated and ranked based on their feasibility and impact.
- 4) Midway through the process, the urgency of this work became undeniable with the closure of St. Paul's Child Development Center, which had served the Greater New Braunfels community for over 40 years. This loss highlighted the critical need for sustainable solutions to support the local childcare ecosystem.



Local Impact – Recent News from St. Paul's



Impact on Businesses

- 60–80 employees (parents) must secure alternative care or exit the workforce.
- Increased stress on employees.
- Higher risks of turnover and absenteeism.
 - Elevated operational costs for businesses.

Long-Term Considerations

- What does the closure of a 35-year-old subsidized childcare center signal for other providers?
- How can businesses and communities collaborate to prevent future closures and support new providers?

Impact of St. Paul's Closure: Workforce Challenges and Long-Term Considerations for Providers and Businesses.

REPORTING AND NEXT STEPS

- 1) Findings and ideas were consolidated into a comprehensive report, which was shared with stakeholders for their review and input.
- 2) Areas requiring further exploration and support were identified to facilitate the implementation of meaningful change.

03

TOP 5 STATEMENTS



OBJECTIVE

These statements were gathered from Greater New Braunfels community members and reflect the most pressing challenges identified through discussion. Establishing a shared understanding of the current state of childcare was essential to effectively develop and propose solutions.

TOP STATEMENTS ON THE CURRENT STATE OF EARLY CHILDHOOD IN GREATER NEW BRAUNFELS

- 1 The system is broken - it costs parents too much and we cannot pay educators enough.
- 2 Hiring is adversely affected by significant wage increases in jobs not requiring extra education, like fast food and service sector roles, leading employees to leave or avoid the sector altogether.
- 3 Our Early Childhood Education (ECE) talent need higher pay and recognition as professionals (brain developers). Many are leaving for better opportunities, leading to a growing talent/workforce crisis.
- 4 We saddle families at their poorest (in their early 20s) with a financial burden often equivalent to what they may pay eighteen years later for college.
- 5 Business leaders and the broader community frequently overlook the essential role that Early Childhood Education (ECE) plays in shaping both the current and future workforce. Awareness has increased for many, particularly during the pandemic, when they had no option but to have their children at home.

INSIGHTS

The top five statements reflect key issues that shaped the focus of the survey and broader discussions. By centering on the lived experiences of providers, these insights ensured the survey questions directly addressed the challenges they face and aligned with their priorities for actionable solutions.

0 4

BY THE NUMBERS



For many families, the cost of childcare in Greater New Braunfels rivals that of in-state college tuition, creating financial strain at a time when parents are often in the early stages of their careers. This financial burden is compounded by the fact that over 70% of Greater New Braunfels workers commute to the city, increasing the demand for accessible and reliable childcare close to work.

Low-income families in New Braunfels face significant barriers to accessing affordable, high-quality childcare. Although Workforce Solutions Alamo provides subsidies for some low-income families, these subsidies can only be utilized at centers that meet the Texas Rising Star (TRS) threshold. Currently, only 6 out of 56 centers have achieved TRS quality standards, severely limiting options for families relying on financial assistance. This situation underscores a critical gap in access for financially disadvantaged families.

In an effort to understand these challenges better, approximately 60 surveys were sent out, with 16 responses returned. These responses provided key insights into pressing issues facing both providers and families:

- 1) **Staffing Shortages:** 25% of centers reported reducing their capacity due to difficulties in hiring qualified staff. And, 25% of centers anticipate further reductions.
- 2) **Financial Constraints:** Providers face rising costs for food, utilities, and insurance, limiting their ability to raise wages without significantly increasing tuition.
- 3) **Enrollment Challenges:** Several centers reported operating below capacity due to staffing shortages, with some reducing their service capacity by 50 to 100 seats.
- 4) **Public Pre-K Competition:** Enrollment has decreased in some centers as families opt for free or reduced cost public Pre-K, leaving private providers with a larger proportion of costly infant and toddler care.
- 5) **Quality Improvement Barriers:** Many providers struggle to maintain low teacher-to-child ratios and support professional development, with 67% citing hiring challenges as a significant barrier to quality improvements.

ASPIRATION AND GOALS STATEMENTS

OBJECTIVES

The aspiration and goals in this report were collaboratively developed through a series of discussions with childcare providers, business leaders, and community stakeholders. The survey results played a key role in shaping the focus areas of our discussions, providing valuable insights that guided the development of the goals. These collaborative sessions were vital in capturing the diverse perspectives necessary to create a shared vision for the future of early childhood education in Greater New Braunfels. The goals were further refined through multiple rounds of feedback to ensure alignment with the needs and priorities of all groups involved. The collective work centered on three interconnected focus areas, each designed to align with and support the overarching aspiration statement:

Aspiration Statement

A thriving early childhood ecosystem prioritizes the success of children through strategic support for families, educators, and businesses, driving economic vitality.



Access to Quality Learning and Development Goal

Every family has affordable access to quality early learning and care in an environment that meets the needs of their child(ren).



Professional Pathways Goal

Early childhood educators are professionally developed, compensated, and valued to enable them to help each child reach their potential.



Parent Resources Goal

Every family is aware of and connected to tools and resources that support them in making the best decisions for their young child(ren).

LOOKING AHEAD

These aspirations and goals represent a unified vision of the early education ecosystem that stakeholders hope to create—a system where children thrive, families are supported, and educators are valued. By focusing on these priorities, Greater New Braunfels can lay the foundation for an early learning environment that fosters long-term community and economic growth.

SIGNIFICANT ISSUES AND SOLUTIONS

Throughout the collaborative process, several significant issues were identified and analyzed. Groups and stakeholders worked collectively to propose potential solutions, guided by the aspiration and goal statements that framed the discussions. These solutions were further informed by data collected through surveys and the lived experiences shared by providers, ensuring alignment with the needs and priorities of the community. The following is a detailed list of the significant issues identified during this process:

SIGNIFICANT ISSUES

The Early Childhood Market Is Challenged

- Costs too much for families.
- Providers shrinking and going out of business (The availability of free or reduced cost public Pre-K is impacting this issue).
- Educators make too little to stay.
- With families leaving the workforce due to childcare challenges, businesses are paying more for a smaller pool of talent.

Providers Are Sub-Scale

- The prevalence of single site operators, combined with the absence of a centralized shared services function available in the area, leads to high administrative burdens.
- No early childhood community of practice.
- Quality improvement coaching capacity is 1/5 of a mentor FTE.

No Central Marketplace

- Advertising/marketing for providers is limited.
- Lack of navigational or search tools for parents/families.

Recruitment and Retention in the Business Sector

- Employers do not have enough ways to address/support their employees and a workforce with young children.

Underdeveloped Early Childhood Education Policies

- A critical part of the community with an insufficiently developed policy framework.

POSSIBLE SOLUTIONS

Several potential solutions were identified through in-depth and collaborative discussions within each group. These solutions emerged from a thorough examination of challenges, incorporating diverse perspectives and expertise to ensure a comprehensive approach. The following is a detailed list of the proposed solutions, along with contextual information to highlight their relevance and potential impact.

Solution	Description
Search Tool 	<ul style="list-style-type: none">• An online tool for families to find childcare slots in the community based on their preferences.• Provides real-time updates on enrollment and showcases what each center offers.
On Site/Near Site Childcare 	<ul style="list-style-type: none">• Businesses and providers collaborate to establish childcare facilities on-site or near the workplace.• Financial support from businesses is exchanged for childcare spaces dedicated to employees.
Shared Services 	<ul style="list-style-type: none">• Administrative, professional development, business coaching, group purchasing, and bargaining power are shared among providers.• Quality coaching to improve program quality, strengthen workforce development, and support educator retention.
Solution	Description
Tri-Share Program 	<ul style="list-style-type: none">• A cost-sharing model involving businesses, the public sector, and families to make childcare more affordable for families.• Improves employee recruitment and retention for participating businesses.
Contracted Slots 	<ul style="list-style-type: none">• Businesses partner with childcare centers to reserve slots for their employees by covering the associated costs.
Business Incentives for Employees 	<ul style="list-style-type: none">• Childcare stipends provided by employers to reduce or cover the cost of childcare for their employees.• Encourages workforce participation and alleviates childcare affordability challenges.

ADDITIONAL SOLUTIONS

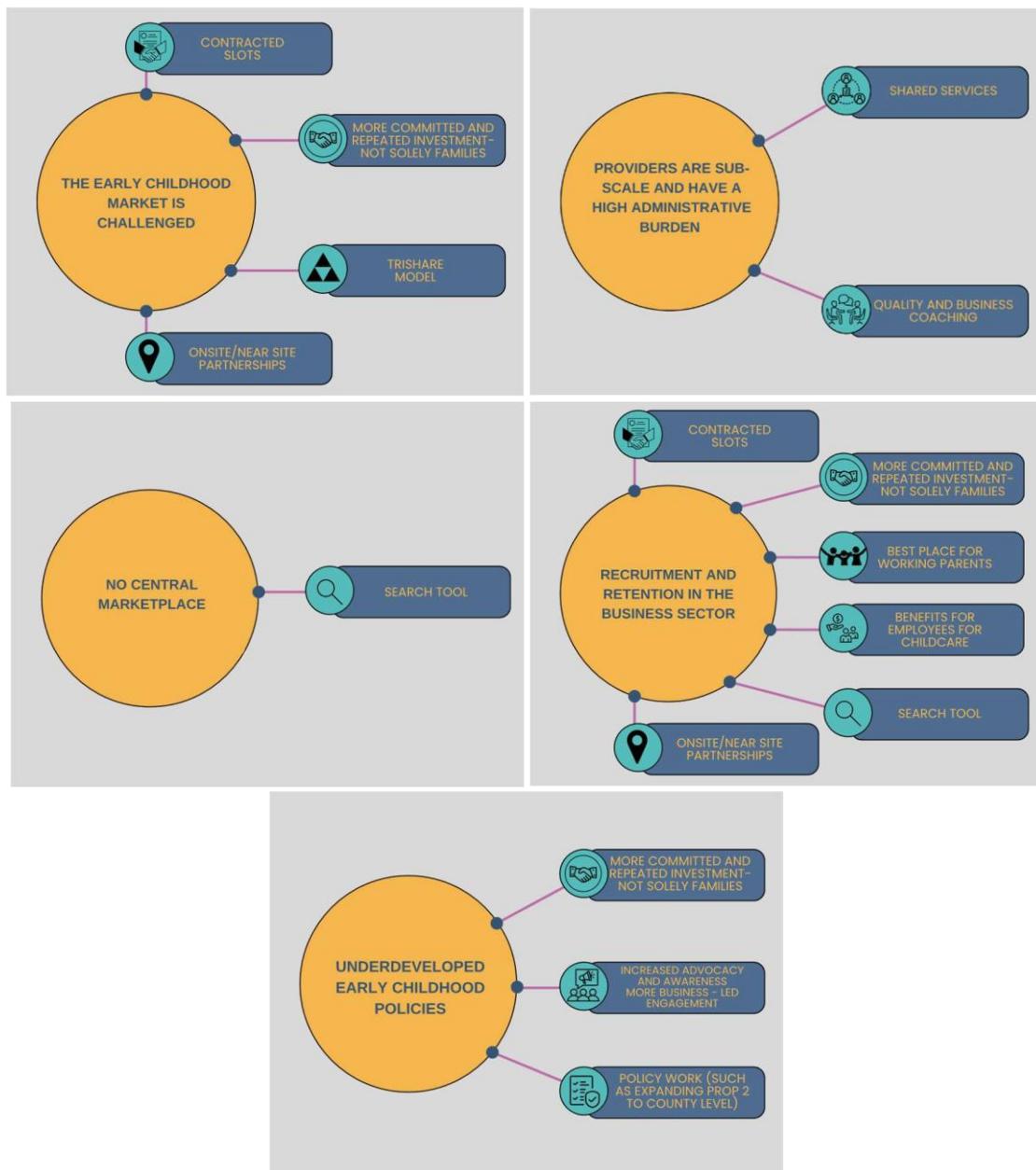
In addition to the core proposed solutions, the following recommendations emerged as critical strategies to address systemic challenges and support the early childhood ecosystem:

Increased Advocacy and Awareness: Encouraging more business-led engagement to drive awareness of early childhood education's impact on workforce and community vitality.

Policy Work: Advancing targeted policy initiatives, such as expanding Proposition 2 to the county level, to improve funding access and create a more supportive policy framework for providers.

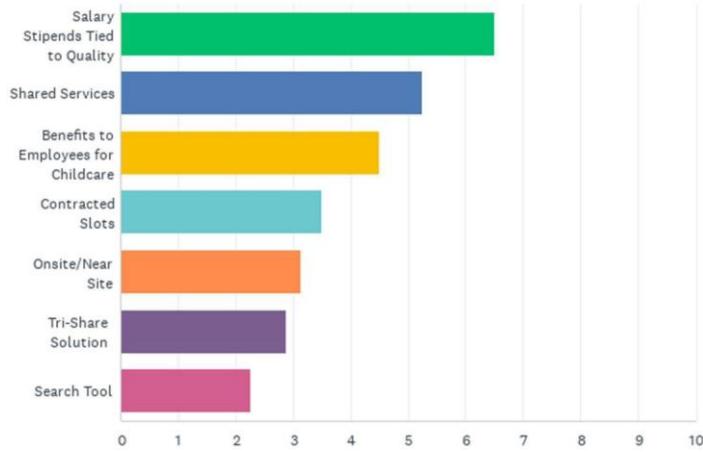
These recommendations, while practical and actionable, offer meaningful pathways for addressing immediate needs and laying the foundation for long-term, sustainable improvements.

CONNECTING SOLUTIONS TO PROBLEMS



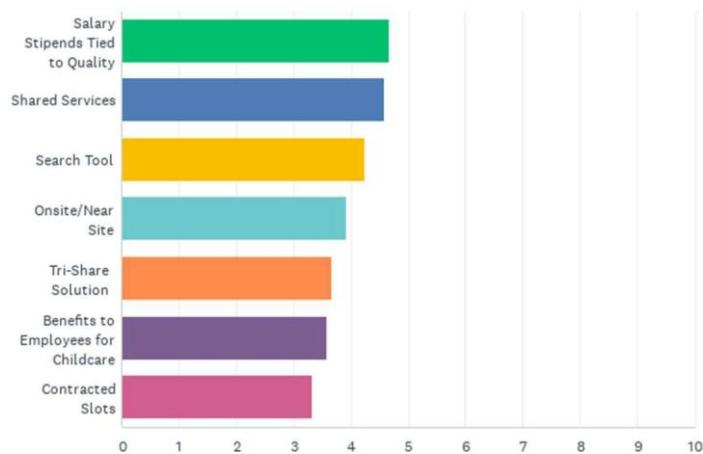
PROVIDER PERSPECTIVES: ALIGNING INDIVIDUAL AND COMMUNITY NEEDS

Q1 In what order would you rank these solutions?



Best Solution for Me

Q1 In what order would you rank these solutions?



Best Solution for My Community

When providers were asked to rank solutions that would have the greatest impact, two priorities emerged consistently for both their *individual needs* and what they saw as best for the *broader community*:

1. **Salary/Stipends Tied to Quality**
2. **Shared Services**

This alignment sends a powerful message: supporting workforce compensation and reducing operational burdens for providers are essential steps toward building a sustainable early childhood ecosystem. These solutions are not only critical for providers themselves but also for the broader community, including local businesses, which depend on a stable and accessible childcare system to support their workforce.

Providers also highlighted **Benefits to Employees for Childcare** as a key solution for their individual needs, while the **Search Tool** ranked as an important solution for the community. These preferences underscore the dual challenge of ensuring educators are supported in their roles while families can access care seamlessly—both of which directly impact workforce participation and business stability.

Addressing these priorities will require a collaborative approach. Businesses, as key stakeholders, are uniquely positioned to contribute to these efforts—whether through direct support like childcare stipends, participation in shared services alliances, or advocacy for policies that bolster the childcare workforce. By investing in these solutions, businesses not only meet the needs of their employees but also play an active role in strengthening the local economy and ensuring long-term success for families, providers, and the community as a whole.



NEXT STEPS AND ORGANIZATIONAL STRUCTURE

After an in-depth review of all proposed solutions with both groups and stakeholders, Early Matters San Antonio recommends some first steps and practices to address the needs of the Greater New Braunfels Area.

To initiate this work, Early Matters San Antonio recommends the formation of a steering committee that includes leadership from the Greater New Braunfels Chamber of Commerce and the McKenna Foundation. This committee will play a critical role in guiding and overseeing the implementation of the proposed solutions, ensuring diverse perspectives and expertise are incorporated into the process. Here is a recommended framework for that group:

Steering Committee	Role
Business and Civic Leaders	Advocate for workforce needs and employer-driven solutions.
Greater New Braunfels Chamber Representative	Provide local economic insights, facilitate partnerships, and outreach.
McKenna Foundation Representative	Offer leadership, resources, and operational support for implementation.
Early Education Representative	Share provider perspectives, ensure alignment with community priorities.

Early Matters recommends continuing the work that the McKenna Foundation has already committed to providing. This includes supporting early childhood providers by organizing and hosting helpful training, hosting convenings for providers and stakeholders to foster collaboration, and administering an email list to facilitate quick and consistent communication. These efforts will strengthen the network of early childhood providers and contribute to building a robust community of practice in the region.



RECOMMENDED INITIATIVES:

I. BUILDING A SHARED SERVICE ALLIANCE

- 1. Create the Program Framework:** Assemble a dedicated group, potentially led by the McKenna Foundation, to oversee the development of the SSA. This committee will be responsible for guiding the initiative, setting objectives, and ensuring alignment with community needs.
- 2. Conduct Workgroup Meetings:** Organize sessions with local early childhood education providers to identify and prioritize the shared services that would be most beneficial and feasible. These services may include administrative support, professional development, business coaching, and access to child management software.
- 3. Engage Existing Alliances for Expertise:** Collaborate with established Shared Services Alliances in San Antonio, such as the Early Learning Shared Services Alliance of San Antonio (ELSSA), to gain insights and best practices. Leveraging their experience can inform the development of a tailored approach for Greater New Braunfels. The Greater New Braunfels Chamber of Commerce has offered to provide business coaching and mentoring as part of this effort.
- 4. Build Interest Among Providers:** Actively recruit early childhood education providers to participate in the SSA by highlighting the benefits, such as reduced operational burdens and enhanced program quality.

- 5. Define Leadership and Operational Structure:** Identify key stakeholders who will manage the SSA, establish financial frameworks, and set clear goals for the first three years. This includes determining the lead entity responsible for coordinating member programs and implementing shared services.

II. IMPLEMENT A TRI-SHARE MODEL

1. Create the Program Framework

- Design Operational Processes:** Determine how the program will divide costs among public funding, employers, and employees (e.g., a 1/3-1/3-1/3 split).
- Develop Eligibility Criteria:** Define participant qualifications, such as income thresholds and employment status.
- Identify a Coordinating Entity:** Appoint a facilitator to manage operations, including fund distribution, employer engagement, and provider connections.

2. Gauge Business Interest (in tandem with funding efforts as they support each other)

- Engage Local Employers:** Present the program as a way to attract and retain employees by reducing their childcare costs.
- Offer an Opt-In Structure:** Allow businesses to voluntarily contribute to the program and highlight its potential to enhance employee satisfaction and productivity. In the Dallas pilot, the full allotment of businesses was obtained within days of the opportunity opening.

3. Source Funding (in tandem with gauging business interest as they support each other)

- Secure Public Funds:** Obtain public funding through municipal or county budgets, state resources, or federal grants. In the Dallas pilot, county funds were allocated to meet this requirement.

4. Connect with Child Care Providers

- **Educate Providers:** Host informational sessions to explain how the program will work, including enrollment processes and financial benefits for providers.
- **Establish Ongoing Communication:** Create a feedback loop to address provider concerns and maintain program efficiency.

5. Launch, Monitor, and Evaluate the Program

- **Promote the Program:** Conduct a public awareness campaign to inform employers, employees, and providers.
- **Track Metrics:** Measure participation rates, childcare utilization, and program outcomes to refine and scale the initiative over time.

III. TEACHER INCENTIVES TIED TO QUALITY (T4T MODEL)

Launching the T4T program requires a strategic and phased approach to address the shortage of skilled infant and toddler teachers. Below are the recommended steps for implementation:

1. Establish a Steering Committee

- Form a leadership group to oversee the program's design and implementation.
- Include representatives from key stakeholders such as Early Matters, local childcare centers, and potential funders.

2. Define Program Goals and Assumptions

- Clearly articulate the program's objectives, such as increasing the education level of infant/toddler educators, stabilizing staffing through retention stipends, and enhancing program quality.
- Establish guiding principles, including the importance of professional learning and the role of stability in improving care quality.

3. Secure Funding and Partnerships

- Partner with funding sources to provide scholarships for Child Development Associates (CDA) credentialing.
- Identify funding sources to cover credentialing costs (\$425 per participant) and stipends for retention (\$1,500 per teacher).

4. Recruit Participants

- Target educators working with infants and toddlers at childcare centers in the Greater New Braunfels area.
- Ensure participants meet eligibility criteria, including employment at qualifying centers and willingness to complete the CDA credential program.

5. Launch the CDA Credentialing Program

- Partner with a funding source to deliver the 120-hour CDA credential course.
- Include a mix of instructional hours, home assignments, and portfolio development.
- Provide support for participants to meet the requirement of 480 hours of experience within three years of credential submission.

6. Implement Retention Incentives

- Distribute stipends to incentivize educators to complete the program and remain in their positions:
- \$500 upon completing the CDA course and passing the exam.
- \$500 for staying in the role for six months.
- \$500 for staying in the role for one year.
- Explore extending stipends to subsequent years to sustain retention.

7. Monitor and Evaluate Program Outcomes

- Track participant progress, including course completion, credential attainment, and retention rates.
- Gather feedback from educators and childcare centers to refine the program.
- Report outcomes to stakeholders to demonstrate impact and attract ongoing support.



CLOSING NOTES

The *Greater New Braunfels Early Care and Education Report* underscores critical challenges and opportunities in the local childcare landscape. Families face financial strain as childcare costs often rival college tuition, while providers navigate staffing shortages, rising operational costs, and limited resources for professional development. These challenges not only impact families but also ripple through the workforce and local economy, where businesses struggle with employee retention and a shrinking labor pool.

This report lays out actionable steps to address these issues, starting with the formation of a Shared Services Alliance (SSA), the adoption of a Tri-Share Model to support childcare affordability and access, and the implementation of the Teachers for Toddlers (T4T) program. These initiatives represent significant progress, aimed at reducing administrative burdens, fostering collaboration, and enhancing workforce stability.

We extend our deepest gratitude to the Greater New Braunfels Chamber of Commerce, the McKenna Foundation, early education providers, business leaders, and stakeholders who contributed their time, insights, and expertise. This report is not the end, but a foundation for meaningful change—one that holds the potential to transform early childhood care and education in Greater New Braunfels for generations to come. By working together, the community can create a thriving ecosystem that supports children, families, educators, and the broader community.



APPENDIX I

GREATER NEW BRAUNFELS EARLY CHILDHOOD CENTERS SURVEY

OVERVIEW

The New Braunfels Early Childhood Centers survey provided important insights into the current challenges, operational constraints, and future aspirations of childcare providers. A total of 16 centers participated in the survey, offering detailed feedback on issues such as staffing shortages, financial pressures, quality improvement, and their capacity to serve children in early childhood programs.

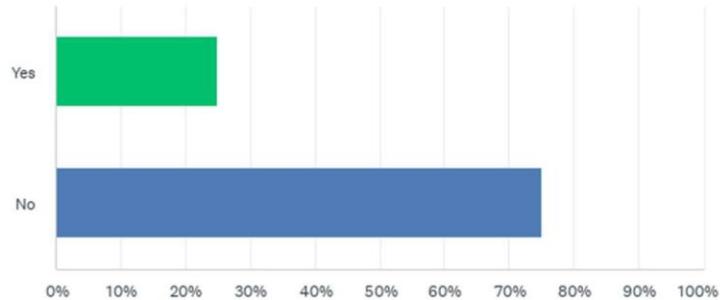
KEY DATA POINTS

Participants: The participating centers represented a diverse range of organizational structures. Voices from all aspects of the childcare landscape were included, from non-profits and for-profits to Head Start programs, district-based centers, home-based care, and religious organizations.

Current Enrollment and Openings: Many centers are not serving their full capacity, often due to difficulties in hiring qualified staff. For example, one preschool had to reduce the number of children they could serve by 50 seats due to staffing shortages and another center reported reducing capacity by 100 seats.

Staffing Challenges: A notable 25% of centers reported having reduced the number of children they could serve due to difficulties finding qualified staff, and 25% anticipate further reductions in the coming year.

Q10 In the last year, have you reduced the number of children that you can serve due to challenges finding qualified staff?

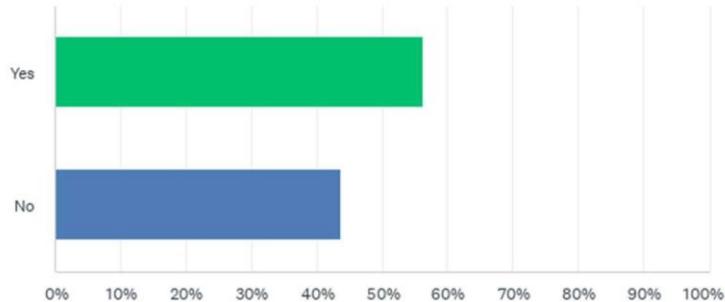


Quality Improvement: Centers rated their ability to make improvements in critical areas. Some centers found maintaining low teacher-to-child ratios difficult (20%), while others highlighted challenges with hiring qualified staff (66.67 ranked this as one of the hardest/level 5) and support teachers attaining higher levels of teacher education and professional training which received nearly level 5 (hardest) by 29% of survey takers.

Financial Pressures: Centers reported increasing costs for food, utilities, and insurance, making it difficult to raise teacher pay without significantly increasing tuition. 87.5% of centers rely primarily on family payments to cover the cost of care, with some centers supplementing tuition income through funding from parent organizations, government subsidies, or scholarships.

Expansion Interest: Despite these challenges, 56.25% of respondents expressed an interest in expanding their services, either by growing their current operations or opening additional sites.

Q13 Do you have any interest in expanding your service to provide care for more children either by growing your current operation or opening an additional site?



CHALLENGES FACED BY PROVIDERS

Staffing Shortages: Hiring and retaining qualified staff remains the most significant challenge for many centers. While some providers have increased wages to attract more candidates, inflation and financial constraints limit how much they can offer. In addition to hiring challenges, the data also highlights that professional development and training for staff can be barriers for centers at times.

Financial Constraints: Many centers are grappling with the financial burden of rising operational costs, including utility bills, food, and insurance.

Public Pre-K Competition: Several centers reported losing enrollment to public Pre-K programs, which provide free or lower-cost care for preschool-aged children.



Notable Quotes From Respondents:

“The inflation is making everything cost more, yet parents are also experiencing this in their homes so they can't afford to pay more for childcare, so we can't increase our prices.”

“Public Pre-K is taking the older children, leaving us with infants and toddlers, which are more expensive to care for, and we can't financially sustain our program on just infants alone.”

“Operating costs are increasing, and we don't have the funds to improve our learning environments.”

“We are being stretched thin with the rising costs of operation, and our families can't afford higher tuition, making it hard to raise teacher pay.”