

Staffing Challenges at Virginia Child Care Centers: Differences by Centers' Subsidy Participation Status

Key Findings

- Many Virginia child care centers are struggling to hire teachers. Most centers have vacant positions, and many reported that these staffing challenges are leading them to shut down classrooms or turn families away.
- Staffing challenges are particularly pronounced at centers that accept child care subsidies. These centers use public dollars to serve families who otherwise could not afford the high costs of child care and stand to benefit the most from stable, reliable care. Subsidy reimbursement rates often do not provide sufficient funding to cover the full cost of providing care, including the wages needed to recruit and retain teachers.
- Centers in the subsidy program reported average hourly wages that were nearly \$3 lower for lead teachers than the wages reported by centers not in the subsidy program, possibly due to insufficient subsidy reimbursement rates.
- At centers accepting subsidies, 75% said hiring was very challenging, and 66% reported serving fewer children and having to turn families away—far higher rates than centers not in the subsidy program.

Between November 2021 and January 2022, all child care centers in Virginia serving children 0-5 years of age were invited to participate in the **Virginia Child Care Provider Survey**. Fifty-two percent of child care centers in Virginia (N=1,534) completed the survey, including 715 centers participating in the state's Child Care Subsidy Program (CCSP) and 819 centers not participating in the state's subsidy program. This brief describes centers' ongoing challenges with staffing during the pandemic. Findings are presented separately for centers that do and do not participate in CCSP. The CCSP is a voluntary voucher program that serves families who otherwise could not afford the high costs of child care or are facing other challenges.¹ Subsidy reimbursement rates are often lower than what centers charge families paying tuition² and often fail to fully cover the cost of providing care, so centers participating in CCSP may struggle more with sustaining their sites' operations, including paying, recruiting, and retaining teachers. This is problematic as these centers tend to serve more children living in poverty who stand to benefit from stable, reliable care.

¹In Virginia, families eligible for the subsidy program must have incomes below locally set thresholds, the maximum of which is 85% of the State Median Income. In our data, centers in the subsidy program are more likely to serve children of color (61% of enrolled children are not White, compared to 39% of enrolled children at centers not in the subsidy program) and to serve infants and/or toddlers (85% serve infants and/or toddlers, compared to only 68% of centers not in the subsidy program).

²In our sample, about half of centers (51%) participating in the subsidy program reported that the subsidy reimbursement rate is lower than the rate they charge private-paying families; the vast majority of these centers indicated that they do not collect the difference in price from families.

This data brief provides insights from the *Building a Stronger Child Care System in Virginia* project, a partnership between the University of Virginia (UVA), the Virginia Department of Education (VDOE), and the Virginia Department of Social Services (VDSS) that aims to understand how to increase families' access to affordable child care in Virginia.

Most child care centers, but especially those in the subsidy program, are struggling with staffing.

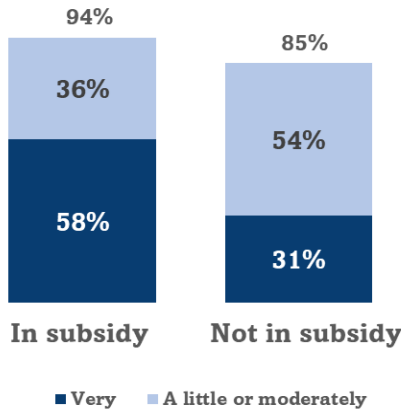
79%

of centers in the subsidy program had at least one teacher vacancy, compared to 46% of centers not in the subsidy program

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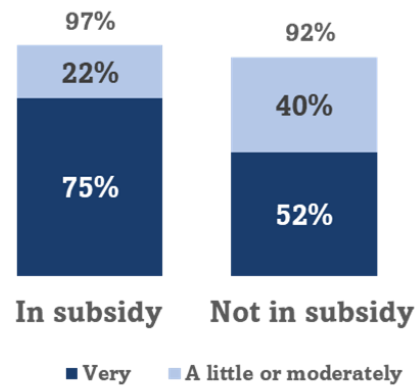
average number of teacher vacancies at centers in the subsidy program, compared to an average of 2 vacancies at centers not in the subsidy program

Percentage of VA child care centers that reported staffing (e.g., teachers leaving, vacancies) was challenging:



Note: Based on responses from 1,505 child care centers in Virginia. In the overall sample, 89% said staffing was at least a little challenging, and 43% said staffing was very challenging.

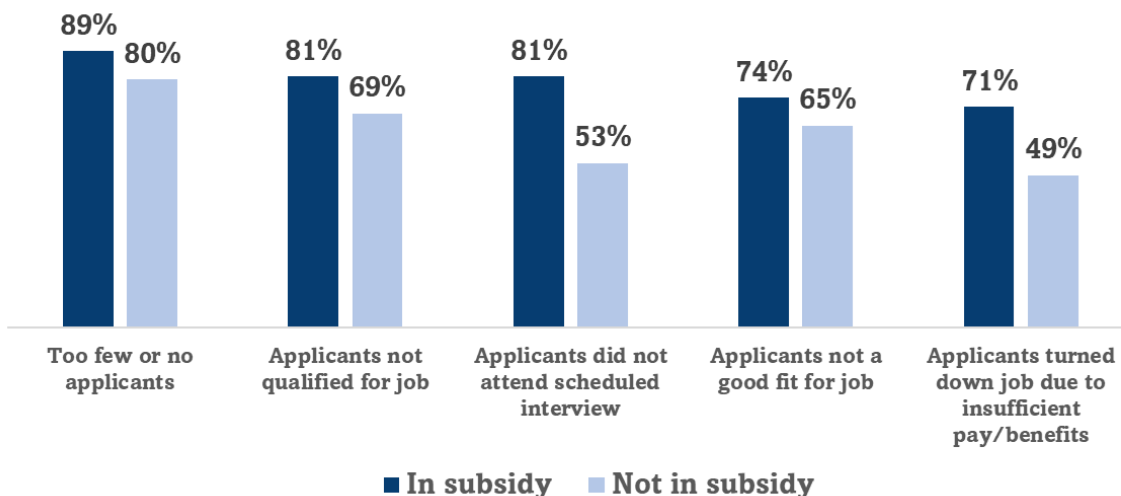
Among VA child care centers that tried to fill vacancies since July, percentage who found hiring challenging:



Note: Based on responses from 1,325 child care centers in Virginia who reported trying to hire new teachers/staff since July 2021. In the overall sample, 95% said hiring was at least a little challenging, and 63% said hiring was very challenging.

Child care centers, especially those in the subsidy program, have faced many challenges trying to fill vacant positions.

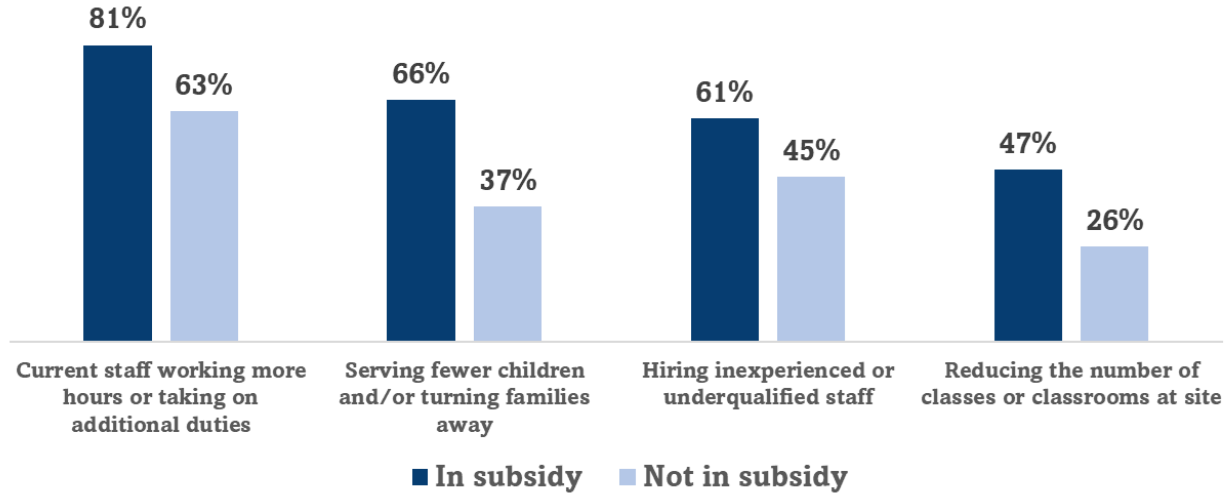
VA child care centers that tried to fill vacancies reported the following challenges:



Note: Based on responses from 1,325 child care centers in Virginia who reported trying to hire new teachers/staff since July 2021. Percentages in the overall sample (from left to right) are: 84%, 75%, 66%, 70%, and 60%.

Child care centers, especially those in the subsidy program, reported negative impacts of staffing challenges.

VA child care centers that tried to fill vacancies reported the following impacts due to staffing shortages:



Note: Based on responses from 1,325 child care centers in Virginia who reported trying to hire new teachers/staff since July 2021. Percentages in the overall sample (from left to right) are: 72%, 51%, 53%, and 36%.

Low subsidy reimbursement rates may lead to lower wages and greater staffing challenges at centers in the subsidy program.

We are often just making do week to week...More parents are getting approved for subsidy, which is great, but subsidy does not pay our rates. Our rates had to go up not only for COVID but also for the governor's minimum wage increase. So when clients get approved for subsidy, our revenue intake goes down.

We cannot find teachers...wages are going up so high that tuition does not justify those high wages, and on the other side, parents do not like to pay higher tuition. We do take subsidy but in order to provide good quality early childhood care, subsidy amount is very low which is not sustainable.

Note: Sample quotes from 637 write-in comments that centers in the subsidy program shared in response to the question, "How would you describe your site's financial health? How has the COVID-19 pandemic affected your site's finances?"

\$2.92

Mean difference between lead teachers' hourly wages at centers in the subsidy program (\$13.58) and centers not in the subsidy program (\$16.50)

\$1.59

Mean difference between assistant teachers' hourly wages at centers in the subsidy program (\$11.56) and centers not in the subsidy program (\$13.15)

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