



# **Vermont Regulated Child Care Program Report on Program Closures**

**April 2017**

# Report on Regulated Child Care Program Closures in Vermont

One of the goals of the Vermont Department for Children and Families, Child Development Division (CDD) is that families have access to regulated child care services that meet their family's needs. CDD monitors the opening and closing of regulated child care programs to assess how much child care is available to families in Vermont.

Programs required to be regulated in Vermont include individuals who provide care in their home for more than two families, businesses providing child care to children on a regular basis, private and public school preschool programs, and organizations offering afterschool options for children, including some public schools.

Data for this report was collected in a variety of ways, including the state's child care data system, Bright Futures Information System (BFIS), self-reported information from child care providers, and a 2013 survey of Registered Family Child Care Homes<sup>1</sup>.

## What This Report Can and Cannot Answer

There are many reasons why regulated child care programs open and close. The data available at the time of this report can show the number of regulated programs that opened and closed between June 2012 and March 2017, and demographics of those programs including the Agency of Human Services (AHS) service area/district where they were or are located, and the licensed capacity<sup>2</sup> of those programs. Additional information was available from July 2016 through March 2017 about programs who closed and why a program owner decided to close that program.

The data available to analyze the direct impact on children and families when regulated child care programs close and new programs open is limited. Data is not available on the number of children enrolled in programs who close or on the current enrollment of new programs. In addition, the information on why programs close is limited to what is reported to CDD. This was only analyzed for registered providers from 2009 to 2013, and for all types of programs from July 2016 and March 2017.

This is a global look at all child care spaces assuming all spaces are equal and meet every family's needs. We know that needs vary and not all spaces are available for the age of the child, hours needed for care, or the location that meet the needs of every family.

## What We Found

Overall, in the past five years' child care programs have closed and opened on a regular basis, however the rate in which new Registered Family Child Care Home programs open has not kept up with the number that have closed. The rate in which programs have closed has not changed significantly in any year, including 2016/2017 when new Vermont Child Care Licensing Regulations went into effect. The number of individuals applying to become Registered Family Child Care Home programs has varied each year and in 2016/2017 has dropped. For instance, CDD processed 101 new

*Regulated child care in Vermont is child care that is safe, healthy, and supports children's development.*

*An adequate supply of regulated child care is important for a variety of reasons, including:*

- *Families experience less stress when their children are in safe, loving and stimulating child care programs. They do not need to worry while they are at work or need to be away from their children.*
- *Everyone benefits from good child care because it fosters a healthy, successful, future workforce.*
- *Over 90% of brain development occurs in the early years. Nurturing relationships in regulated child care can support the brain development in young children.*

registered Family Child Care Home applications in state fiscal year 2014 as compared to 38 between July 2016 and March 2017. As of the writing of this report, CDD has 57 pending applications for new Registered Family Child Care Home programs.

Analyzing data by regions in the state is important in determining what areas may be impacted to a greater degree than other areas. The Vermont Agency of Human Services (AHS) has twelve service areas or districts in the state, and the data was analyzed at that district level as well as statewide. It is important to note that overall the number of programs in each district varies and an area that has more programs closing, such as Burlington district, still had more programs overall in 2012.

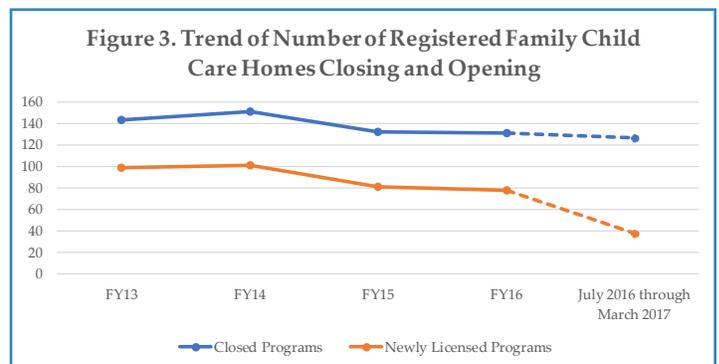
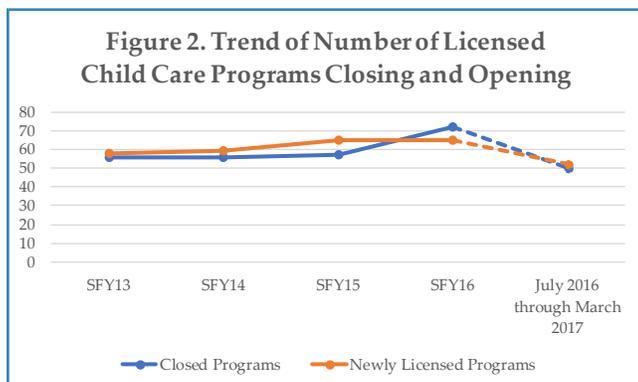
**Figure 1. Number of Regulated Child Care Programs Who Closed or Opened between June 2012 and March 2017**

	Closed Programs			Newly Licensed Programs			Net Gain or Loss of Programs		
	Licensed	Registered	Total	Licensed	Registered	Total	Licensed	Registered	Total
SFY13	56	143	199	58	99	157	2	-44	-42
SFY14	56	151	207	59	101	160	3	-50	-47
SFY15	57	132	189	65	81	146	8	-51	-43
SFY16	72	131	203	65	78	143	-7	-53	-60
July 2016 through March 2017	50	126	176	52	38	90	2	-88	-86
<b>Total</b>	<b>291</b>	<b>683</b>	<b>974</b>	<b>299</b>	<b>397</b>	<b>696</b>	<b>8</b>	<b>-286</b>	<b>-278</b>

Since June 2012 Vermont has had 974 regulated child care programs close, while only 696 programs opened. This represents a net gain of eight child care centers, and a net loss of 286 Registered Family Child Care Home programs. This net loss of Registered Family Child Care Homes has occurred steadily over the last five years.

The net gain or loss is important in determining the impact an area has experienced. Areas of the state that have more registered home programs than centers in general were impacted to a greater degree by shifting dynamics of fewer registered home programs. St. Albans district is a good example of this issue. A large portion of the St. Alban’s district child care supply is registered homes. The district lost 125 registered homes in five years and gained back 75 homes resulting in a large net loss of programs.

Districts that are mostly rural may experience a bigger impact as well, as registered home programs serve smaller towns that do not have the population of families with young children to support a child care center, or areas where zoning or other requirements may restrict child care centers from opening. These families may have no other options in their town if the one child care program in town closes.



## Number of Children Programs are Licensed to Serve and the Impact of Closures

The number of child care programs is only one indication of the impact that a child care program closing or opening has on child care services available for families in Vermont. The capacity of those programs is also important. In this report capacity means the number of children a child care program can care for at one time. Child care centers especially can serve different numbers of children depending on many factors. For example, one program may close that served 15 children, and another program may open in that same town and serves 30 children. While we would like to support all regulated child care programs in remaining open, in this scenario the town would have a net gain of 15 child care spaces for families.

The data on the licensed capacity of the programs demonstrates the impact of the net loss of child care programs. Over the last five years Vermont has experienced a net gain of 1,522 child care spaces in licensed child care centers; and a net loss of 2,860 spaces in Registered Family Child Care Homes<sup>3</sup>.

Capacity by AHS district demonstrates the impact on individual communities in more detail. St. Albans district experienced the greatest loss of child care spaces (447), while Rutland, Springfield and Hartford experienced a gain in child care spaces available to families.

**Figure 4. Impact of Change in Licensed Capacity of Child Care Programs**

AHS District	Change in Licensed Capacity of Child Care Programs			Percentage Change/Impact by AHS District		
	Licensed	Registered	Total	Licensed	Registered	Total
<b>Bennington</b>	-64	-270	-334	-5%	-41%	-16%
<b>Hartford</b>	639	-220	419	39%	-49%	20%
<b>Burlington</b>	380	-540	-160	5%	-33%	-2%
<b>Barre</b>	-27	-320	-347	-1%	-27%	-9%
<b>Morrisville</b>	99	-230	-131	7%	-36%	-7%
<b>Middlebury</b>	-76	-120	-196	-4%	-22%	-9%
<b>Newport</b>	-99	-70	-169	-13%	-12%	-12%
<b>Springfield</b>	168	-60	108	14%	-17%	7%
<b>St. Albans</b>	43	-490	-447	3%	-32%	-15%
<b>St. Johnsbury</b>	143	-200	-57	14%	-32%	-3%
<b>Rutland</b>	362	-190	172	13%	-21%	5%
<b>Brattleboro</b>	-46	-150	-196	-3%	-43%	-10%
<b>Statewide</b>	<b>1522</b>	<b>-2860</b>	<b>-1338</b>	<b>6%</b>	<b>-30%</b>	<b>-4%</b>

### Reason for Program Closures

Information gathered from child care programs at the time of closure from July 2016 and March 2017 indicated that programs close for a variety of reasons. Information on the reasons child care programs closed between July 2016 through March 2017 is limited to the self-reported information provided by child care programs when they closed through closure notices or phone conversations with CDD staff. 44% of programs who closed during that time did not provide information on why they chose to close their program. However, CDD had information on 56% of the programs that closed. When examining that information, it was found that the largest percentage (16%) of those programs were closed due to either relocation or change in ownership. This indicates that while a license was closed, another license was opened in its place and capacity to serve families was unaffected for those programs.

In 2013, CDD completed a survey of Registered Family Child Care Home providers who closed

between 2009 and 2013 to determine why programs were closing and supports that could be provided to help programs stay open and new programs start up. The difference in the data collection methods for programs who closed between 2009 and 2013 and the programs who closed between July 2016 and March 2017 may account for the differences in reasons for closure. The most significant reason for closure in the 2013 survey was personal/family needs; while the next answer was getting a job in a different field.

The following charts (Figure 5 and Figure 6) indicate that child care programs close for many different complex and individualized reasons, and that very few programs reported closing since July 2016 due to concerns over new Vermont Child Care Licensing Regulations.

<b>Figure 5. Reason Child Care Programs Closed Closures July 2016 through March 2017</b>				
<b>Reason</b>	<b>Licensed</b>	<b>Registered</b>	<b>All Programs</b>	<b>Percent of Total</b>
Requested closure or did not renew; no additional information was provided	8	69	77	44%
Program's license or registration was revoked or suspended by CDD	0	6	6	3%
Closed for other specific reasons	1	4	5	3%
The program was sold or change in ownership or in business structure	12	1	13	7%
License as consolidated per new regulations allowing one license in two adjacent building, easing burden on programs.	3	0	3	2%
Program indicated the regulations as the reason for closure	1	3	4	2%
Provider or owner moved out of state	1	7	8	5%
Provider moved to a new location and became licensed in the new space.	12	3	15	9%
Provider had personal, medical or family reasons for closing	0	11	11	6%
Provider indicated they were retiring	0	13	13	7%
Provider indicated they had a new/different job	0	4	4	2%
Program closed due to low enrollment	5	5	10	6%
Program is serving the children from this location in a different license at a different location.	6	0	6	3%
Program indicated financial issues as the reason for closing.	1	0	1	1%

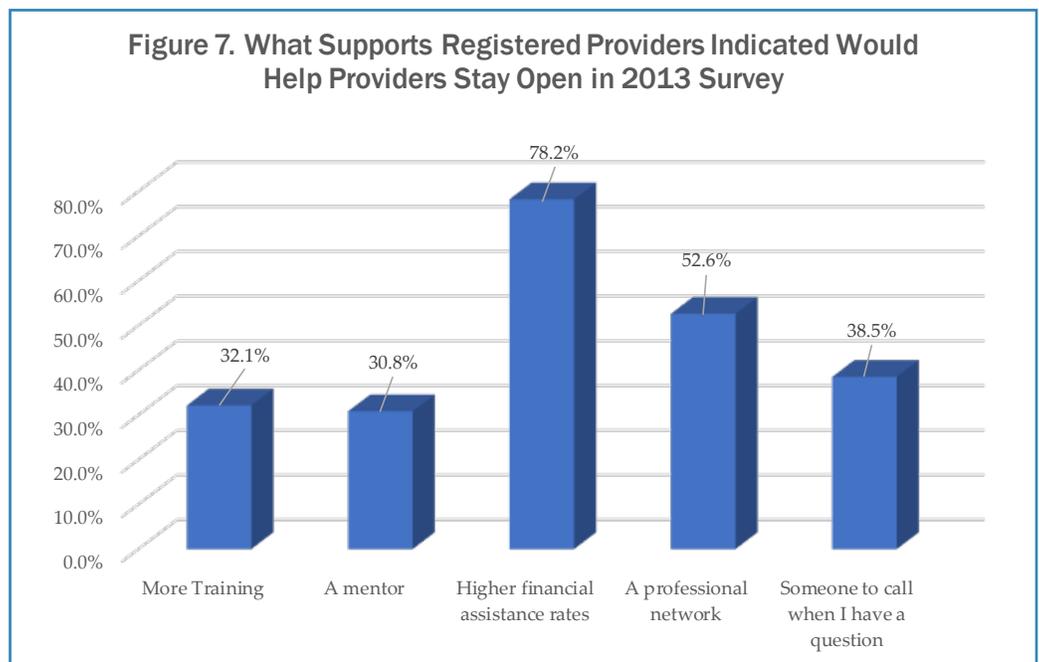
*According to a January 2017 Report by Center for Law and Social Policy (CLASP) family child care home programs have declined nationally by 60% between 2006 and 2015<sup>4</sup>.*

**Figure 6. 2013 Registered Provider Closed Survey Reasons for Closing**

Reason	Number of Responses	Percentage
Personal/ family needs	48	55.2%
Challenges working with children	4	4.6%
A certain overwhelming child	6	6.9%
Challenges working with parents	20	23.0%
Challenges working with the state	13	14.9%
Not enough children enrolled	17	19.5%
Wanted to receive benefits	5	5.7%
Didn't make enough money	13	14.9%
Challenges with child care licensing/regulations	8	9.2%
Challenges in receiving payments from families	11	12.6%
Got another job in child care	2	2.3%
Got another job working in a different field	27	31.0%
Other	67	57.8%

**Supporting Programs to Remain Open**

The 2013 survey of Registered Family Child Care Home providers who closed between 2009 and 2013 asked a question about the supports those providers thought would help Registered Family Child Care Home providers stay open. An overwhelming majority of respondents (78%) indicated that raising the rates the VT Child Care Financial Assistance Program (CCFAP) pays on behalf of families would be helpful. Also over half responded that a professional network for child care providers would be helpful.



## Data Notes

1. Data was extracted from CDD's child care information system, Bright Futures Information System (BFIS), the data was from a monthly extract on data about child care programs called the provider report. Closed programs were determined by examining programs opened at the beginning of a state fiscal year, and no longer operating under that license number at the end of the state fiscal year. CDD licensing staff have collected information about child care programs closing from July 2016 through March 2017 through phone conversations and emails. This information was pulled from notes and closure notices. Also in 2013, CDD conducted a survey of registered home child care providers who closed between July 2009 and June 2013, data had been compiled and analyzed and is included in this report.
2. Due to the length of time examined for this report, the data was limited to the licensed capacity of the child care programs. The licensed capacity represents the number of children a program can care for at one time. A standard assumption was made for registered homes that they would care for up to six children under the age of 6 years old, and four school age children before and afterschool.
3. Data on capacity is determined by examining the licensed capacity of programs on June 30th, 2012 and again on March 31st, 2017. This is impacted by opening and closing of programs, but also be programs changing the capacity of their programs by expanding or reducing capacity.
4. Fewer Children, Fewer Providers: Trends in CCDBG Participation by the Center for Law and Social Policy (CLASP) January 2017: <http://www.clasp.org/resources-and-publications/publication-1/CCDBG-Provider-Factsheet-2006-2015.pdf>