Child-care workers stand to gain from paid leave, but providers say they can't pay [1]

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EXCERPTS

A week or two of paid vacation is about the only benefit Pastor Kevin Hart said he can afford to offer his employees at the Christian Tabernacle Child Development Center.

So he was initially enthusiastic about the paid family leave plan the D.C. Council approved last week. But when he learned that employers would be the ones paying for it, he didn't see how he could possibly make that work.

"We are barely staying above water," he said. "Sometimes we break even; sometimes we don't."

Last week's initial passage of a universal paid family leave law for employees, and a minimum-wage increase approved in June that will boost starting pay to $15 an hour by 2020, have put the District in the vanguard of labor-friendly policies in the nation.

Few workers in the city stand to gain as much as child-care employees. With an average salary of $26,470, they make up some of the lowest-paid professionals in the city, on par with parking lot attendants, hotel desk clerks and dry-cleaning workers.

But many child-care employers are balking at the related costs — scrambling to figure out how they will keep their doors open, particularly in centers that serve children from low-income families and that rely on government vouchers that only partially cover the cost of care.

Council member LaRuby May (D-Ward 8), a former child-care center director, said she supports the concept of paid family leave. She co-introduced the paid leave bill and voted to move the legislation forward last week.

But in an interview this week, she said she will vote against the bill in a final vote scheduled for Tuesday. She said it would have an "egregious, detrimental, significant impact on the child-care world."

The hardest-hit providers would be those in poor neighborhoods who can't pass along the cost to parents who are able to pay the ever-growing price tag for care. The District is already one of the most expensive places in the country for child care, with an average monthly cost of $1,868 for infant care at a center, according to the Economic Policy Institute.

The bill would provide two months of paid time off for new parents, six weeks of paid leave to care for sick relatives and two weeks of personal sick leave per year. The insurance fund would be paid for by a new 0.62 percent payroll tax on employers.

Supporters say it's a relatively modest cost to improve the morale and longevity of the workforce.

But many child-care advocates say there are additional costs associated with paid leave. In an industry ruled by strict staffing ratios, few workers can take leave without a paid substitute to take their place.

Also, the new expense comes as the child-care system is anticipating new licensing requirements that would increase the education requirements, and thus the salaries, for child-care workers — reflecting a national push to overhaul the system by moving the focus away from babysitting and toward educating the youngest learners.

The current child-care subsidy rate for low-income parents covers just 66 to 70 percent of the median cost of care for an infant or toddler in an accredited program, according to a survey of child-care providers in the District published last spring by DC Appleseed and the DC Fiscal Policy Institute.

Reimbursement rates set in 2013 vary according to a quality rating system. Gold-tier centers earn $62.57 per day for an infant and $58.50 for a toddler. Home-based centers earn $40.25 per day for an infant and $39.10 for a toddler. The Office of the State Superintendent of Education, which oversees early learning, announced on Wednesday a slight increase in the toddler rate to match the rate for infants.

Nearly half of the providers in the sample — 44 percent — said they operated at a loss, ranging from 4 percent to 63 percent of total revenue. To keep doors open, some owners went into personal debt; many delayed building maintenance or cut costs on food.

Ed Lazere, executive director of the DC Fiscal Policy Institute, said paid leave and the minimum wage can help the child-care field recruit talented people and stabilize the workforce.

“This is a reason for the city to be more carefully looking at what we pay child-care providers, to make sure we are paying enough for the service we are asking of them,” he said.

Not all child-care providers are stressed by the changes.

Marcia St. Hilaire-Finn has focused her business for more than a decade on caring for the children of the growing group of professional workers in the city.

At Bright Start Child Care and Preschool, north of Petworth, she serves “natural and organic fresh” lunches, provides diapers and wipes, and has video cameras installed so parents can peek in any time of day for “peace of mind.”

For her workers, she offers paid vacation, a retirement plan that she pays into and a cost-of-living increase each year. And in return, her turnover rate is relatively low, at 10 percent.

She welcomes the new paid family leave law and would pay for it by giving smaller cost-of-living increases.

Her business model is predicated on one crucial factor, she said: parents who can pay the full cost of care. Tuition is $2,100 per month for infants and goes down to about $1,800 before age 3. She charges an additional fee for enrichment activities, such as yoga and music. Just over a quarter of the children rely on a government subsidy, which each month brings in between $700 and $800 less than the full tuition cost, she said.

She said it’s “unfortunate,” because many more children across the city could “benefit greatly” from her program.

“There is no way under the sky you can do this if you don’t have at least 70 percent paying clients,” she said.

Just north of U Street in the Shaw neighborhood, new condominium complexes are replacing crumbling rowhouses, and well-to-do professional families are moving in.

But the Christian Tabernacle Child Development Center is still focused on serving poor families that Hart’s parents welcomed into their parish when they took over the vacant church on a then-crime-ridden corner nearly 30 years ago.

More than 85 percent of the children rely on subsidies.

In recent years, Hart helped bring the center to national standards and earn a gold-tier ranking. He also expanded to two additional sites. The center is in a better situation than many: For the past two years, it’s had additional funding through the federal Early Head Start program.

Still, with a heavy reliance on subsidies, every day is “a juggling act,” Hart said.

He gives his teachers raises based on their education level, but he can’t afford cost-of-living increases for all.

He used to offer a health-insurance plan, but so many staff members qualified for Medicaid that they did not have enough participants to get a group rate.

Some employees, such as Kiwana Brunson, work multiple jobs. The 28-year-old nursery teacher and single mother said she took a second job on weekends selling beauty products so she could pay back rent for the apartment where she was evicted last winter.

Low pay means that turnover is high. Hart estimated he replaces about 30 percent of his staff each year.

The center got a jolt of support last year — and a reason for more teachers to stay — after it was selected to take part in a “quality improvement network.” The federally funded program provides resources and training for teachers and parents at about 30 center- or home-based providers citywide.

The center got $85,000 worth of new materials and was able to replace 15-year-old bookshelves and cots. It got $20,000 more for a new playground.

Teachers receive an additional stipend: $2,000 per year. And soon, Hart expects to see a $20 increase in reimbursement for the children who participate.

“I hope that’s the direction we are going in,” he said.

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[1] https://childcarecanada.org/documents/child-care-news/17/01/child-care-workers-stand-gain-paid-leave-providers-say-they-can%E2%80%99t [2] https://www.washingtonpost.com/local/social-issues/child-care-workers-stand-to-gain-from-paid-leave-but-providers-say-they-cant-pay/2016/12/15/789f4a8c-c0a9-11e6-897f-918837dae0ae_story.html?utm_term=.3650bb040695 [3] https://childcarecanada.org/taxonomy/term/7865 [4] https://childcarecanada.org/category/tags/maternity-and-parental-leave [5] https://childcarecanada.org/category/tags/access [6] https://childcarecanada.org/category/tags/childcare-workforce