

CHILDCARE POLICY REPORT BRIEF

THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD | FEBRUARY 15, 2023

The Intersection of Childcare and Labor Force

Access to childcare is a key impediment for working families and the workforce shortage is a significant challenge for Nevada employers. During the 2023 State of the State Address, Governor Joe Lombardo emphasized the importance of creating an inclusive workforce system, "We don't make it easy to access programs to help would-be workers with transportation or childcare because... that's in a different department." The impact of inadequate access to childcare and its relationship to the workforce shortage had not been addressed until the GWDB seized the opportunity to create a dedicated Working Group focused on researching this issue and providing policy recommendations to lawmakers as the 82nd Legislative Session convenes.

Childcare was identified as a number one barrier to workforce development when presentations were given by the Nevada Department of Health and Human Services (DHHS) Division of Welfare and Supportive Services (DWSS) and Children's Cabinet at the Full Board meetings in August 2022 and October 2022. To take action, the GWDB voted to create a Childcare Working Group at the December 7, 2022 Full Board meeting. The Childcare Working Group was tasked with creating actionable items, policy recommendations, and other efforts to receive feedback from business, non-profits, social services, education, training providers, and policy leaders. Members of the Working Group are business leaders and employers from across the State who represent a variety of key industry sectors.

Current State of Childcare

Information was presented to the GWDB Board and Childcare Working Group regarding the current state of childcare in Nevada. Key takeaways include:

- The demand for childcare in Nevada is high with over 65% of all children coming from households where both parents work.
- 74% of children ages 0-5 do not have access to licensed childcare.
- Every Nevada county is a childcare desert, rural and urban.
- Childcare costs are a huge concern and in Nevada are more expensive than college tuition, around \$17,000.
- Childcare should not exceed 10% of a family's budget, but statistics show it is closer to 40% to 76%.

The State has received approximately \$571 million in federal funding from CARES, CRRSA, and ARPA. Despite thorough research and receiving funding documents from DWSS and Children's Cabinet, it remains unclear as to what the application process for funding entailed, what was the selection process for awarded organizations, where the awarded organizations are located geographically and the demographic composition of the areas that those awarded organizations serve, how many children and families benefitted from this funding, which communities did not receive adequate financial assistance from this funding, and what the notification process of this federal funding was to the State business community.

The GWDB Childcare Working Group

Members:

- ❖ Susan Brager, Working Group Chair, Realtor, Berkshire Hathaway and NSHE Regent, former Clark County Commissioner and School Board Trustee,
- ❖ Jim Gibson, President, Western Elite and Clark County Commissioner; former Mayor of Henderson
- ❖ Bob Finch, Executive Vice President & Chief Operating Office of Station Casinos
- ❖ Jerrie Merrit, Senior Vice President Community Development Manager, Bank of Nevada
- ❖ Ken Evans, Community Programs Advisor at M.Y.S. Firm and former president of the Urban Chamber of Commerce
- ❖ Amanda Hilton, General Manager of the KGHM Robinson Mine
- ❖ Dr. Tiffany Tyler Garner, Manager of youth Development, City of Las Vegas, former Director of CAA and DETR
- ❖ Irene Bustamante Adams, Deputy Director & Chief Strategy Officer at Workforce Connections & School Board Trustee, former Assemblywoman
- ❖ Veronica Chavez, Director of Workforce Development, EDAWN

Meetings

- ❖ January 6, 2023
- ❖ January 20, 2023
- ❖ February 3, 2023

Featured Presenters

- ❖ Amanda Hilton, General Manager, KGHM
- ❖ Dr. David Damore, Director, The Lincy Institute & Brookings Mountain West
- ❖ Liz Ortenburger, CEO, SafeNest
- ❖ Andy Bischel, President & CEO, Boys & Girls Club of Southern Nevada
- ❖ Bill Marion, Partner, Purdue Marion & Associates

Best Practices in Nevada

Private-public partnerships and on-site childcare facilities already exist within the State and serve as models for future consideration.

- Rural Nevada: The KGHM Robinson Mine Childcare Initiative
- Southern Nevada: Bally's partnership with WeeCare and MGM Grand partnership with Imagination Station
- Northern Nevada: Patagonia On-Site Childcare at Distribution Center

National Childcare Research

Childcare is an issue across the United States. Findings on national trends and issues include:

- The Women's Bureau within the U.S. Department of Labor recently reported that childcare prices for one child range between 8 percent to 19 percent of median family income.
- The Care Index created by national think-tank, New America, and online care provider resource, Care.com, found that about 12 million children under the age of five need access to childcare every day.
- The Center for American Progress presents cost and lack of open slots are the main reasons for difficulty in finding childcare, with cost as the number one issue for communities of color.
- The Brookings Institution and Urbansitter both convey that high costs of childcare can exacerbate inflation.

The United State Chamber of Commerce provides four solutions for employers in the short term to alleviate childcare concerns for their employees:

- Research existing childcare options in the community and provide a childcare directory for employees.
- Contract with a third-party company to assist employees in connecting with childcare providers.
- Offer a Dependent Care Flexible Spending Account (DCFSA).
- Educate employees about their tax options.

Key Findings

GOWINN conducted a childcare survey to the business community, which received over 511 responses from across the State and industry sectors. Takeaways from the survey results are 1) employers would like more information on the Employer-Provided Child Tax Credit 45F and 2) employers believe workforce retention, stability, and productivity will increase if employees have greater access to childcare.

GOWINN discovered a 2022 report from the U.S. Department of Health & Human Services Office of Inspector General (OIG) citing that Nevada did not follow childcare provider compliance with state criminal background check requirements for nearly a third of providers that the OIG reviewed. Additionally, a previous report from 2018 was found citing that OIG requirements had failed to be implemented and that the State requested multiple extensions to comply. It is unclear what actions, if any, have been taken in response.

Significant funding was allocated to childcare over the last 3 years, yet through the development of this report it was found that more community partnerships are needed to bring stakeholders to the table to strengthen Nevada's childcare system.

Future Action

These findings and policy recommendations will help to strengthen Nevada's workforce development system. To continue the work of the GWDB Childcare Working Group, collaboration is required by the GWDB, Nevada Department of Health and Human Services (DHHS) Division of Welfare and Supportive Services (DWSS), Children's Cabinet, Urban League, Workforce Connections, NevadaWorks, faith-based organizations, chambers of commerce, community-based organizations, Labor Organizations, educational training providers, academics, local government, and non-profits. Childcare affects every Nevadan – Nevada needs collaborative partnerships working together, no longer siloed, so that all Nevada employers and employees have the ability to succeed and thrive.

Policy Recommendations

The Childcare Working Group recommends several items to be addressed in three encompassing areas: 1) infrastructure, 2) workforce, and 3) an audit of the Nevada Department of Health and Human Services (DHHS) Division of Welfare and Supportive Services (DWSS). Below are some key considerations:

Infrastructure

- Create childcare hubs for employer clusters that are integrated with existing public transportation routes
- Utilize existing vacant or underutilized public space
- Offer tax incentives to employers for underutilized for-profit space
- Expand partnerships with non-profit organizations
- Convene collaborative partnerships so more organizations have a seat at the table and can be part of the solution

Workforce

- Increase wages for childcare workers and providers
- Develop career pathways into the childcare industry
- Eliminate licensing and regulatory barriers

Audit

- Conduct an audit on the Nevada Department of Health and Human Services' (DHHS) Division of Welfare and Supportive Services (DWSS) to identify how the \$571 million in federal funding was allocated across the State to understand who received support and who did not, what programs worked and what were less effective, and how the State addressed findings from the OIG report to increase safety of children.