A CRITICAL SHORTAGE:
Infant Care in Santa Fe
We live in an infant care desert in Santa Fe.

As a community, we do not have enough high quality, center-based child care to serve all the infants in need. As a result, families often rely on the informal network of providers, including family, friends and neighbors. While many parents choose to have care provided for their infants and toddlers in these homes, this market remains mostly unregulated and low-income families bear the stress of navigating it.

Although state and federal policymakers have shown increasing interest in early childhood education, this support is often directed to three- and four-year-olds. With positive school readiness results, these investments make sense, particularly in New Mexico where reading, writing, math and graduation rates remain very low. Unfortunately, the sound logic behind this welcome commitment to early childhood education and improved school readiness has so far not extended to improving access to and quality of infant care. Additionally, the public remains mostly unaware of the burden placed on families. It is time to address this critical gap.

To aid in this process, the Santa Fe Baby Fund is releasing this report -- A Critical Shortage: Infant Care in Santa Fe. The Baby Fund, in close collaboration with the Infant Care Workgroup of Opportunity Santa Fe, conducted an analysis of infant care in Santa Fe. Qualitative and quantitative longitudinal data was used to determine the quality and availability of infant care in Santa Fe. The New Mexico Community Data Collaborative contributed archives, interactive maps and analytic work to understanding these issues and made possible the trending analysis. Surveys conducted in 2010 by Coop Consulting, Inc. as well as quantitative data from the Children, Youth and Family Department (CYFD) of the State of New Mexico provided a baseline against which to compare updated surveys and current data. Local and national expert advice shaped analysis and recommendations.

Although the data reveal a dire situation, we believe change is afoot.

Consider this report a call to action – through coordinated efforts on many fronts we can help ensure that all babies are cared for in safe, nurturing and affordable environments. Please join us in making noise for babies!

Catherine Dry
Director, Santa Fe Baby Fund
Santa Fe Community Foundation

Infant Care Workgroup, Opportunity Santa Fe Members:

Michael Coop, Coop Consulting • Chair: Catherine Dry, Santa Fe Baby Fund, Santa Fe Community Foundation • Tekla Johnson, United Way of Santa Fe County • Anne Liley, First Presbyterian Child Development Center • Jennifer Sallee, Early Childhood Center of Excellence, Santa Fe Community College • Nan Schwanfelder, Brindle Foundation • Erica Stubbs, Presbyterian Medical Services
EXECUTIVE SUMMARY

A critical gap at a crucial time

• SF has enough high quality, center-based care for approximately 7% of the babies born.
• Many families rely on the informal, largely unregulated, market of child care providers.
• Investment in high quality care, whether in formal or informal settings, during the early years of life can generate positive and lasting outcomes for children, families and communities.

Fewer, poorer young children and less child care

• Since 2010, the population of children under age five has declined in Santa Fe (down 18%) and poverty for this same group has increased (up 4%).
• There has been a 27% decline in child care capacity overall, with a 94% decline in registered homes.

The cost conundrum for providers

• Infant care is expensive for providers to offer due to high caregiver-to-child ratios and regulations that require costly renovations.
• Most wage earners cannot afford infant care at the going market rate.
• Child care assistance for infants offered by the State, although high, does not adequately incentivize providers.

Incentivizing quality while losing capacity

• Since 2010, Santa Fe created more, higher quality child care capacity but experienced a net loss in overall capacity, a shift which negatively impacts lower income families.

Poorly compensated teachers lack higher education

• The majority of early childhood teachers have not completed a Certificate program, Associate or Bachelor degree.
• In Santa Fe, these teachers earn an average annual income of approximately $19,000.
• High teacher turnover stresses the field.

Conclusion

Our action plan

Appendix

Acknowledgements
A CRITICAL GAP AT A CRUCIAL TIME

There is a critical shortage of infant care in Santa Fe. With only enough high-quality, center-based care for approximately 7% of the babies born in Santa Fe, child care centers report waiting lists approximately fifty families deep. For working families, forgoing income to stay home and care for a new baby is simply not a financially viable option. Without a state family and medical leave policy that pays parents to stay home, what do families do? Many rely on family, friends and neighbors. While there can be good care providers in these settings, it is largely an unregulated market with unknown levels of safety compliance and knowledge of early childhood development.

Infant care requires small caregiver-to-child ratios and often costly building renovations to meet state safety regulations. As a result, many child care providers cannot afford to offer care for infants. Meanwhile, parents are often unable to pay for it, even if they do find a spot. The result is that high quality infant care in center-based settings is simply not available for the vast majority of families in Santa Fe.

1. In 2016 (the most recent year for which birth data is available), 1,291 babies were born in Santa Fe. In 2018 there were approximately 92 slots in child care centers for children under 12 months old.
And yet the early months and years of a child’s life represent a crucial period of brain development with more than a million neural connections produced each second during the first three years of life. Early life experiences impact the development of the brain’s architecture with life-long effects. Persistent stress diminishes the neurological architecture of the brain while positive, nurturing experiences promote it. Emotional health and social competency that emerge early in life provide the foundation for cognitive ability and success later in life. Investing early can pay off with returns on investments of up to 13% per child, per year through better outcomes in education, health, social behaviors and employment. Rigorous scientific research from Nobel prize-winning economists and neurologists confirms what we all know to be true: When babies are given stable, nurturing and stimulating care from loving and informed caregivers, they thrive and the community at large benefits as well.

Since 2010, a demographic shift has occurred in Santa Fe: the population of young children under age five has declined (down 18%) and poverty for this same group has increased (up 6%). The Hopewell-Mann and Airport Road neighborhoods have experienced large increases in poverty with a dramatic decline in the income of residents in these neighborhoods accompanied by a significant increase in their housing cost burden.4 Out-of-state migration, declining birth rates, a sluggish economic recovery and a lack of affordable housing have contributed to the troubling reality that nearly one in three children in Santa Fe under age five lives in poverty.5

---


Families with young children are further stressed because of a dramatic decline in child care capacity, a decline that was outpaced by the rate of population decrease. There are 94% fewer registered homes and 18% fewer licensed child care sites in Santa Fe now than there were in 2010.\(^6\) This translates into a 27% decline in total child care capacity in Santa Fe, with a 31% decline in capacity for children under age two. Population decline for children under age 5 was 18% over the same period. While it does appear that existing child care facilities are mostly concentrated in the poorest areas of the County (with the significant exemption of the “Pueblo Plus” small area which severely lacks capacity), there is still not enough capacity to meet the demand.

**Santa Fe Poverty Rates by Neighborhood and Child Care Sites**

From 2010 to 2018, poverty levels increased dramatically in the Hopewell-Mann and Airport Rd neighborhoods. Additionally, licensed or registered sites authorized to serve children under the age of 2 and accept child care assistance have closed.

Source: https://arcg.is/1KWvPO and analysis by New Mexico Data Collaborative

---

6. Registered homes provide care for up to 4 non-resident children and only 2 infants under age 2, including the providers own children. Licensed homes care for up to 6 children and only 2 infants under age 2, including the providers own children. If a home is licensed for 12 children, there must be a second adult caregiver at all times and no more than 4 children under age 2 at any time. A licensed center provides care to children for less than 24 hours a day to children in a non-residential setting. Licensed homes and centers have greater oversight and are eligible for higher reimbursements than registered homes.
From 2010–2018, Santa Fe lost nearly 1/3 of child care capacity.
The story behind these sharp declines is one of the unintended consequences of recent regulatory changes. A bit of background is needed to understand the situation. Low-income families can apply to receive child care assistance from CYFD. The child care assistance is sent directly to the providers to cover tuition. Additionally, the federal government reimburses providers who offer healthy food to children through the Child and Adult Care Food Program (CACFP). Both child care assistance and food reimbursements enable providers to serve low income families who could otherwise not afford the care.

In 2013, CYFD changed the process by which homes became registered and qualified for CACFP, raising the base level of compliance in order to increase health and safety regulations. Additionally, the process to conduct background checks for adults in these homes also became stricter. As a result, many child care homes closed. While some providers in the County perhaps were not meeting the necessary guidelines and required greater oversight or were even due to shut-down, others who were providing quality care may have felt that the costs of complying with the new regulations outweighed the benefits they received in assistance and reimbursements.

The result is that in 2018, Santa Fe has only 66 licensed child care sites and four registered sites down from 80 licensed sites and 63 registered sites in 2010. And there are only three center-based programs that offer infant care with approximate capacity for 92 children under 12 months old. The majority of these slots are provided through Early Head Start and therefore allocated to low income families. To qualify for this benefit, a family of four must earn a yearly income of less than $24,600. A low-income family with two minimum wage-earners can easily earn too much to qualify for child care offered through Head Start but not nearly enough to afford care through the private market which can be as high as $14,400 per year and can equal 26% of a family’s household income. Although such a family would qualify for child care assistance from the state, sometimes the burden of navigating the system is too daunting and families turn to the informal unregulated child care market instead. In addition to affordability, some families prefer home-based care because of language and cultural preferences as well as the intimate setting. These reasons make it all the more important to support home-based child care providers.

7. While the child care assistance program provides critical support for many low-income families, it falls short in a few key ways. When a family enrolls in the assistance program, providers are paid for attendance rather than enrollment, leaving center directors unable to create reliable fiscal plans for their businesses.

8. These Centers include: the Kids Campus at the Santa Fe Community College, La Petite Academy and Early Head Start.


10. This cost of infant care comes for the 2018 survey conducted by the Santa Fe Baby Fund. Reported private, center-based infant care costs ranged from $927/month - $1200/month.
Offering infant care presents specific challenges to child care providers. High quality care requires small caregiver-to-child ratios: For children under 12 months, one teacher can care for (up to) four children. Specific infrastructure requirements (including exits, ratios of space to numbers of children, and sprinklers) often mean costly renovations. For a provider, infant care is a far more expensive undertaking than care for older children. Child care centers report that the cost of renovating an older space to suit CYFD health and safety regulations is too cumbersome and will never be recouped. Additionally, it is hard to find reliable, knowledgeable staff. Navigating the CYFD regulatory landscape of child care assistance and reimbursements overwhelm some providers. These bureaucratic and cost constraints disincentivize providers from offering infant care.

Those that do offer infant care are able to do so because of two implicit subsidies: PreK and a supporting “home” institution. High quality care for four-year olds (or PreK) requires a ratio of 20 children for every teacher. This translates into more revenue per classroom, with lower teacher costs. It therefore appears that a Center offering infant care in part does so by using the revenue generated by a four-year old classroom to cover the costs of an

11. Santa Fe Baby Fund, Infant Care Surveys, 2018
infant classroom. Additionally, and perhaps even more importantly, in order for a center to offer affordable infant care, a supporting “home” institution (such as a church, synagogue, college or other institution) usually subsidizes the cost of rent and benefits because it is an important part of their mission. As the State expands funding for PreK and considers how it will be provided through the public schools and private, community-based programs, it will be important to consider how this will impact the infant care sector.

At the federal and state level, government recognizes the additional costs associated with offering infant care and reimburses providers more for this care. And in fact, these reimbursements have increased since 2010. However, while state and federal supports for infant care have gone up, subsidy rates that are used by lawmakers simply don’t capture the full and true cost of care. CYFD in partnership with the University of New Mexico publishes a thorough market study that helps set the rates of reimbursements across metro and rural areas, along the quality continuum and for different age groups. Center directors in Santa Fe report that these numbers simply do not reflect the real cost of infant care for center-based providers because they do not take into account the implicit subsidies that these centers rely upon. The situation is most pronounced at the low end of the quality spectrum.

Monthly Infant Full-Time Reimbursement Rates, 2 STAR & 5 STAR

Sources: University of New Mexico, Early Childhood Services Center’s NewMexicoKids Resource & Referral Program, New Mexico Child Care Market Rate Survey Report, (New Mexico, 2018), New Mexico Children Youth and Families Department, 2011 Market Rate Survey, (New Mexico, 2011).

12. In Santa Fe, First Presbyterian Church does not charge the Child Development Center rent and helps provide competitive benefits to its employees because creating high quality early childhood opportunities is a key piece of the mission of Church. The Kids Campus at the Santa Fe Community College has a similar relationship with the Community College.
“I’ve been on the waitlist since I began working in January 2018, I hope to be enrolled in August.”

~ Parent respondent, Infant Care Survey

Finally, even when a center is financially able to provide infant care by subsidizing the cost with PreK classrooms and partnering with a “home” institution that offers implicit subsidies, most, if not all, wage earners simply cannot afford to pay for infant care at the going market rate. For those wage earners who can afford to pay, there are waitlists of sometimes hundreds of children.
While cost is a major concern when considering infant care, quality is equally important. The national policy organization Zero to Three recommends six best practices for infant and toddler care that are crucial but can be expensive and difficult to implement.

The State has worked to incentivize quality with higher reimbursements available for higher quality care and as a result there have been changes in care provision in Santa Fe. There are now more slots for the highest quality care in Santa Fe than in 2010. However, over the same period the County experienced a net loss in overall capacity with 717 fewer slots. And while it is good news that the community has more high-quality care, a decline in lower quality (and likely lower priced) care combined with a perceived difficulty in accessing child care assistance, makes care out of reach particularly for many low income families.

**Licensed Child Care Sites, Santa Fe County, By STAR level**

<table>
<thead>
<tr>
<th>Level</th>
<th>2010</th>
<th>2018</th>
<th>Change (Sites %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Star</td>
<td>35</td>
<td>3</td>
<td>-91.4</td>
</tr>
<tr>
<td>2 Star</td>
<td>28</td>
<td>45</td>
<td>60.7</td>
</tr>
<tr>
<td>3 Star</td>
<td>2</td>
<td>3</td>
<td>50.0</td>
</tr>
<tr>
<td>1+2+3 Star</td>
<td>65</td>
<td>51</td>
<td>-21.5</td>
</tr>
<tr>
<td>4 Star</td>
<td>8</td>
<td>1</td>
<td>-87.5</td>
</tr>
<tr>
<td>5 Star</td>
<td>7</td>
<td>14</td>
<td>100.0</td>
</tr>
<tr>
<td>4+5 Star</td>
<td>15</td>
<td>15</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>66</td>
<td>-17.5</td>
</tr>
</tbody>
</table>

*High quality licensed sites (4 or 5 STAR) stayed the same, BUT total licensed sites decreased by 14*

**Licensed Child Care Capacity, Santa Fe County, By STAR level**

<table>
<thead>
<tr>
<th>Level</th>
<th>2010</th>
<th>2018</th>
<th>Change (Sites %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Star</td>
<td>1174</td>
<td>30</td>
<td>-97.4</td>
</tr>
<tr>
<td>2 Star</td>
<td>1664</td>
<td>1722</td>
<td>3.5</td>
</tr>
<tr>
<td>3 Star</td>
<td>117</td>
<td>180</td>
<td>53.8</td>
</tr>
<tr>
<td>1+2+3 Star</td>
<td>2955</td>
<td>1932</td>
<td>-34.6</td>
</tr>
<tr>
<td>4 Star</td>
<td>258</td>
<td>40</td>
<td>-84.5</td>
</tr>
<tr>
<td>5 Star</td>
<td>393</td>
<td>917</td>
<td>133.3</td>
</tr>
<tr>
<td>4+5 Star</td>
<td>651</td>
<td>957</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>3606</td>
<td>2889</td>
<td>-19.9</td>
</tr>
</tbody>
</table>

*Capacity at high quality licensed sites (4 or 5 STAR) increased by 306, BUT total licensed capacity decreased by 717.*

Source: CYFD and analysis by New Mexico Community Data Collaborative
A well-trained, nurturing early childhood teacher who stays at a program lies at the heart of any meaningful experience for a child and is the key to high quality early childhood education. Unfortunately, the early childhood workforce in New Mexico is typically lacking in higher education, poorly compensated, and often likely to leave their job after a short tenure. In New Mexico (as in the rest of the country), early childhood teachers are predominantly female. The majority have not completed a Certificate program, Associate or Bachelor degree, although they do have a High School Diploma or GED. In Santa Fe, child care workers earn an average annual income of $19,000. Compared to the overall working population, they are twice as likely to be living in poverty, receiving Supplemental Food Assistance or public cash assistance. These teachers are more likely to be Hispanic or Native American compared to the rest of the labor force. Across the country, child care centers are faced with a turnover rate of 30% for child care staff. Insufficient compensation is a key driver but lack of support from administrators, lack of motivation and a sense of not being valued also contribute to teachers leaving the field. In Santa Fe, centers report difficulty finding teachers, let alone keeping them. Finding, training, compensating and retaining teachers lies at the heart of improving the early childhood system, locally as well as statewide.

However, while supporting the early childhood workforce to become better educated and better compensated is crucial, we must be careful not to send these additional costs on to parents who already bear a untenable financial burden when it comes to childcare. The free market allocation of childcare is leading to a net social loss, where teachers, directors and parents, are all worse off. Government policy, in the form of grants, tax incentives, wage supports or subsidies, could help find a market equilibrium. Additionally, innovative cost-sharing financial structures (such a “Shared Services”) could also help alleviate the pressure.

17. Noriko Porter, High Turnover among Early Childhood Educators in the United States. (Washington State University, Department of Human Development: August 2012.)
18. Santa Fe Baby Fund, Infant Care Survey results
The cost constraints faced by child care providers and parents make it difficult to provide high quality and affordable infant care that benefits all. The price of infant care is too high for most parents to afford yet anything lower makes it unsustainable for providers to stay in business. While the changes in the registration and licensing process implemented by CYFD were perhaps necessary in order to increase oversight, and incentivize quality, the consequences have stripped the County of regulated, affordable child care that for the most part served low-income and middle-income families.

The effort to increase quality care has succeeded at the higher end of the spectrum but we have lost overall child care capacity. Meanwhile, the early childhood workforce remains poorly compensated and unsupported. Too often this maelstrom of forces comes at the expense of the babies – the most vulnerable and powerless in the community, with under-resourced care at best and dangerous care at worst. The situation is bleak and largely unremarked upon. A tectonic shift in how we support infant care in needed.

19. The situation improves as children age: the availability of care increases for children two years old with 10 centers in Santa Fe offering care and for children three-years-old there are considerably more options.
OUR ACTION PLAN: AN OVERVIEW

While the problem is complicated, we have an obligation as a community to create tangible and equitable solutions. Here is our plan.

Reach the Goal: Double Infant care capacity by 2023

Support the Workforce: Better prepared, well-compensated and supported teachers are the key to meaningful relationships with babies.

Support Home-Based Providers: While center-based care is important, homes will remain where the majority of babies are cared for. We must support home-based providers to become registered and licensed in order to have more regulated care in our community.

Coordinate Public & Private Resources: By connecting the needs and resources from both the private and public sectors, we can create more infant care capacity and serve those most in need.

Advocate: Lasting change will only happen when state and federal policy prioritizes infants.

Build Public Awareness: By increasing awareness about the importance of the first years of life as well as the value of high quality, affordable infant care, we can draw attention and resources to the issue.
A CRITICAL SHORTAGE:
Infant Care in Santa Fe

OUR ACTION PLAN: THE DETAILS

REACH THE GOAL:
DOUBLE THE INFANT CAPACITY BY 2023

Build the Workforce

• Advocate for higher CYFD reimbursement rates that are specifically allocated for wages coupled with support for “shared services.”

• Encourage the use of state level infant-toddler specializations.

• Create better benefits for infant providers such as health care and professional support pools;

• Create professional development opportunities targeted to infant care providers.

• Support growing mentor networks for infant-toddler teachers.

Support Home-Based Providers

• Provide guidance from a non-profit to home-based providers to increase educational attainment, and knowledge of early childhood development;

• Connect formal and informal providers to navigate the licensing process and possibly provide “back-office” services with a focus on infant care.

Coordinate Public and Private Resources

• Build partnerships with private and public employers with childcare needs;

• Find partners willing to subsidize the cost of space suitable for infant care;

• Co-locate services and braid funding from private centers, Early Head Start and Public Education Department;

• Coordinate with the County’s Accountable Health Communities, and City of Santa Fe to target the most vulnerable population of pregnant and new parents;
Advocate

• Better coordinate early childhood services at the state level so that infant care can be prioritized.

• Create opportunities like grants or tax incentives, to encourage lower quality providers to enter the infant care market (without discouraging quality improvement);

• Prioritize infant care in federal Child Care Development Block Grant funds. Consider issuing contracts for infant care that pay prospectively.

• Educate stakeholders about value of a Paid Family and Medical Leave policy.

Build Public Awareness

• Tell compelling stories on radio, television, in the newspaper and on social media;

• Parents and caregivers can sign up to use free early childhood development texting services to increase knowledge;

• Better engage healthcare professionals to discuss infant care.
APPENDIX: SURVEY RESULTS

The Santa Fe Baby Fund conducted online, bilingual surveys of child care centers, home-based providers and parents to assess the availability and quality of infant care as well as the key barriers providers and parents face. To learn more about the surveys, please contact Catherine Dry at the Santa Fe Community Foundation.

Licensed child care centers – 19 completed the surveys:
• 3 provide infant care (<12 months) at 10 sites – La Petite Academy, PMS Head Start (8 sites), SFCC Kids Campus – (a decline from 2010)
• These providers have decades of experience.
• 10 provide care to children 0–24 months to approximately 365 children in Santa Fe
• Key barriers: Increased operating expenses, staffing and the cost of renovating space (same as in 2010).
• Bureaucratic hurdles overwhelm providers.

Home-based providers – 28 completed surveys:
• 21 respondents were not registered or licensed.
• These are small homes that can care for up to 4 children and are not interested in expanding.
• Costs are high for parents and wages are low for providers
• Some home-based providers make $15–$35/day (8–9 hrs) per child.
• Providers mostly (65%) connect through word of mouth with families, some care only for family members. Some rely on online social networking (La Yarada de Santa Fe on Facebook) for marketing.
• Their background in childcare comes from experience with kids and as parents, although some are taking early childhood courses.

Parents – 66 completed survey:
• 20% teachers
• 83% have looked for infant care
• Parents struggle to find good care for infants and toddlers.
• Availability of care for children under 2 - “I've been on the waitlist since I began working in January 2018, I hope to be enrolled in August.”
• Cost - “I quit my part-time $18.75/hour job because I could not afford $15/hour infant care.”
• Quality - “It was extremely difficult to find anyone we thought we wanted to leave our baby with.”
• Parents are overwhelmingly (95%) relying on recommendations from friends and family to find care.
Many partners participated in the research and development of this report. Thank you to the following individuals, and many others, who contributed their expertise:

Mimi Aledo-Sandoval, Alliance for Early Success
Catron Allred, Central New Mexico Community College
Rebecca Baran-Rees, Santa Fe Community Foundation
Michael Coop, Coop Consulting, Inc.
Katherine Courtney, Opportunity Santa Fe
Katherine Freeman, United Way of Santa Fe County
Dana Greenblatt, VISTA, Opportunity Santa Fe
Susie Harburg
Hailey Heinz, Cradle to Career Policy Institute, University of New Mexico
Tekla Johnson, United Way of Santa Fe County
Anne Liley, First Presbyterian Child Development Center
Michele Lis, ML Consulting, LLC
Emily McCrae, The New Mexico Community Data Collaborative
Kyra Ochoa, City of Santa Fe
Joohee Rand, Santa Fe Community Foundation
Judy Reidt-Parker, Ounce of Prevention Fund
Jennifer Sallee, Early Childhood Center of Excellence, Santa Fe Community College
Tom Scharmen, The New Mexico Community Data Collaborative
Nan Schwanfelder, Brindle Foundation
Kim Straus, Brindle Foundation
Erica Stubbs, Presbyterian Medical Services
Michael Weinberg, Thornburg Foundation