



Universal Preschool (UPK)

PRESENTATION TO EDUCATION AND HUMAN SERVICES COMMITTEE

JULY 14, 2022



Why UPK?

- Importance of early childhood development
- Multigenerational impact
- Children's Cabinet recommendations (2019)

Goals



1. High quality, full day, affordable, and accessible preschool for every 3- and 4-year old in Richmond
2. Robust network of community providers working alongside Richmond Public Schools to meet the needs of all Richmond families
3. Strong, thriving early childhood workforce



Strategies

- Immediate/near-term direct support to providers of child care and preschool to support pandemic recovery
- Robust stakeholder engagement (providers, families, philanthropy, business sector, higher education, government agencies)
- Research to fully understand costs and potential revenue sources



Tactics

- Early Childhood Specialist
- Cost Modeling Study
- Stabilization and Expansion Grants



Early Childhood Specialist

- Daphne Bolotas
- Former preschool and Head Start teacher
- Key activities:
 - Facilitation of stakeholder meetings
 - Engagement of families and caregivers
 - Technical assistance to providers
 - Liaison with research organization
 - Legislative tracking

What is a Cost Model?



A cost model is an approach to measuring the true cost of implementing and maintaining a service or program

Aims to Understand



- ✓ Per child and total costs of providing service or program
- ✓ How changes in wages or quality impact overall costs
- ✓ How geographic locations impact overall costs

Useful for



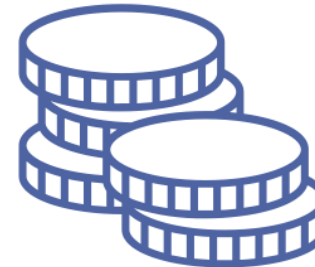
- ✓ Determining true cost of care against market cost (expanded upon in next slide)
- ✓ Improving child care wages
- ✓ Setting appropriate rates

Structural Drivers of Cost



- ✓ Programmatic requirements and licensing standards
- ✓ Cost variation by geography
- ✓ Incorporation of minimum wage implementation

Implicit Drivers of Cost



- ✓ Wages & Benefits
- ✓ Quality Enhancements
- ✓ Rent/Utilities & other non-personnel costs

Market Cost vs True Cost



Market Cost

- ✓ How much people can afford to pay
- ✓ Often reflective of what a child care program will charge to fill its classrooms
- ✓ Centers often subsidize their infant classrooms with rates from preschool classrooms which fill classrooms more easily
- ✓ Average Market Cost of child care ranges from \$12K-\$15K/year

True Cost

- ✓ Actual cost of providing care
- ✓ Reflective of ALL costs associated with running a classroom
- ✓ Centers follow designated rates for infant and preschool classrooms in line with the best quality of care
- ✓ Average True Cost of child care ranges from \$20K-\$30K/year

Understanding true cost as compared to market cost helps set rates that allow for more stable, higher quality of care

Cost Modeling Approach



- ✓ Convene relevant stakeholders to inform the process and provide input
- ✓ Determine parameters of model (ex. quality levels, ages, cost vs revenue, geographical delineations)
- ✓ Compile licensing standards for ratios/group sizes, staffing requirements, and space requirements



- ✓ Research other relevant program requirements (ex. quality rating and improvement systems)
- ✓ Review market research studies and BLS data based on geographical areas
- ✓ Collect and compile relevant wages and non-personnel cost data
- ✓ Study potential revenue sources, such as subsidy rates, Early Head Start, and CACFP rates



- ✓ Organize and assemble sources of information and data in Excel
- ✓ Embed formulas into data to produce desired information related to wages, costs, revenues etc.

Convene stakeholders
& gather relevant info



Extract data from
available research and
conduct surveys



Compile info into
cohesive workbook

Project Timeline

Project Kickoff

Planning, setting research parameters, initial stakeholder outreach

July 2022

Data Finding and Tool Completion

Existing data compiled, relevant program standards determined, Excel tool framework is built

August 2022 - December 2022

Project Completion

Collaboratively created cost analysis report, final presentation

March 2023 - May 2023

Survey Completion

Surveys distributed and returned, any follow up communication completed

August 2022 - September 2022

Data Analysis

Averages for personnel, non-personnel, and benefit costs are determined; per child and per classroom costs are determined, impact on non-UPK classrooms determined

January 2023 - March 2023



ARPA Grant Contracts

On today's agenda:

Organization Name	Location	Grant	Scope of Services
FRIENDS Association	Church Hill Gilpin Court	\$100,000	Increase enrollment to pre-pandemic levels
Fulton Montessori School	Fulton	\$64,500	Expand to serve 75 students in new location
SCAN	Blackwell	\$20,000	Expand to maximum capacity
St. James's Children's Center	The Fan	\$50,000	Increase enrollment to pre-pandemic levels
YMCA of Greater Richmond	South Richmond (Liberation Church and The Life Church)	\$75,000	Open two new early learning centers
YWCA Richmond	Blackwell Downtown	\$300,000	Expand Bainbridge site to maximum capacity and open a new school downtown



ARPA Grant Contracts

To be introduced on July 25th:

Organization	Location	Grant	Scope of Services
Thrive Birth to Five	Citywide	\$500,000	Make grants to family day homes Engage underserved families in need of child care/preschool Pilot a local revenue administration program
Woodville Day Nursery	Fairfield Court	\$10,000	Stabilize operations
<i>Children's Museum of Richmond</i>	<i>Downtown</i>	<i>\$50,000</i>	<i>Expanded access to low-income families</i>