



# Universal Preschool (UPK)

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PRESENTATION TO EDUCATION AND HUMAN SERVICES COMMITTEE

JULY 14, 2022



# Why UPK?

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

# Goals

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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

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- 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

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



# Early Childhood Specialist

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- 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



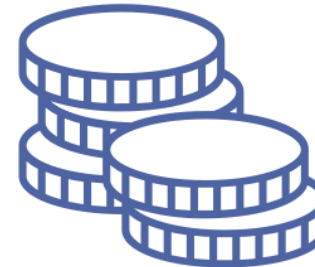
- ✓ Determining true cost of care against market cost (expanded upon in next slide)
- ✓ Improving child care wages
- ✓ Setting appropriate rates

## 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 25<sup>th</sup>:

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>