



# A New Opportunity to Fund Early Childhood Care and Education in Richmond

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AN OVERVIEW OF RESOLUTION NUMBER 2023-R048



# Why ECCE?

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- Importance of high-quality early experiences to child development
- Multi-generational benefits
- Economic impact
- Children's Cabinet recommendations (2019) based off Dreams4RPS Strategic Plan (2018)

# Zooming In: Economic Impact of ECCE

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- Longitudinal research shows that high-quality birth-to-five programming yields a 13% return on investment per child
- Short-term costs are negated by both immediate and long-term benefits
- Stable, accessible, affordable ECCE programs increase workforce participation and economic productivity of parents

# Richmond and ECCE, 2011 - today



## MAYOR'S ANTI-POVERTY COMMISSION

### REPORT



Presented to:  
**DWIGHT C. JONES, MAYOR**

**JANUARY 18, 2013**

Early childhood education in Richmond has long been a space with multiple providers and players, without a sufficiently robust institutional framework to support collaboration and the setting of community-wide strategic goals.

## OFFICE OF COMMUNITY WEALTH BUILDING



Four areas have been identified, each of which is of critical importance:

- Early Childhood Education
- Out-of-School Time for adolescents
- Connecting high school graduates to career and college opportunities
- Providing support services to students and families in poverty

# Richmond and ECCE, 2011 - today

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- 2018-2019: Children's Cabinet
- Early 2020:
  - Virginia School Readiness Act
- 2020-2021:
  - Early Pandemic and CARES Act (Emergency Childcare Initiative)
  - Office of Children & Families
- 2021-today: American Rescue Plan Act investments

# October 2019 Children's Cabinet Presentation

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## Recommendations

- Coordinate with external partners to build awareness and understanding, both for families and for policy-makers
- Endorse and promote The Basics as a way both to advocate for early child care/education and to provide tactical support for families and providers
- Conduct and compile a full landscape analysis, complete with a fiscal map, of all public and private programs in the City that serve young children and their families

# October 2019 Children's Cabinet Presentation

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## Recommendations, continued

- Specifically consider options for centralizing City services relating to children and families within the Human Services department
- Consider opportunities to dedicate local revenue to supplement existing state and federal funds for early child care and education programs



# Local ARPA Investments

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\$2 million allocated to “Child Care and Parental Support”:

- Direct grant-making
  - \$619,500 = 250+ additional slots; 3 new centers
- Capacity-building
  - Early childhood specialist
- Research
  - Cost model (complete) + Fiscal analysis (ongoing)



Richmond Times-Dispatch

ALERT TOP STORY

Report finds price of child care outpaced inflation in 2021; average price in Virginia is \$11,492

Sean Jones Oct 28, 2022 7

WSJ

A Crisis Over Child Care Is Holding Back Companies and Blue-Collar Workers

Daycare at work, long a white-collar benefit, is proving tough to pull off with other employees

By [Te-Ping Chen](#) [Follow](#) | Photographs by Wes Frazer for The Wall Street Journal

May 9, 2023 at 5:30 am ET

The New York Times

GIVE THE TIMES

TheUpshot

Child Care Disruptions Expected as Record Funding Nears an End

Three million children could be affected as the largest investment in child care in U.S. history expires in September.

AXIOS Richmond

News Things to Do Food and Drink Politics Culture

Jun 23, 2023 - News

Child care costs are burdening Virginia parents

Kari Potter

Richmond Times-Dispatch

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ALERT TOP STORY

Kaine, McClellan, Wexton call for continued federal aid in child care costs

Charlotte News Watch Aug 1, 2023 16

Bloomberg

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Opinion Kathryn Anne Edwards

America Is About to Fall Off a Child Care Cliff

Neither Congress nor the president seems adequately concerned about an impending labor-market calamity.

npr WAMU 88.5

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BUSINESS

As costs rise, parents may be facing what's called a child care cliff

August 21, 2023 · 5:04 AM ET

THE WALL STREET JOURNAL.

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U.S. | U.S. EDUCATION NEWS

As Pandemic Funds Expire, Child-Care Centers Struggle to Survive

Providers seek state solutions and funding to avoid closures

By [Megan Tagami](#) [Follow](#)

Aug. 23, 2023 at 9:00 am ET

The Washington Post

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Child care is about to get more expensive, as federal funds dry up

An estimated 70,000 child-care centers are expected to close, leaving parents with even fewer — and less affordable — options

By [Abha Bhattacharj](#)

September 5, 2023 at 6:00 a.m. EDT

Bloomberg

US Edition

Live Now Markets Economics Industries Tech AI Politics Wealth Pursuits Opinion Businessweek Equality Green

Economics

Over 70,000 Daycare Programs at Risk of Closure, Threatening US Women's Workforce Gains

More than 3 million children may lose their spots after federal child-care funding expires Sept. 30

VIRGINIA MERCURY

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DC BUREAU HEALTH

Kaine warns 80K child care spots could be lost in Virginia if federal grant program expires

BY: [SAMANTHA DIETEL](#) · SEPTEMBER 13, 2023 8:46 PM

TIME

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What to Know About the Expiration of Federal Emergency Childcare Funding

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Despite success, Va. public-private program for early childhood care still far from meeting need

BY: [JW CATERINE](#) · SEPTEMBER 19, 2023 12:02 AM

AXIOS

Log In

Sep 20, 2023 - Economy & Business

The child care industry is on the cusp of a crisis

Emily Peck, author of [Axios Markets](#)

MSNBC

LIVE TV

What the looming childcare funding crisis means for working moms

On Sept. 30, the emergency childcare funding Congress allocated during the pandemic, which included \$24 billion in childcare stabilization grants, is set to expire.

# Recent Headlines



# Our Opportunity

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Should state and federal support continue, this investment will ensure that more families benefit from affordable ECCE programs and that more providers are compensated fairly.

Without continued state and federal support, this investment will help mitigate the fiscal cliff.

# Research- and Community-Informed Goals

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1. **Quality, full-day, full-year, affordable, and accessible** ECCE programs for every child in Richmond
2. Robust mixed-delivery network of community providers working alongside Richmond Public Schools to meet the needs of all Richmond families and ensure all kindergarteners are ready for school
3. Strong, thriving, stable early childhood workforce

# Research- and Community-Informed Goals: Provider Feedback



**It will be hard to pay starting staff with \$12 an hour and keep the current staff happy and paid on time. It is already a struggle to pay them now.**

The cost to increase wages has to be passed onto our parents weekly tuition. This is hardship for them as they are having a hard time with the increase of everything. It is going to become harder and harder for parents to afford child care

It will be hard to pay starting staff with \$12 an hour and keep the current staff happy and paid on time. It is already a struggle to pay them now

**We currently have a waitlist for children**

# Research- and Community-Informed Goals: Family Feedback



**There are just no options.  
I'm on all the waitlists. I  
put her in a licensed  
program but it's 40  
minutes round-trip.**

**If he didn't get a scholarship I don't  
know what I'd do. I signed him up for  
RPS Preschool but I can't get off work  
at 1:45 to pick him up and I have to  
work over the summer.**

**I could not find a single provider  
who would enroll my child with  
physical disabilities**

**I just pulled my baby  
out after three days.  
It wasn't safe. I don't  
know what else to do.**



# The Proposal

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- **Upfront payment:** \$26.5 million upon approval of the ballot item
- **Ongoing revenue:** Estimated up to \$19 million annually from gaming taxes



# The Proposal: Upfront Payment

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- Two new 100-slot child care centers on existing City property, adjacent to new community centers in the 8<sup>th</sup> and 9<sup>th</sup> districts (estimated \$14 million)
- \$8 million to Parks & Rec for capital improvements
- Remainder to seed the first-ever Child Care and Education Trust Fund (estimated \$4.5 million)



# Zooming In: New Child Care Centers

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- Constructed and owned by the City
- Privately operated by a third-party nonprofit child care provider identified through an RFP process
- Likely to be primarily infant/toddler with therapeutic and language access services available





# The Proposal: Child Care and Education Trust Fund

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- Sustained by annual contribution of gaming tax revenue
  - Up to \$19 million annually
- The Trust Fund will:
  - Lower costs for families
  - Increase compensation for the ECCE workforce
  - Expand access to quality programs

# Zooming In: Administration and Oversight

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- Thrive Birth to Five is the state-identified lead agency for Ready Region Central
- An appointed advisory board will be managed by Thrive Birth to Five
- The enabling legislation will delineate terms of the partnership



# Zooming In: Increasing Affordability

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- Our goal is that no family should have to spend more than 10% of their income on child care
- Tuition assistance will be available to certain Richmond families with children under 5
- Families will be able to access **any provider in the Richmond region** that meets certain requirements

# Zooming In: Types of Providers

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To be eligible for Trust Fund dollars for tuition, providers will meet certain requirements, such as:

- Participation in the Virginia Quality Birth to Five System
- Participation in other publicly funded ECCE programs

Families will be able to select a provider that meets their specific needs, whether home- or center-based

# Zooming In: Support for Providers

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The Trust Fund will provide targeted support to providers as well as families.

1. Per child tuition assistance is informed by a cost model that increases compensation for all ECCE staff while accounting for the expense of maintaining a quality program
2. Annual grants will be awarded to providers to improve quality, expand capacity, and/or meet regulatory requirements for other public funding

# Zooming In: “Aunt Jackie” FFN → Voluntary Registrant

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Friend, family and neighbor (FFN) providers include in-home caregivers who may be related or connected to the children in their care. Many families prefer this type of care, especially for infants.

Virginia allows FFN providers to voluntarily register with the VDOE so that they can become a VDSS subsidy provider.

The cost of registration and quality improvement can be prohibitive.



Questions?