

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

AN OVERVIEW OF RESOLUTION NUMBER 2023-R048



Why ECCE?

- 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



- 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



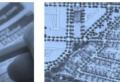
MAYOR'S ANTI-POVERTY COMMISSION

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.



- 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



- 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

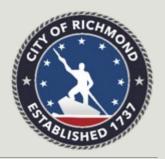
October 2019 Children's Cabinet Presentation



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



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

\$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 Eimes-Dispatch AXIOS Richmond News Things to Do Food and Drink Politics Culture IR The Washington Post Sign in LERT TOP STORY Jun 22, 2023 - News VIRGINIA MERCURY Child care is about to get more expensive, as Report finds price of child care outpaced Child care costs are burdening inflation in 2021; average price in Virginia is federal funds dry up Virginia parents CRIMINAL JUSTICE + ENERGY + An estimated 70,000 child-care centers are expected to close, leaving parents with \$11,492 ENVIRONMENT POLICING even fewer - and less affordable - options Karri Pelfer Sean Jones Oct 28, 2022 🔍 7 EDUCATION GOVERNMENT + POLITICS By Abha Bhattarai Richmond Times-Dispatch 🕜 Saved Debased Tomas Die September 5, 2023 at 6:00 a.m. EDT Despite success, Va. public-private \equiv **WSJ** Opinion Sports Life & Intertainment Jobs 1995 60" Purty Cloudy 🙆 program for early childhood care still far Bloomberg US Edition from meeting need Kaine, McClellan, Wexton call for Live Now Markets Economice Industries Tech AI Politics Wealth Pursuits Opinion Businessweek Equality Ger A Crisis Over Child Care Is continued federal aid in child care costs BY: JW CATERINE - SEPTEMBER 19, 2023 12:02 AM Economics Over 70.000 Daycare Programs at Holding Back Companies and **Risk of Closure. Threatening US AXIOS** Women's Workforce Gains **Blue-Collar Workers** More than 3 million children may lose their spots after federal child-care funding Live Now Markets Economics Industries Tech Al Politics Wealth Pursuits Opinion Businessweek Equality expires Sept. 30 Sep 20, 2023 - Economy & Business America Is About to Fall Off a Child Kathryn Anne Daycare at work, long a white-collar benefit, is Care Cliff Edwards VIRGINIA **MERCURY** The child care industry Neither Congress nor the president seems adequately concerned about an impending labor-market calamity. proving tough to pull off with other employees is on the cusp of a crisis CRIMINAL JUSTICE + ENERGY + GOV + EDUCATION HEALTH ≡ n d r WAMU 88.5 **DONATE** POLICING ENVIRONMENT POLITICS By <u>Te-Ping Chen</u> [Follow] | Photographs by Wes Emily Peck, author of Axios Markets Frazer for The Wall Street Journal BUSINESS DC BUREAU HEALTH May 9, 2023 at 5:30 am ET As costs rise, parents may be facing what's **S&MSNBC** Kaine warns 80K child care spots could be called a child care cliff lost in Virginia if federal grant program = The New Hork Times August 21, 2023 · 5:04 AM ET What the looming childcare funding crisis expires GIVE THE TIMES = THE WALL STREET JOURNAL. BY: SAMANTHA DIETEL - SEPTEMBER 13, 2023 8:46 PM means for working moms SUBSCRIBE SIGNIN 3 TheUpshot On Sept. 30, the emergency childcare funding Congress allocated during the TIME SUBSCRIBE U.S. EDUCATION NEWS _ Child Care Disruptions Expected as Record As Pandemic Funds Expire, Child-Care pandemic, which included \$24 billion in childcare stabilization grants, is set to POLITICS • CONGRESS **Centers Struggle to Survive** expire. Funding Nears an End What to Know About the Expiration of Providers seek state solutions and funding to avoid closures Three million children could be affected as the largest investment in Federal Emergency Childcare Funding By Megan Tagami Follow child care in U.S. history expires in September. Aug. 29. 2023 at 9:00 am F1

Recent Headlines

EDUCATION HEALTH

LIVE TV

GOV +

POLITICS

Q Log In 듶



Our Opportunity

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



- **1.** Quality, full-day, full-year, affordable, and accessible ECCE programs for every child in Richmond
- 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

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



- Two new 100-slot child care centers on existing City property, adjacent to new community centers in the 8th and 9th 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



- 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



- 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



- 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



- 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





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



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

- 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



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.

