



The Future of Child Care in Nashville: Local Child Care Stabilization Resources Program

UNITED WAY
of Greater Nashville

March 4, 2022



**United Way
of Greater Nashville**



UNITED WAY OF GREATER NASHVILLE
250 Venture Circle, Nashville, TN 37228
www.unitedwaygreaternashville.org

RAPHAH INSTITUTE
615 Main Street, Nashville, TN 37206
www.raphah.org

Good afternoon Council Members. It's nice to be before you again to present The Future of Child Care in Nashville: Local Child Care Stabilization Resources Program.

The Future of Child Care in Nashville: Local Child Care Stabilization Resources Program

Problem/Need

Center-Based Child Care. A combined financial loss of over \$2.6M is absorbed annually across the Read to Succeed network of ten (10) centers. This represents the gap in between the cost of high-quality care and the State's increasing but inadequate reimbursement rate, as well as the cost to serve low-income families on a sliding scale, representing a population of families served that live at or below 200% of the federal poverty line. Far more child care centers need to be incentivized to serve more families.

Home-Based Child Care. Families living below the poverty line have poor or no access to high quality early learning. Home-based child care providers in low income communities are equally isolated from indispensable resources needed to operate high-quality child care businesses. If these providers were better resourced, they could be the solution to high-quality early learning access in the most marginalized communities.

Coordinated Approach to Capacity Building. A coordinated, non-siloed approach to capacity building is currently lacking in Davidson County. There is a critical need to work collaboratively to advocate for policy change, implement beta-test models of best practice, enhance existing and create new partnerships and collaborations; and other high-impact efforts to support and build up high-quality child care programs.

Scope of Work/The Plan

United Way and Raphah Institute propose to partner with Metro Council to implement The Local Child Care Stabilization Resource Program ("Program"). The Program will deploy Stabilization Resources to center-based and home-based child care providers in areas of highest need and leverage a Capacity Building Grant to resource professional facilitation, research and evaluation, marketing and communications, and advocacy expertise.

Center-Based Child Care Stabilization Resources

United Way will leverage Metro Nashville funding to stabilize up to 12 center-based child care providers that serve low-income families and those enrolled in the Tennessee Department of Human Services ("DHS") Smart Steps Child Care Assistance Program ("Smart Steps"), incentivizing child care centers for the first time to serve more families in this demographic. Stabilization Resources will help to fill the gap in the true cost of high-quality child care and the State's increasing yet inadequate reimbursement rate.

- Ten (10) participating Read To Succeed centers: Eighteenth Avenue Family Enrichment Center; Fannie Battle Day Home for Children; First Steps, Inc.; King's Daughters Child Development Center; McNeilly Center for Children; St. Luke's Community House; St. Mary Villa Child Development Center at St. Vincent de Paul; Wayne Reed Christian Childcare Center; 15th Avenue Learning Academy North at Bethlehem Center; and Schrader Lane Vine Hill Childcare Center.
- Two (2) additional participating centers: Sites are in the process of being identified that serve a significant population of Hispanic/Latino children and families where at least 30 percent of children served are from low-income households. We are working with organizations such as the

Hispanic Family Foundation, Conexión Américas, Nashville Area Hispanic Chamber of Commerce and others to identify sites.

Home-Based Child Care Stabilization Resources

Over the next 36 months, Raphah Institute will use Metro Nashville funding to pilot resourcing 30-50 home-based child care providers that serve families (about 300 children) in economically isolated communities and that are entering the DHA authorization and/licensing process. This pilot will include supporting providers, who are actively participating in our network, with the following resources:

- Business startup and expansion funding for emerging and already practicing childcare entrepreneurs (\$160,000)
- Pedagogical, Business, and Licensure Coaching with an eye towards helping providers offer the highest quality childcare through a stable, sustainable and licensed business. This will include a focus on Muslim and Latin communities (\$1,103,000).
- Basic income supplement with an eye towards helping stabilize providers' income (\$360,000)

Raphah Institute is scheduling \$100,000 for administrative support (finance and accounting, IT, office space and supplies, HR) and developing a robust communications and outreach function (website, social media, publicity) to accompany the pilot. Additionally, we are scheduling \$40,000 for program related supplies, materials, and other indirect costs to support this initiative. Finally, we are scheduling another \$60,000 to support the program evaluation and research. This includes developing and administering survey and research processes and instruments in conjunction with our research partners at UT Knoxville Social Work as well as database administration for data collection and reporting.

Capacity Building Grant

The Capacity Building Grant will help to convene cross-sector groups to develop a birth-through-age-eight framework and an implementation plan that will directly address affordable, accessible, and high-quality child care in Davidson County. Beginning in April 2022, United Way will convene cross-sector groups to address four (4) primary goals for Davidson County: Health and Development on Track Beginning at Birth; Supportive and Supported Families and Communities; High Quality Birth-through-Age-Eight Learning Environments; and Policy and Advocacy for Child Care and System-Level Innovation.

- United Way will convene diverse leaders working across disciplines—health, family and community support, and early learning and education; across sectors—government, policy, private and nonprofit; across systems—birth-through-age-five and kindergarten-through-third-grade; and across the political aisle.
- Working groups will convene 1-2 times per month from April to August 2022 to support the development of the birth-through-age-eight framework and implementation plan.
- The birth-through-age-eight framework and implementation plan is projected to be developed and publicly released in the third quarter of 2022.
- Working groups will continue to convene through June 2023 to advocate for policy changes, beta-test models of best practice, create new or enhance existing partnerships or collaborations, review data and monitor progress, resolve barriers or challenges, and determine any needed course corrective action.

Impact

- **Center-Based Child Care.** Up to twelve (12) center-based child care providers will stabilize their program where approximately 850 children are currently being served, increase their capacity to serve more low-income children and families, and develop a customized plan to address high-priority challenges, such as teacher recruitment and retention.
- **Home-Based Child Care.** Raphah Institute anticipates the following impact in the communities served:
 - A viable, scalable, and replicable model for increasing access to high quality early learning in low-income, marginalized communities, including Muslim and Latin communities
 - An increase in children’s demonstrated age-appropriate development as reflected in the TN-Early Learning Development Standards
 - Children experience a reduction in the occurrence of Adverse Childhood Experiences and develop a broad range of prosocial behaviors at an early age
 - Improved financial health at the individual, family, and community level
- **Capacity Building Grant.** The birth-through-age-eight framework and implementation plan will present recommendations for city and state officials to consider for policy decision making based on two years of learnings. This process has the ability to inspire and realize a completely different and enhanced system of child care in Davidson County, having a lasting impact on over 44,000 children ages 0 to 5 and their families, as well as our local economy and taxpayers for generations to come. The plan can substantially reduce or eliminate a combined annual economic loss of \$235 million for parents, taxpayers and businesses due to an insufficient child care system.¹

Program Schedule

Projected Program Term: April 1, 2022 – June 30, 2024

Fiscal Agent(s): United Way of Greater Nashville and Raphah Institute

Program implementation for center-based care will begin in April 2022, or whenever funding is approved, and continue for a 2-year period. Programming will begin immediately for center-based providers on a custom community investment cycle led by United Way.

Program implementation for home-based care has begun and will continue through the funding cycle. Providers are active in the Early Embrace Network and will be eligible to apply for start-up/expansion funding and income support once they have completed the licensing/authorization process.

Capacity Building will begin in April 2022, convening working groups 1-2 times per month through July 2022 to develop the birth-through-age-eight framework and implementation plan, projected for release in the third quarter of 2022. The working groups, or a derivative of those working groups, will continue to convene through June 2023. We will reassess at that point to determine what is needed to continue to move the work forward.

United Way and the Raphah Institute will concurrently pursue additional funding streams to invest in the long-term sustainability plan for our local child care industry.

¹ Tennesseans for Quality Early Education, 2019 Child Care Study

2022-2024 Program Budget

Local Child Care Stabilization Program 2022-2024 Proposed Budget	
Center-Based Child Care (2 years)	
<i>Stabilization Resources</i>	\$ 5,236,000
<i>Research and Development</i>	\$ 40,000
<i>Grant Administration</i>	\$ 270,000
Center-Based Child Care Total	\$ 5,546,000
Home-Based Child Care (2 years)	
<i>Stabilization Resources</i>	\$ 360,000
<i>Startup and Expansion Grants</i>	\$ 160,000
<i>Coaching Staff</i>	\$ 1,103,000
<i>Grant Administration</i>	\$ 70,000
<i>Research and Development</i>	\$ 60,000
<i>Communication</i>	\$ 30,000
<i>Program Materials</i>	\$ 40,000
Home-Based Child Care Total	\$ 1,823,000
Capacity Building Grant (1 year)	
<i>Consulting</i>	\$ 90,000
<i>Research and Development</i>	\$ 60,000
Capacity Building Total	\$ 150,000
Total Family Child Care Stabilization Program	\$7,519,000

Budget Narrative:

Grant Administration: Direct/indirect expenses for management of the grant award and the grants allocation process. Administration fee for center-based child care is embedded.

Center-Based Child Care

Center-based Stabilization Grants: Funding will cover the shortfall between the cost of care and the DHS reimbursement rate as well as children on a sliding scale. Funding is eligible for children currently enrolled, on the waitlist or newly recruited to programs.

Center-based Research and Development: Perform an impact assessment of stabilization grants on center-based care.

Home-Based Child Care

Home-based Stabilization Grants: Funding will provide economic stability for providers, help them participate in quality improvements, and create additional and varied care opportunities for families.

Home-based Startup Grants: Funds will cover items required to open a licensed/authorized home-based program including but not limited to, technology and software, CRM systems, equipment and supplies.

Home-based Grant Administration: Direct/indirect expenses for management of the grant award and the grants allocation process.

Home-based Research and Development: Perform an impact assessment of stabilization grants and how access and quality were improved.

Home-based Program Materials: Funds will cover materials used to administrate and support the course of the program including but not limited to, materials to support educational and business coaching, partnership resources, program assessment and evaluation.

Capacity Building

Consulting: Professional facilitators (2-3), consultant with data collection and measurement expertise, and consulting fees for marketing, communications and advocacy.

Research and Development for Capacity Building: Child care data analysis and development of birth-through-age-eight framework and implementation plan.