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## Childcare Analytics and Investment: Childcare Map & Fund for Quality

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Council of New Jersey Grantmakers  
June 19, 2017

# About Reinvestment Fund

- Our mission is to build wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development.
- Since 1985, Reinvestment Fund has made **\$1.9 billion** in cumulative investments and loans.
- We are supported by **865 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.



# About Childcare Map & Fund for Quality

This effort leverages Reinvestment Fund expertise in the early learning sector:

- *Policy Solutions:* Using official, proprietary and secondary data sources to estimate supply, demand and shortage of childcare, Childcare Map – Philadelphia, Newark, Passaic County
- *Lending:* **20+ years** financing ECE projects, **\$25+ million** in loan funds, technical assistance work, and grant programs
- Model of data-driven investment decisions





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**Application of the work:**

**PHILADELPHIA & FUND FOR QUALITY**

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# Philadelphia Landscape

## ECE Resource and Support Landscape – Increasing Quality



**Increase availability of high quality early care and education in Philadelphia.**

# Fund for Quality

Foundation + Reinvestment Fund + PHMC

## - Fund for Quality -

Investing in Philadelphia's Early Childhood Education



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# Fund for Quality

## Philadelphia Design (Pilot):

- Select providers to embark on a Guided Planning Phase, to help support successful expansion projects
- Capital projects will create **new** high-quality seats in centers serving predominately low-income children across Philadelphia
  - Expand in current location
  - Expand to new location
  - Expand with support of a community partner



# Fund for Quality

## Guided Planning:

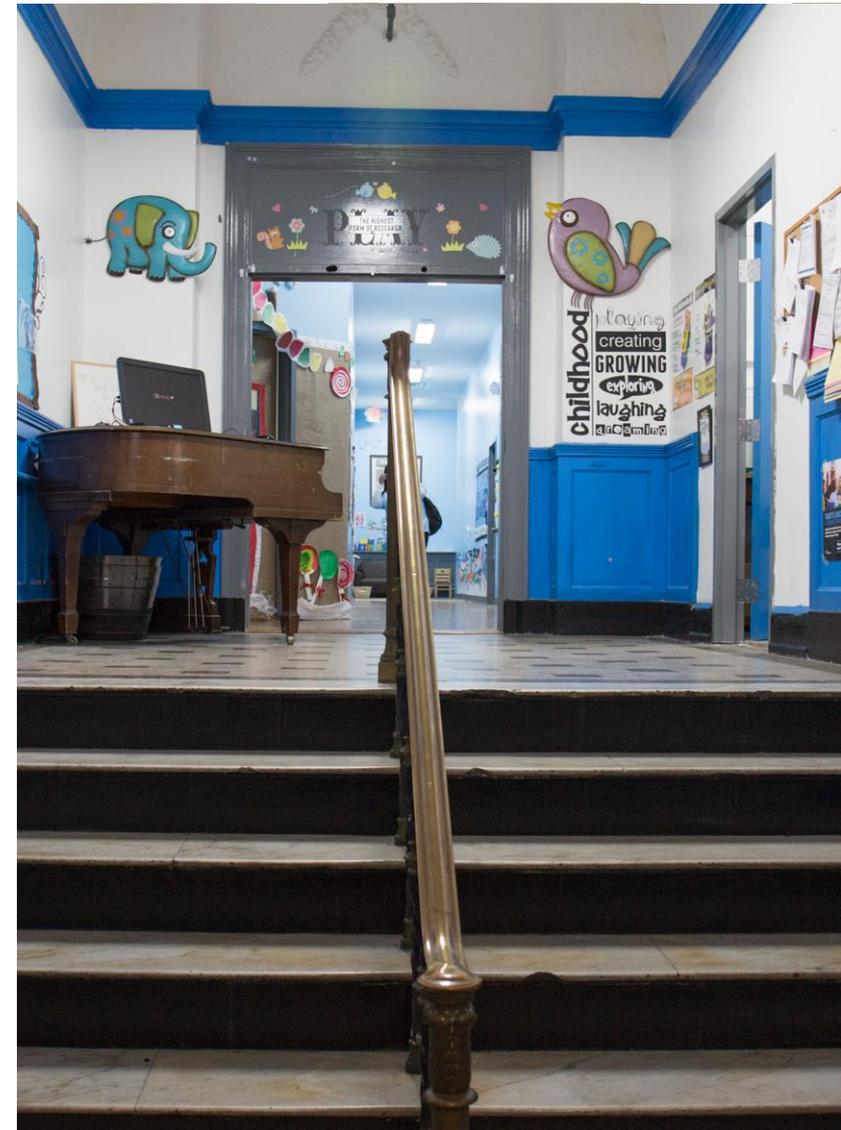
- All FFQ awardees enter through Guided Planning Phase
- Receive program and project support
  - Technical assistance available for organizational capacity building
  - Help navigating facilities expansion projects
  - Reimbursement for predevelopment expenses



# Fund for Quality

## Capital Improvements:

- Pending successful completion of Planning Phase, awardees move on to Project Implementation
- Capital Investments/Project Implementation:
  - Expand in place or expand to new location
  - Fund/Grant support for Capital Project
- Track outcomes – enrollment, jobs created, how seats are filled



## Childcare Map evaluates applications in two ways:

- Use of mapping data to identify needs of proposed community location
- Project locations receive scores based on selected Map criteria:
  - Absolute Shortage – All seats (buffered)
  - Absolute Shortage – High-quality seats (buffered)
  - Percent of families in poverty (buffered)
  - Number of low-wage workers



# Fund for Quality – Outcomes\*

- Capitalization of **\$23+ million** in grant funds and **\$2 million** in Reinvestment Fund loan funds over two rounds of funding
- Creation of **1,100+** new child care seats
- Planning underway for **1,600** new child care seats
- Jobs created: **75 FT/PT**
- Enrollment: **30%** vulnerable populations, **85%** low income



\*all outcomes to date



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# Measuring Impact



The change in high quality supply shortage from 2013 to 2014.

The change in high quality supply shortage from 2013 to 2014. Expected childcare supply is generated with a regression analysis that predicts supply based on the amount of demand in the blockgroup. Areas in the "Growth in Shortage" categories saw a widening in the high quality shortage as compared to the citywide average change. Areas in the "Decline in Shortage" categories saw a narrowing in the high quality shortage as compared to the citywide average change.

**Facility Name:** KEN-CREST SERVICES-WEST PHILA  
**Address:** 5900 ELMWOOD AVE  
**City:** PHILADELPHIA  
**State:** PA  
**ZIP Code:** 19143  
**Facility Phone Number:** 215-726-2310  
**Center Type:** Child Care Center  
**Capacity:** 146  
**STAR Level:** STAR 4  
**STAR Level Effective Date:** 12/07/2015 ←  
**Pre-K Site:** Yes  
**Head Start Supplemental Assistance Program:** No  
**School Age Provider:** No  
**Fund For Quality Site:** Yes ←  
**Fund For Quality Seats:** 38 ←  
**Change in STAR Level (Dec 2015 - March 2016):** No Change  
**Change in Capacity (Dec 2015 - March 2016):** No Change

### Change in High Quality Supply Shortage

Year: 2014

Shaded by: Block Group, 2010

- Substantial Decline in Shortage
- Modest Decline in Shortage
- No Meaningful Change
- Modest Growth in Shortage
- Substantial Growth in Shortage

Source: Reinvestment Fund

### Certified Childcare

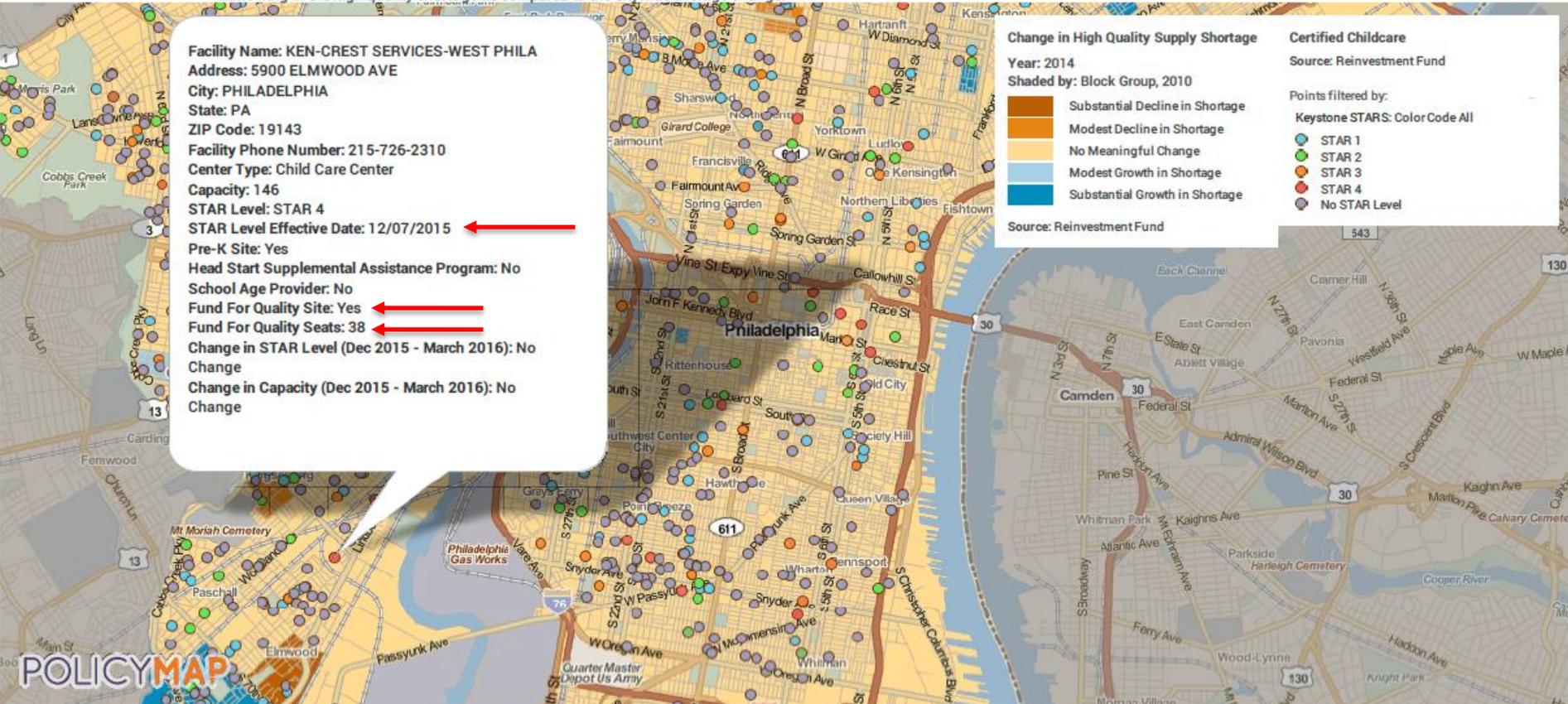
Source: Reinvestment Fund

Points filtered by:

Keystone STARS: Color Code All

- STAR 1
- STAR 2
- STAR 3
- STAR 4
- No STAR Level

Source: Reinvestment Fund





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# Additional applications: **POTENTIAL INVESTMENT STRATEGIES**

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# Investment Strategies

1. Expansion Fund
2. Quality Improvement/  
Maintenance
3. Revolving Loan Fund



# Investment Strategies

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## CQI Trajectory

Proposed programs will target providers at different points of this trajectory with supports customized to their development stage.



## Same Fundamentals Across Program Types:

- Initial resource review
- Technical assistance around organizational and business capacity coupled with capital improvement/expansion
- Strong on the ground partnerships/consultants
- Stakeholder/Advisory Council to validate program design

# Investment Strategies

## Pilot Design

- Resource Review
- Initial capitalization
- Determine the Mission
  - What challenges do we seek to address?
  - Where?
- Engage Stakeholders (ongoing)
- Identify person/organization for TA role
- Program Design around eligibility, application and implementation



# Expansion Fund

## Objective

To create **new** high-quality seats in centers serving predominantly low-income children through:

- Expansion in current location
- Expansion to a new location
- Expansion with a community partner



# Expansion Fund

## Pilot Funding

- Grant funds ~\$1.0+ million over 2-3 year period
- 10 % Overhead – \$100,000
- 15% Planning Supports - \$150,000
- 75% Capital Re-grants - \$750,000
- Capital Loans from Reinvestment Fund ~\$250k (increase based upon provider demand)



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# Quality Improvement/Maintenance Fund

## Objective

To increase the supply of high-quality learning seats through **the improvement and/or maintenance** of early learning facilities. Achieved by:

- Helping providers understand high-quality facility and operating standards
- Providing tailored business development assistance to supports their sustainability
- Assistance for capital improvement



# Quality Improvement/Maintenance Fund

- Conduct site visits with qualifying organizations from capacity/quality review
- Conduct facility assessments:
  - Construction inspector will assess need for interior renovation, systems improvements, environmental health hazard abatement
  - On-site inspections by ECE quality expert will assess best practices and national standards for infant/toddler care
- Inspections will be a collaborative effort between the ECE quality expert and construction inspector



# Quality Improvement/Maintenance Fund

## Facility Investment Plan

- Each provider will receive a final report
- Reports will consider the ownership status of the facility and organizational capacity to take on improvements
- Reports generate an estimated scope of work:
  - Physical needs
  - Environment
  - Quality improvements (and will assess opportunities for space conversion and/or seat expansion)
- Estimated cost and projected timeline



# Quality Improvement/Maintenance Fund

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- Planning will be guided by an **action plan** developed based on the site and agency assessments.
- Providers will receive assistance with **strategic planning** to ensure they are achieving/sustaining quality.
- Planning will include approximately **60 hours of professional consulting**/service to each site (rate of \$200 per hour).
- PHMC will utilize **training and TA specialists** to assist providers with professional development, staffing needs, quality assurance, strategic planning, etc.
- Some **group/cohort based trainings** available as appropriate (shared services, using data to inform quality improvement, capital project management, etc.)

# Quality Improvement/Maintenance Fund

## Project Monitoring

- During predevelopment stage, plan and cost review
- Reinvestment Fund leads the review/oversight of the design and build process and review for “quality” design
- Third-party construction inspector to monitor progress:
  - Perform site visits during construction
  - Final inspection to ensure work completion
  - Report out any issues to Reinvestment Fund for remediation



# Quality Improvement/Maintenance Fund

## Pilot Funding

Funding \$1.5 million over 18+ month period:

- 10% Staffing & Overhead
- 10% Design Guide, Facility Analysis
- 80% Predevelopment/Planning Support and Capital Fund



# Revolving Loan Fund

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Capitalized with PRI or grant funds, a revolving loan fund would work to address the inadequacies of the capital market for ECE providers. Loans are provided to qualified borrowers, and, over time, loan and interest payments are returned to the fund to provide capital for future loans to applicants needing similar assistance.

- Loan Funds available for:
  - Working Capital/Operating Dollars
  - Quality Improvement
  - Quality Maintenance
  - Quality Expansion
- Standalone or Compliment a Series of Programs
- Removes barriers to accessing capital

# Revolving Loan Fund

## Pilot Funding

Funding \$1.5 million in perpetuity:

- 10% Year-One Staffing, Systems & Overhead
- 90% Capital Loan Fund
- (Option to add a TA/Planning component if this is a standalone program.)





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## **Broadening Access to Data**

*[www.childcaremap.org](http://www.childcaremap.org)*

## **Fund for Quality** *[www.fundforquality.org](http://www.fundforquality.org)*

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