

LINKING ECONOMIC DEVELOPMENT AND CHILD CARE

Linking Economic Development and Child Care Project Awards 2006 Venture Grantees And Learning Partners

Sixteen venture grants for innovative projects that link child care and economic development were recently awarded by the Linking Economic Development and Child Care Technical Assistance Project, a joint venture of Smart Start's National Technical Assistance Center, the Alliance for Early Childhood Finance, Cornell University and the Institute for Women's Policy Research. Funding for these grants was made possible by the W. K. Kellogg Foundation. Fifteen of these were small venture grants (\$5,000 each) to support the cost of research, planning, training or the preparation of a business plan. One organization received a larger implementation grant (\$25,000) to help fund the cost of launching a new non-profit organization.

Applications for the venture grant program were solicited from all states, and were reviewed by a national panel that included experts in child care, economic development, planning and policy. Over 138 proposals were submitted from 38 states and the District of Columbia. Priority was given to proposals that were innovative, made a new contribution to the fields of child care and/or economic development, reached communities of color, and were sponsored by organizations or coalitions with the capacity to implement and/or market the plan.

"The venture grant program is designed to encourage organizations to try out new ideas. We really wanted to encourage bold, new thinking," said Louise Stoney of the Alliance for Early Childhood Finance. "In addition to the grants, we are providing technical assistance and bringing grantees and applicants together to share ideas and foster peer-to-peer learning."

Below is a list of grantees and a brief description of their projects. In addition to the grant awards, nine applicants were invited to participate as Learning Partners. A representative from each of these organizations will be funded to participate in Venture Grant national technical assistance meetings and conference calls.

2006 Venture Grantees

CALIFORNIA

MEDA Business Development for Inner City Family Child Care Providers

Mission Economic Development Agency

San Francisco, California

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This project aims to make family child care an integral component of the community economic development efforts in the Mission and Excelsior Districts and the City of San Francisco as a whole. Key goals include: business development, long-term financial planning, and public policy. In addition to one-on-one work with family child care providers, the project will identify and/or develop local economic development policies that affect the sustainability of family child care businesses.

Local Land and Infrastructure Development in Suburban California
Orange County United Way Local Investment in Child Care (LINCC) Project
Irvine, California

Contact: *Roseann Andrus 949-263-6108* roseanna@unitedwayocrg

By partnering with affordable housing developers, municipalities, and local child care community organizations, this project seeks to develop a model land and infrastructure strategy to increase the supply of affordable, quality child care and reduce the number of daily trips parents need to make between home, child care and workplace. The initiative will be modeled on inclusionary housing policies that require developers to reserve a certain percentage of housing units for low-and moderate-income households in new residential developments. The focus will be to include child care facilities within existing affordable housing inclusionary zoning ordinances as well as to draft a model ordinance for other cities.

A New Trade Organization for Child Care Providers
Low Income Investment Fund

San Francisco, California

Contact: *Marie Young 415-489-6120* myoung@liifund.org

This project aims to continue work that began at a January 2006 meeting on business sustainability and scale, sponsored by the Federal Reserve System and the Aspen Institute. The meeting spawned a shared vision for a collaborative entity to support and strengthen child care businesses -- essentially a trade organization. The group envisioned an entity that could help address the high transaction costs, lack of innovation, inability to benefit from economies of scale, and high overhead costs facing child care businesses throughout California. Specific goals of this project include hosting additional meetings in Southern California, forming an advisory group, and drafting a concept paper and preliminary business plan.

KENTUCKY

Financially Sustainable Child Care in Eastern Kentucky
Eastern Kentucky Child Care Coalition (EKCC) and the Mountain Association for Community Economic Development (MACED) Berea, Kentucky

Contact: *Beth Myers 207-386-1662* bethmyers@ekcc.org

These two eastern Kentucky organizations will work together to promote a progressive approach to economic development in Kentucky. The goal is to analyze child care infrastructure needs and identify the public capital and public investment that will be required to support the child care industry in eastern Kentucky.

MAINE

A Cooperative Child Care Infrastructure in Rural Maine
Family Focus, in partnership with Coastal Enterprises, Success by Six and Coastal ACCESS
Bath, Maine

Contact: *Lee Parker 207-386-1662* lee@familyfocusme.org

Mid-coastal Maine is a rural area without a center of population density. A handful of small towns are separated by sparsely populated areas and challenging landscape. Employment is largely seasonal employment. Nearly one-third of the school population is eligible for free and reduced lunches. Cooperatives are one way that small businesses (such as fishing and farming) have found support. This project seeks to explore the feasibility of using a cooperative strategy to support shared services for the mid-coastal early care and education industry. Specific goals include: needs analysis, regional meetings, a provider survey, and a cost analysis.

MICHIGAN

A Cooperative Child Care Center in Southwest Detroit

Southwest Counseling Solutions

Detroit, Michigan

Contact: *Amber Daniels* 313-896-2800 x114 adaniels@swsol.org

Southwest Detroit is one of the most diverse communities in Michigan. The community is about 60% Latino and about 30% African American. Many neighborhoods are dominated by immigrants and the Arabic population is growing. The community has already established a Childcare Collaborative that includes center- and home-based child care businesses. One of the centers has recently closed, and three local family child care providers would like to purchase -- and cooperatively run -- the center, in addition to maintaining their individual child care homes. The center would serve as a hub for shared services, serve as a transition for infants who are ready for a group setting, and offer other services that are simply not feasible in a home-based environment. Southwest Counseling Services will oversee the development of a business plan for this venture, which will include strategies for sharing the cost of training, insurance, back-office business management, human resources, and other identified needs.

MINNESOTA

A Cost-Effective Management Model for Child Care Programs in Inner City Minneapolis

Greater Minneapolis Day Care Association (GMDCA)

Minneapolis, Minnesota

Contact: *Nancy Johnson* 612-349-0553 Nancy.johnson@gmdca.org

Small, independent child care programs that serve low-income neighborhoods have been hard hit in the last few years--by tough economic times and cuts to Minnesota's child care subsidy system. GMDCA's Child Care Financing Project has worked with these programs for many years, and now seeks to explore new management and cost efficiencies that might help these programs more effectively weather future market swings and public policy changes. Specific goals include assessing local needs, gathering information on management models and adaptations for the child care industry, preparing a business plan for sharing back-office services and management staff, and crafting agreements with centers who agree to participate in the model. The project will be conducted in partnership with a Task Force of providers and management consultants.

NEW JERSEY

A New Fiscal Intermediary Organization for the Non-Profit Sector

Agency Support Group, Inc.

Newark, New Jersey

Contact: *Fred Sambataro* 201-341-3212 fredsambataro@comcast.net

The Agency Support Group (ASG) is in the process of developing a new, fiscal intermediary organization that will provide a host of services for the non-profit sector. Planned services include: fiscal management and fund development, links to community banking, human resources/benefits, individual development accounts (IDAs) and facilitating access to employment tax credit opportunities. Venture grant funds will be used to reach out to Newark child care programs and tailor fiscal management activities to meet their needs (e.g. use of debit/credit cards to collect fees). Additionally, ASG will prepare a document that describes lessons learned.

NEW YORK

New Models for Shared Services

New York State Small Business Development Center (SBDC)

Farmingdale, New York

Contact: *Lucille Wesnofske 631-420-2765* lucille.wesnofske@farmingdale.edu

This project will explore several potential models for shared services in Nassau and Suffolk Counties on Long Island, New York. Three models that engage center- and home-based child care will be explored: a centralized model, a tiered model, and a combination of both. The goal will be to develop effective, collaborative strategies to improve child care management, allow these small businesses to reach some economies of scale, and help the industry as a whole to become more stable and financially sound. Specific tasks include: research, meetings with providers (in English and Spanish), and a draft business model with recommendations for next steps.

NORTH CAROLINA

Incorporating Child Care Into Planning for a New Entertainment District

Halifax--Warren Smart Start Partnership for Children, Inc.

Roanoke Rapids, North Carolina

Contact: *Magda Baligh 252-537-5621* mbaligh@hwss.org

Halifax County, NC will be the home of a new entertainment district that will ultimately include multiple theatres, hotels, restaurants and shops. The project promises hundreds of new jobs, but most will be low-wage and many will require second and third shifts. This project aims to ensure that the child care needs of the workers and the community are considered in development plans for the entertainment district. Specific tasks include data collection and analysis, community meetings and a community child care plan.

Creating a Child Care Community Web

Durham's Partnership for Children

Durham, North Carolina

Contact: *Marsha Basloe 919-403-6960* marsha@dpfc.net

This project aims to create a viable network -- or web -- of quality child care centers, family child care homes and neighborhood public schools in Durham, North Carolina. The goal is to use shared resources and strong relationships to create financial and programmatic efficiencies that can enhance operational capacity and strengthen the quality of services to children and families. Specific tasks include creating a stakeholder group, mapping opportunities and benefits, identifying strategies for collective use of resources, and preparing a written plan for shared services.

PENNSYLVANIA

Accessing a New Tax Credit for Preschool

Women's Community Revitalization Project (WCRP)

Philadelphia, Pennsylvania

Contact: *Bill Thomas 215-627-5550* bthomas@wcrpphila.com

Pennsylvania has established an Educational Improvement Tax Credit Program that awards tax credits to eligible businesses that contribute to a pre-kindergarten scholarship or education improvement organization. The tax credit is a potential source of revenue for early care and education however few providers understand how to access the credits. With Venture Grant funds, WCRP will develop a training curriculum for child care directors on how to use the credits and will provide some individualized technical assistance to help directors manage the tax credit application process.

VERMONT

Integrating Child Care into Economic Development Planning

Public Assets Institute (PAI)

Hardwick, Vermont

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Vermont has recently established a Commission on the Future of Economic Development to create a five-year plan for the State. The Commission provides a significant new opportunity to change the way economic development policy is developed in the state and to frame issues like early care and education in economic terms. This project seeks to ensure that the field of early care and education has a meaningful voice in the planning process. Prior to the first Commission meeting, PAI will work with child care leaders to educate them about the state's previous economic development work, identify ways that economic development policy can and should be linked to child care, develop a shared vision, and provide information on the Commission's planning process and how the child care community can be involved. Once Commission meetings begin, PAI will participate in the process and promote a broad approach to economic development, ensure that key data are available, and help facilitate opportunities for child care leaders to share their ideas and proposals.

WASHINGTON

Exploring a Quasi-Public Employer Strategy for Child Care and Early Learning

Economic Opportunity Institute

Seattle, Washington

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This project will research the legal pathways and policy options for a quasi-public employer approach to employee benefits for the early care and education industry. Making employment benefits like health insurance and retirement funds available at affordable prices is a challenge. Affordability often requires that costs be spread across a very large pool of workers. Some believe that government can play a key role, however government involvement is complicated by the employment status of family child care providers. This project is particularly timely for Washington since the State recently passed legislation that recognizes a child care union and allows collective bargaining with public agencies. (The Service Employees International Union (SEIU) now represents family child care providers and is seeking public funds for a range of supports, including health insurance.) Staff from the Economic Opportunity Institute will explore legal and policy issues, determine the types and cost of potential benefits, and identify new revenue sources that could be used by a quasi-public employer to fund benefit packages for the child care industry.

A New Center-Based Child Care Alliance in Seattle

Puget Sound Child Care Consortium

Seattle, Washington

Contact: Diana Bender 206-459-9140

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The Puget Sound Child Care Consortium is a new nonprofit that offers an innovative approach to collective management of child care. The Consortium creates a structure that allows high quality centers to join together, sharing back office functions to streamline and strengthen business practice but retaining their community and family identity. Venture Grant funds will be used to help launch this new agency. Specific tasks include: negotiating and signing letters of agreement with participating centers; establishing contracts with a shared group of vendors and services; creating a suite of web-enabled software to support a consortium approach to fiscal and program management; and, analyzing and adapting effective, shared staff recruitment and substitute pool strategies.

WISCONSIN

An Early Care and Education Private Employer Organization (PEO)

Wisconsin Early Childhood Association (WECA)

Madison, Wisconsin

Contact: Ruth Schmidt 608-240-9880

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The Wisconsin Early Childhood Association (WECA), the Wisconsin Regional Training Partnership (WRTP) and Keystone Research Center (KRC) have worked together to launch a new union Private Employer Organization (PEO) in Wisconsin. The PEO will serve as the "employer of record" for a group of child care centers and allow them to share costs for a host of human resources--most importantly, affordable health insurance. The current model for the PEO does not, however, easily accommodate family child care providers. Venture Grant funds will be used to research options for creating a cooperative (or alternative entity) so that family child care providers can either access the PEO or otherwise secure affordable health care.