Expanding the Supply of High-Quality Child Care: Policy, Research and Practice

The Reinvestment Fund and The William Penn Foundation
Project Overview

William Penn Foundation approached TRF about trying to model the supply of, demand for and gaps in childcare in Philadelphia.

- Engaged advisory board of local practitioners and experts.
  - Presented to the TRF Policy Advisory Board

- Compiled all data that represent both sides of the supply/demand equation.

- Final deliverables include a written report, Policymap widget and custom report accessible to the public.

Methodological Issues

- No comprehensive measure of supply
  - Used 6 different sources

- No direct measure of demand
  - Start with basic population and age data
  - Correct for children accompanying their parents commuting in / out of their home block group

- No universal measure of quality for all sites
  (Keystone STARS only available for a subset of all childcare establishments)
Demand

Estimated Total Demand

- Resident children under 5 (from Census, 2010): 101,053
- Estimated number of children accompanying city resident parents to out-of-city work locations: 9,927
- Estimated number of children accompanying parents from out-of-the-city to city work locations: 15,697
- Total Estimated Demand: 107,820
Children Ages 0 through 4 – Residential Demand

Allocated Demand (Residents net of commuters in/out 33%)
Estimated Supply of Childcare

<table>
<thead>
<tr>
<th>Estimated Supply of Childcare</th>
<th>Total Seats</th>
<th>% of All Seats</th>
<th>% of Certified Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified</td>
<td>70,200</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Not Certified</td>
<td>30,606</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>High Quality (3-4 STAR)</td>
<td>14,637</td>
<td>14%</td>
<td>21%</td>
</tr>
<tr>
<td>1-2 STAR</td>
<td>31,134</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>No STAR Level</td>
<td>24,429</td>
<td>24%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Supply
Estimated 3 & 4 STAR Supply

Supply Versus Demand; Estimating Shortage
Hypothetical Relationship Between the Supply of and Demand for Childcare

Perfect supply/demand match

Supply/demand relationship predicted based on current supply

More than Expected Level of Supply

Less than Expected Level of Supply

Relative Shortage: Total Supply

Residual: All Seats Supply/Demand
- More than expected
- Corrected
- Less than expected
- Minimum flat lines
- SEPTA Bus Routes
Do you want to bring over the text for the slide that explains what things are? Works good if you expect the presentation to distributed/made available to folks who aren't there.

Ira Goldstein, 9/30/2014
Shortage is the result of predicting 3-4 STAR supply with certified supply and level of demand.

Relative Shortage: 3-4 STAR Supply

Absolute Shortage: Total Supply
Absolute Shortage: 3-4 STAR Supply

Childcare Supply Shortages and Poverty
Note: Areas shaded red/pink are high on poverty and manifest substantial deficits (raw count) in 3-4 STAR supply. Areas in purple are lower in poverty but also manifest substantial 3-4 STAR supply deficits.

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Absolute Shortage: 3-4 STAR Supply

Potential Solutions

- **Increase Quality** of existing providers at lower levels – *underway through other City initiatives*
- **Increase Capacity** of existing high quality providers to serve more children – *Fund For Quality*
Quality Early Childhood Partner -
Public Health Management Corporation

- Nonprofit public health institute serving the region since 1972
- Operates the Southeast Regional Key
- Designs innovative business solutions for childcare operators including ChildWare and ECEHire.com
FFQ Goals

- Select 15-20 providers to embark on a Guided Planning Phase, to help develop and support successful expansion projects.

- Capital projects will create at least 585 new high-quality seats in centers serving predominately low-income children across Philadelphia.

Planning and capital support to help existing high quality providers expand their operations in one of three ways:

- Expand in current location
- Expand to new location
- Expand with support of a community partner.
Participant Eligibility

- Existing high quality operator (STAR 3 and 4)
- Non-profit or for-profit organization
- Partnership with high quality operator
- Serving low-income populations
- Positive attendance trends
- Organizational capacity for expansion

Project Eligibility

- Increase slot capacity (minimum 10; ideally 40 or more)
- Ownership or long-term lease on property
- Located in area of low availability
- Located in area of eligible low-income clients
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Program Awards – Guided Planning

- All awardees enter through Guided Planning Phase:
  - Receive program and project support
  - Clear deliverables for successful completion of planning
  - Address organizational capacity and project needs

Program Awards – Project Implementation

- Pending successful completion of Planning Phase, awardees will move on to Project Implementation

- Capital Investments/Project Implementation:
  - Awards will be dependent on project size
  - Grants up to $300,000
  - Low-interest loans for $300,000 and above
**Application Process & Review**

**31 project applications received**

Application Scoring:
- Organizational Narrative
- Project Narrative
- Financial
- Location
- Vulnerable Populations

**Awards Snapshot**

**14 projects selected for Guided Planning**
- 7 on site expansion projects
- 7 expand-to-new projects

**861 new child care slots projected**

Preliminary project costs total about **$4.5 million**
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Broadening Access to Data:
www.childcaremap.org