

LEARN
JOIN
LEAD



2014 OFN CONFERENCE

OCTOBER 14–17, 2014 • THE SHERATON DOWNTOWN DENVER, COLORADO

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

The Reinvestment Fund and The William Penn Foundation



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Profile of TRF

The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

We achieve our mission through:

- Capital
 - Grants, loans and equity investments
- Knowledge
 - Information and policy analysis; PolicyMap & Policy Solutions
- Innovation
 - Products, markets and strategic partnerships





THE REINVESTMENT FUND
Capital at the point of impact.



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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.



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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)**



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Demand

30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

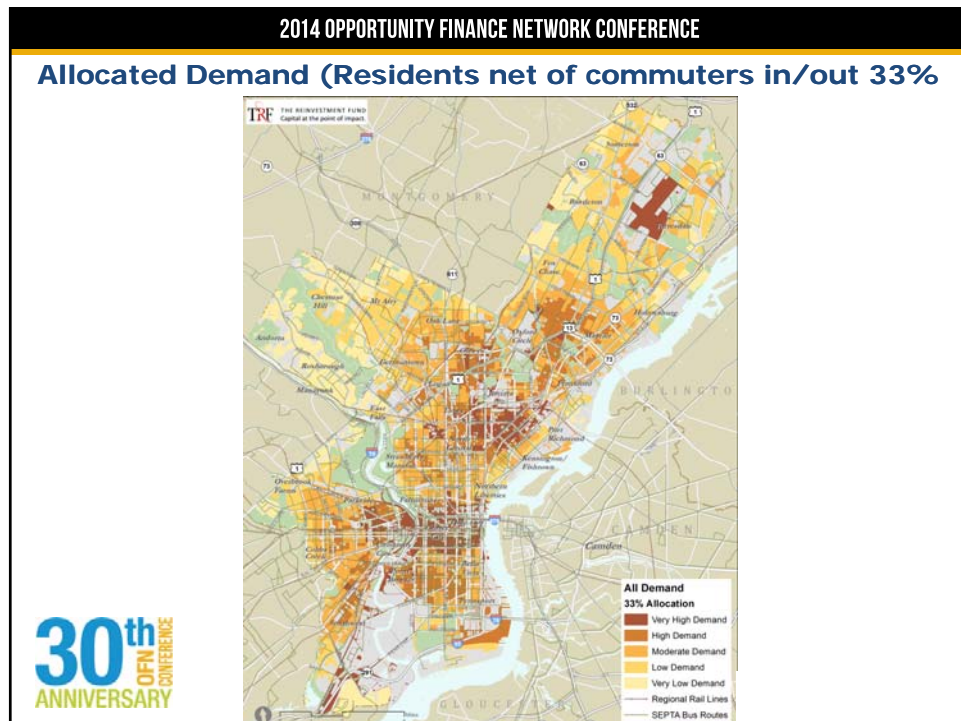
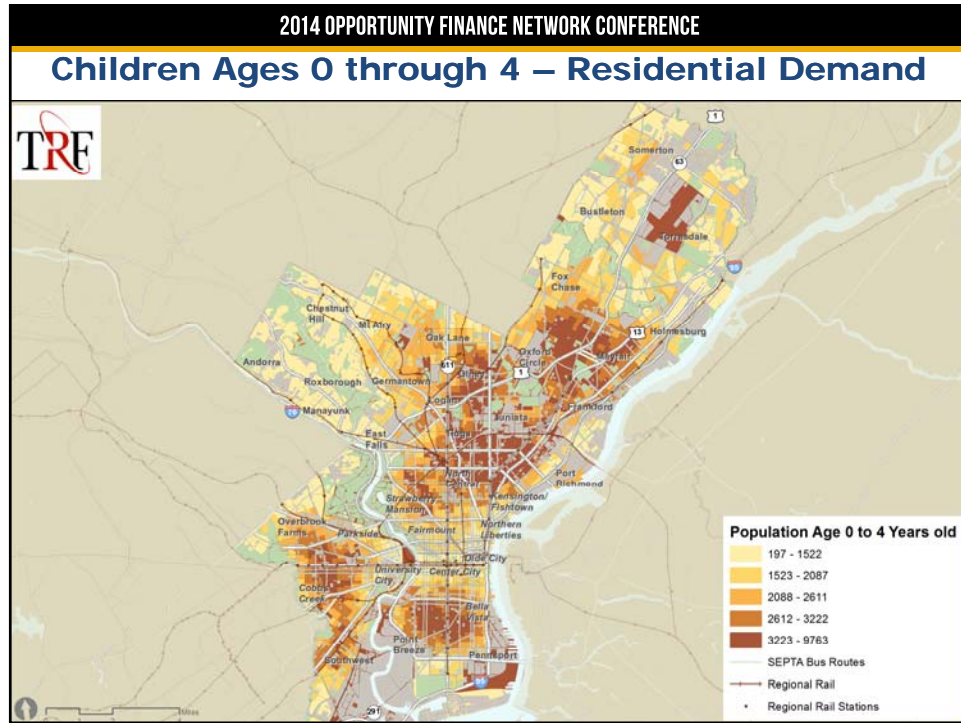
2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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*

30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

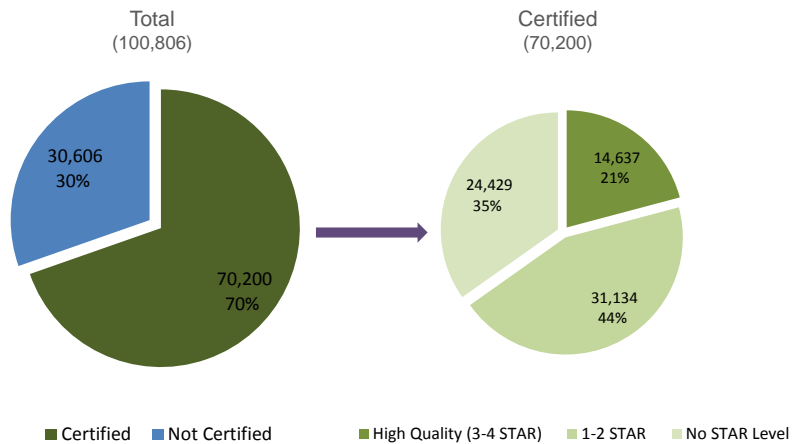
Supply

30th
OFN
ANNIVERSARY
CONFERENCE

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Estimated Supply of Childcare



30th
OFN
ANNIVERSARY
CONFERENCE

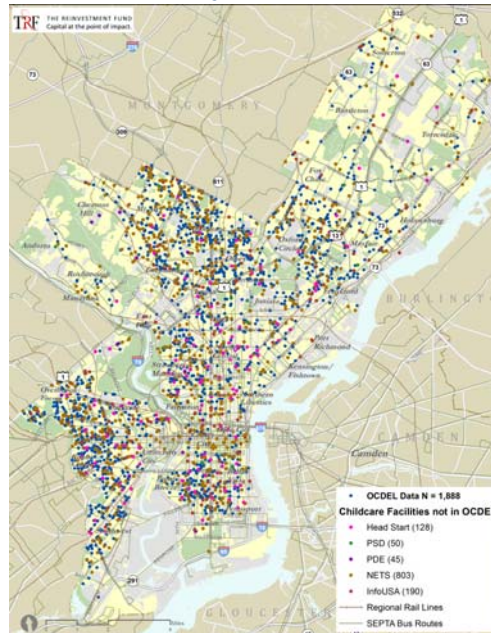
Estimated Supply of Childcare	Total Seats	% of All Seats	% of Certified Seats
Total Seats	100,806		
Certified	70,200	69.6%	
High Quality (3-4 STAR)	14,637	14.5%	20.9%
1-2 STAR	31,134	30.9%	44.4%
No STAR Level	24,429	24.2%	34.8%
Not Certified	30,606	30.4%	

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Supply – All Sites

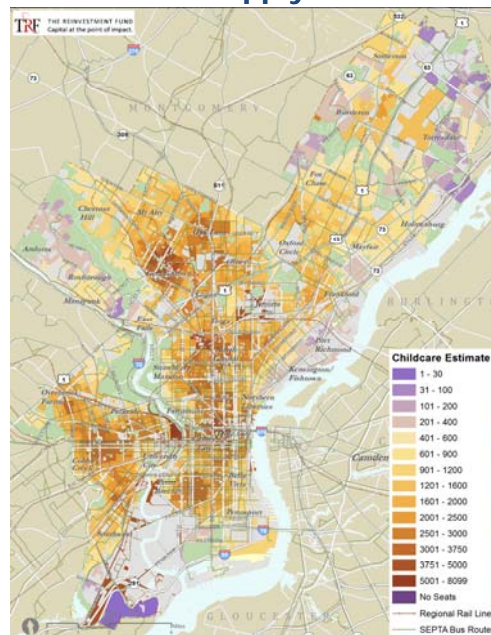
30th
ANNIVERSARY
OFN
CONFERENCE



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

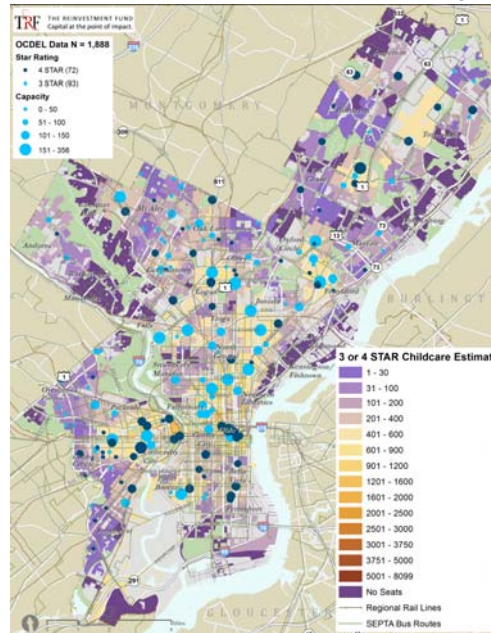
Estimated Supply – All Sites

30th
ANNIVERSARY
OFN
CONFERENCE



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Estimated 3 & 4 STAR Supply



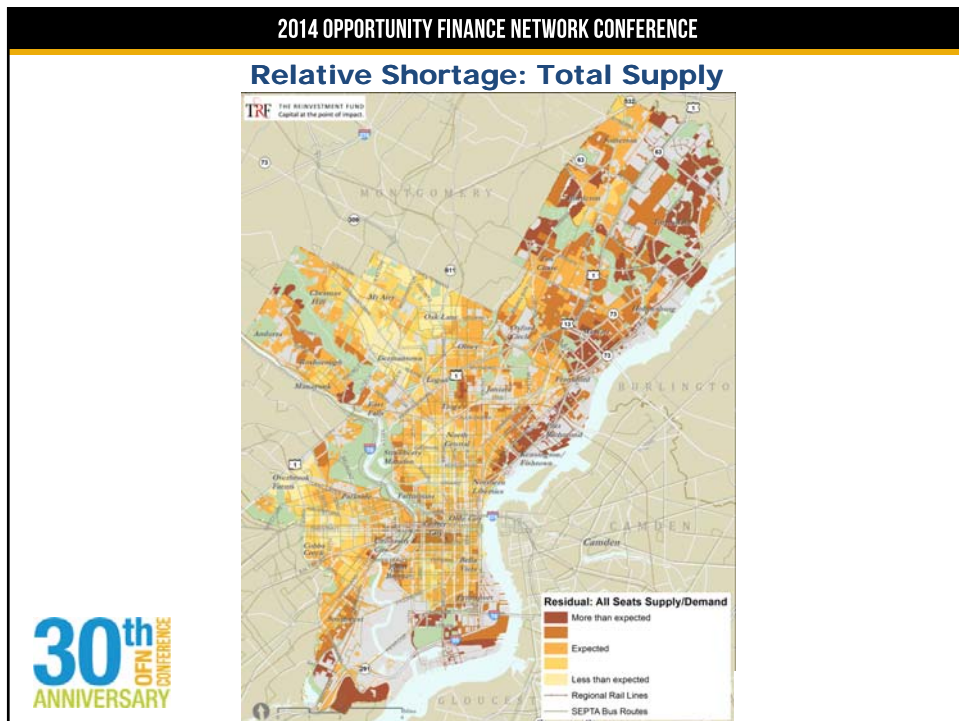
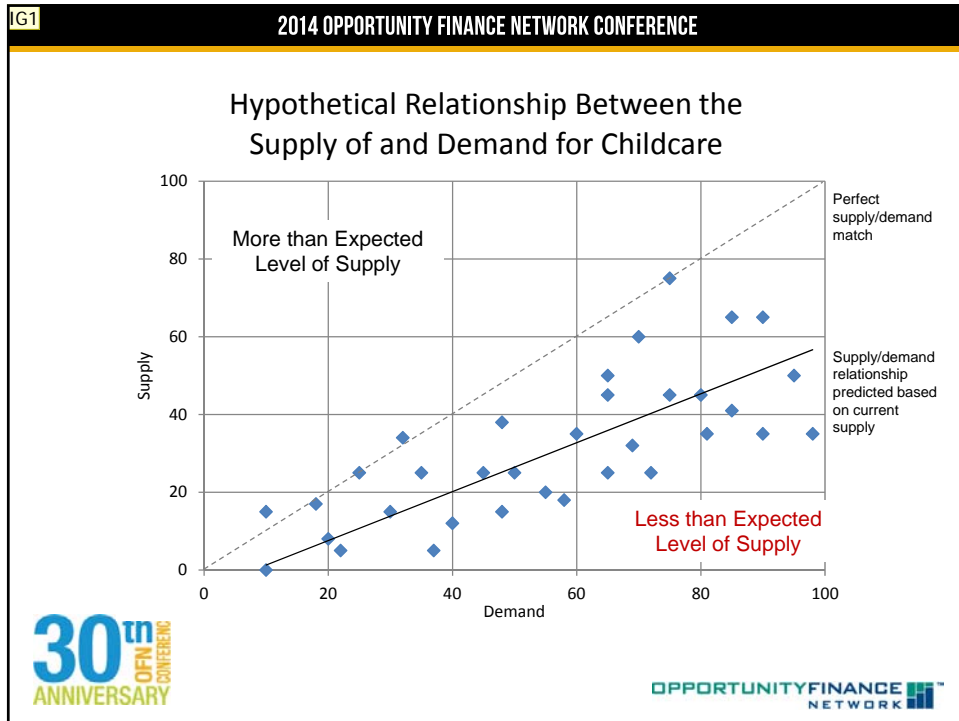
30th
OFN
ANNIVERSARY
CONFERENCE

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Supply Versus Demand; Estimating Shortage

30th
OFN
ANNIVERSARY
CONFERENCE

OPPORTUNITYFINANCE
NETWORK



Slide 15

IG1

Do you want to bring over the text for the slide that explains what things are? Works good if you expect the presentation to be distributed/made available to folks who aren't there.

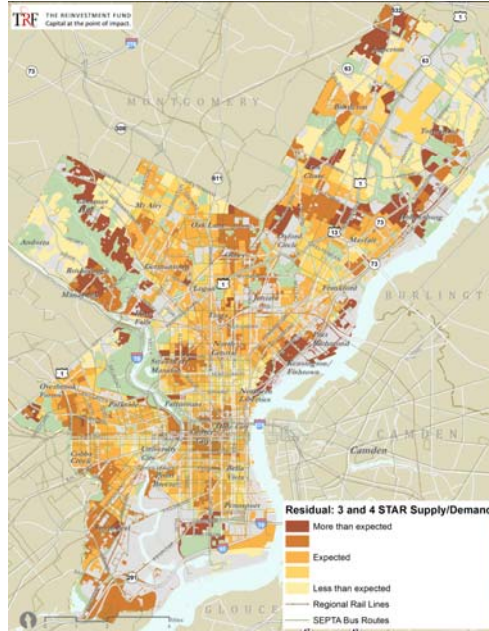
Ira Goldstein, 9/30/2014

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Relative Shortage: 3-4 STAR Supply

Shortage is the result of predicting 3-4 STAR supply with certified supply and level of demand.

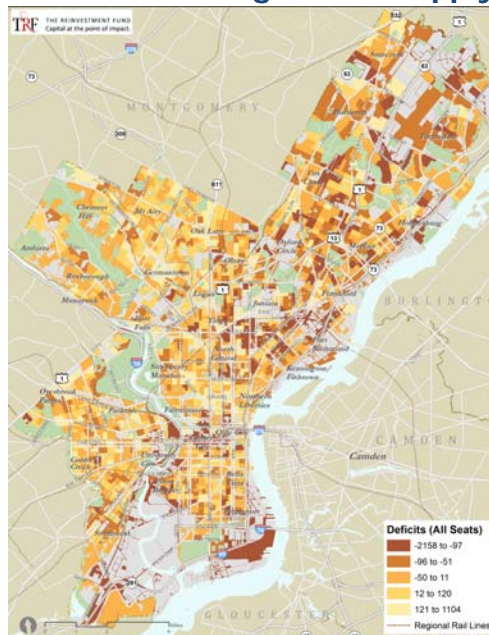
30th
OFN
CONFERENCE
ANNIVERSARY



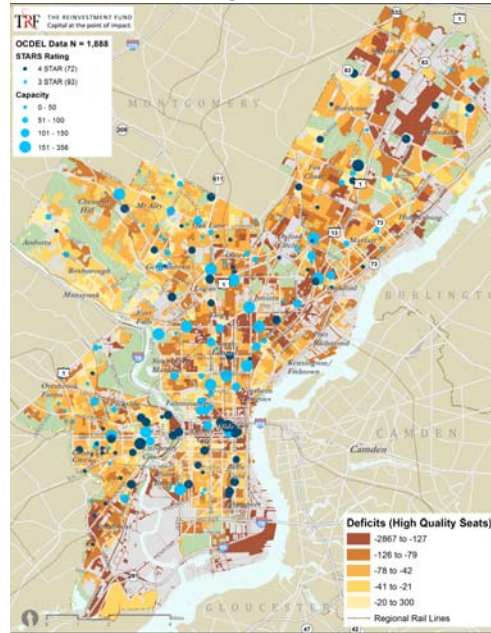
2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Absolute Shortage: Total Supply

30th
OFN
CONFERENCE
ANNIVERSARY



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Absolute Shortage: 3-4 STAR Supply

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Childcare Supply Shortages and Poverty

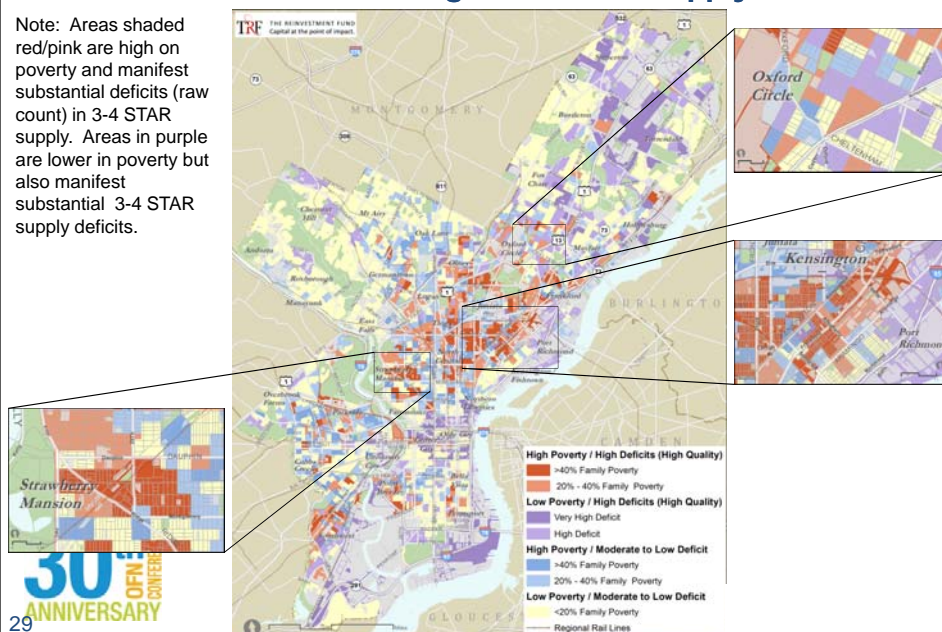
30th OFN CONFERENCE ANNIVERSARY

OPPORTUNITYFINANCE NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Absolute Shortage: 3-4 STAR Supply

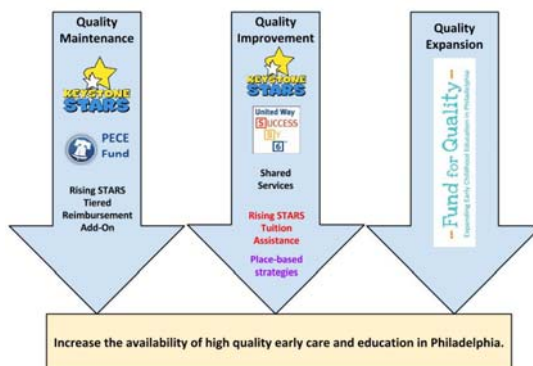
Note: Areas shaded red/pink are high on poverty and manifest substantial deficits (raw count) in 3-4 STAR supply. Areas in purple are lower in poverty but also manifest substantial 3-4 STAR supply deficits.



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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*



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Foundation + TRF + Quality Early Childhood Partner



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

- 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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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



30th
OFN
CONFERENCE
ANNIVERSARY

OPPORTUNITYFINANCE
NETWORK

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Application Process & Review

31 project applications received

Application Scoring:

- Organizational Narrative
- Project Narrative
- Financial
- Location
- Vulnerable Populations



OPPORTUNITYFINANCE
NETWORK

30th
ANNIVERSARY
OFN
CONFERENCE

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

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**



OPPORTUNITYFINANCE
NETWORK

30th
ANNIVERSARY
OFN
CONFERENCE

2014 OPPORTUNITY FINANCE NETWORK CONFERENCE



Joshua Freely
Chief Policy Analyst - TRF
Joshua.freely@trfund.com

Sara Vernon Sterman
Chief Lending Officer - TRF
stermans@trfund.com

Rashanda Perryman
Program Officer – The William Penn Foundation
rperryman@williampennfoundation.org



2014 OPPORTUNITY FINANCE NETWORK CONFERENCE

Broadening Access to Data:
www.childcaremap.org

