Fund for Quality

Expanding Early Childhood Education in Philadelphia

Kick Off Meeting
May 20, 2016
WELCOME
Thanks to the

WILLIAM PENN FOUNDATION

REINVESTMENT FUND

PHMC a nonprofit institute for public health

Fund for Quality Expanding Early Childhood Education in Philadelphia
Introductions - PHMC

- Nonprofit public health institute serving the region since 1972.
- Operates the Southeast Regional Key on behalf of OCDEL in Philadelphia, Delaware and Montgomery Counties.
- Operates the Philadelphia Head Start Partnership on behalf of DHHS ACF
- Designs innovative business solutions for childcare operators including ChildWare and ECEHire.com.
- PHMC has over 250 programs serving Philadelphia and the surrounding counties as well as statewide and national initiatives.
- PHMC serves over 200,000 clients per year; 90% are at-risk.
Introductions - Reinvestment Fund

**REINVESTMENT FUND** is reimagining neighborhood revitalization by combining expertise, analysis and creative approaches to investing with a social purpose.

- 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 **$1.7 billion** in cumulative investments and loans.
- We are supported by over **850 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

**Business Lines**

- Lending and Investing
- PolicyMap
- Real Estate Development
- Policy Solutions

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[Image for PHMC: a nonprofit institute for public health]

[Image for Fund for Quality: Expanding Early Childhood Education in Philadelphia]
We have concrete, measurable results.

Reinvestment Fund’s success stories span different focus areas, from housing and education to research and market analysis.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Rating</td>
<td>AAA+</td>
</tr>
<tr>
<td>AERIS Rating</td>
<td>AAA+</td>
</tr>
<tr>
<td>Investors</td>
<td>850</td>
</tr>
<tr>
<td>People Positively Impacted</td>
<td>2 million</td>
</tr>
<tr>
<td>Loans &amp; Investments</td>
<td>3,080</td>
</tr>
<tr>
<td>Homes</td>
<td>21,210</td>
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<tr>
<td>Jobs</td>
<td>71,460</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Square Feet of Commercial Space</td>
<td>16.5 million</td>
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<tr>
<td>Energy Conserved and Created</td>
<td>6.9 million MWh</td>
</tr>
<tr>
<td>Education Opportunities for Students</td>
<td>62,300</td>
</tr>
<tr>
<td>Supermarkets, Grocery Stores &amp; Fresh Food Retail</td>
<td>161</td>
</tr>
<tr>
<td>Businesses</td>
<td>748</td>
</tr>
<tr>
<td>Annual Patient Visits</td>
<td>621,360</td>
</tr>
</tbody>
</table>
Lack of Supply of High Quality Childcare in Philadelphia
Estimated Supply

<table>
<thead>
<tr>
<th>Estimated Supply of Childcare</th>
<th>Total Seats</th>
<th>% of All Seats</th>
<th>Change from 2014</th>
<th>% of Certified Seats</th>
<th>Change from 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Seats</td>
<td>100,934</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified</td>
<td>73,356</td>
<td>72.7%</td>
<td>128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Quality (3-4 STAR)</td>
<td>17,864</td>
<td>17.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-2 STAR</td>
<td>28,781</td>
<td>28.5%</td>
<td></td>
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</tr>
<tr>
<td>No STAR Level</td>
<td>26,711</td>
<td>26.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Certified</td>
<td>27,578</td>
<td>27.3%</td>
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</tbody>
</table>
Potential Solutions

• **Increase Quality** of existing providers at lower levels – *underway, Success by Six and other measures*

• **Quality Maintenance** of existing providers – *Running Start Facility Fund*

• **Increase Capacity** of existing high quality providers to serve more children – *Fund For Quality*

• *Pilot round of FFQ added 630 new high quality seats in Philadelphia between 2014-2016*
Fund for Quality
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
Goals

Capital projects will create at least **1,500 new** high-quality seats (*STAR 3 or 4*) in centers serving predominately low-income children across Philadelphia over the next 5 years.
Participant Eligibility

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

Additional consideration: multi-site entities, serving vulnerable populations, locations in Childcare Map priority areas
Project Eligibility

- Increase slot capacity (minimum 20; ideally 40 or more)
- Ownership or long-term lease on property
- Located in area of demonstrated high quality shortage
- Located in area of eligible low-income clients
Reinvestment Fund Policy Solutions and PolicyMap created an interactive tool in 2014: [www.childcaremap.org](http://www.childcaremap.org)

- Data updated over time
- Use for demand analysis and application submission

Difficulty in identifying appropriate facilities?
- New Point level data of “Potential Childcare Facilities”
- Interested in City-owned assets? Connect with us to start the conversation
- Continued resources to help with expansion
Program Awards – Guided Planning

• Providers will initially apply for project planning awards:
  • Receive program and project support
  • Award amounts dictated by project scope

• All awardees enter through “Guided Planning Phase”:
  • Project feasibility assessed
  • Consultant matching
  • Organizational and pre-development goals met
Program Awards – Project Implementation

• To become eligible for capital grants:
  • Successfully complete all project and organizational goals identified during the Planning Phase
  • Providers will apply for capital funds through submission of project documents

• Capital investments/project implementation:
  • Awards will be made dependent on project size and net slot creation
  • Grants up to $300,000
  • Loan funds available for projects over $300,000 for interested and qualifying providers
Key Dates

- **NOW** - Application preparation
  - One-on-one meetings – email fundforquality@phmc.org
  - Document preparation and project planning

- **June 1, 2016** – Application released on FFQ website

- **July 15, 2016** – Application due by 5pm

- **September 15, 2016** – Award announcements
3 Major Steps:

- Application
- Planning
- Implementation
• Assessing – quality operations, commitment to serving low-income families, operational and financial capacity for expansion
• Demonstrate project alignment with agency strategic vision/direction
• Demonstrate support from key decision makers in the agency
Application

• Sample Documents Required for Application:
  • Financial Statements (Profit & Loss, Tax Returns)
  • Most recent Financial Audits (2-3 years)
  • Enrollment and Attendance Reports for past two years of operation at comparable facility
  • Budget and Projections
  • Organizational Chart and Governance Structure
Sample application narrative questions

• What is your staffing plan for this expansion project? What staff resources will be assigned to ensure the success of this project?

• How does this expansion project support your organization’s mission, needs, goals, and overall strategic plan? How are you committed to the project?

• Describe your data management approach and what tools will be used to ensure accurate tracking and efficient operations (including billing, child & staff compliance, reporting).
Application

• Application resources at www.fundforquality.org:
  • Reinvestment Fund Childcare Map
  • Templates
  • Dropbox submission instructions

• Application Supports:
  • FFQ Project Manager – fundforquality@phmc.org

• Award decisions announced September 15, 2016
Planning

Level and intensity of planning determined by awardee needs:

• Organizational assessment → strategic planning
• Financial assessment → business planning
• Project assessment → pre-development planning
Planning

• Awardees must identify dedicated staff to participate in planning activities

• Expansion site should already be identified

• Agency decision-makers must be available during planning phase

• Planning phase will result in complete expansion plan

• Capital funding will be contingent on strength and feasibility of expansion plans
Implementation

- Execution of strategic plan
- Construction/renovation projects commence
- Frequent check-ins to ensure plans are on track
- Scheduled site visits by the FFQ construction inspector
- Capital advances administered by the Fund based on work completion
The Next Five Years

• **Goal:** Help develop high-capacity, high-quality operators
• Project planning and facility expansion takes time
• Create 1,500 new seats over five year period
• Award decisions will continue to be based on strength of application, priority considerations and provider readiness
• Stay in contact with FFQ staff to determine appropriate time to apply.
Wrap-Up

• Check the website frequently: www.fundforquality.org

• Email questions to: fundforquality@phmc.org

• Interested applicants should contact the Fund immediately to begin pre-application process

• Application release on June 1, 2016