



TRANSFORM
— CONSULTING GROUP —

State and Federal Child Care Funding Opportunity

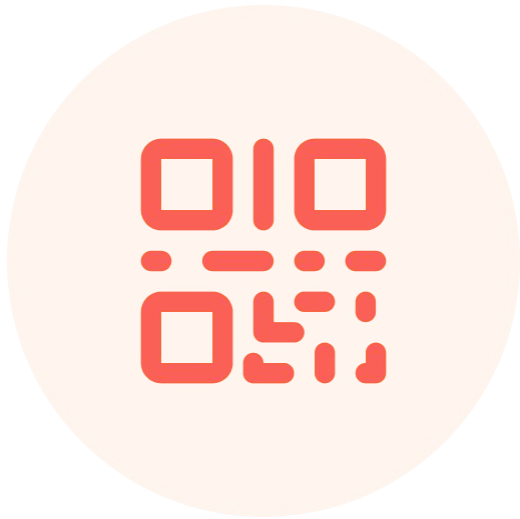
September 9, 2021

Overview



1. Introduction
2. Significance and Implications of Child Care
3. New Child Care Stabilization Funds
4. Opportunities for Your Communities

slido



**Join at slido.com
#442136**

① Start presenting to display the joining instructions on this slide.



Who We Are

Transform Consulting Group (TCG) is a woman-owned, strategic, and data-driven consulting firm. We provide solutions that help our clients to build capacity, utilize data, and mobilize partnerships.

Who We Help



Government



Nonprofits



Education



Communities

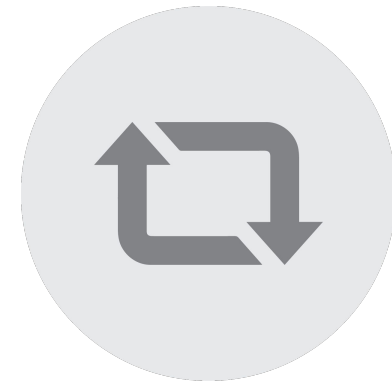
Our Solutions



Facilitate Evaluation,
Research, & Analysis



Build Capacity



Mobilize Communities,
Partners, & Systems

Our Approach



Collaborate



Assess



Facilitate



Create

Early Learning Experience



- State data profiles, dashboards and research studies
- Early learning coalitions
- Feasibility studies and program design
- Training and technical assistance
- State pre-K programs
- Grant design and management

My “Why”



TRANSFORM
— CONSULTING GROUP —



slido



Tell me about you. What state do you represent?

ⓘ Start presenting to display the poll results on this slide.



Significance and Implications of Child Care

Significance and Implications

Current Workforce

Future Workforce



Current Workforce

- Majority of workforce have children AND need care
- All parents are working
- Over ¼ of women have left the workforce due to COVID
- Child care is expensive



Current Workforce

Implications of child care on:

Recruitment

Potential employees stay out of workforce due to:

Lack of **availability** of child care (location, hours, spots)

Unaffordable (cost of care is greater than wages)

Retention

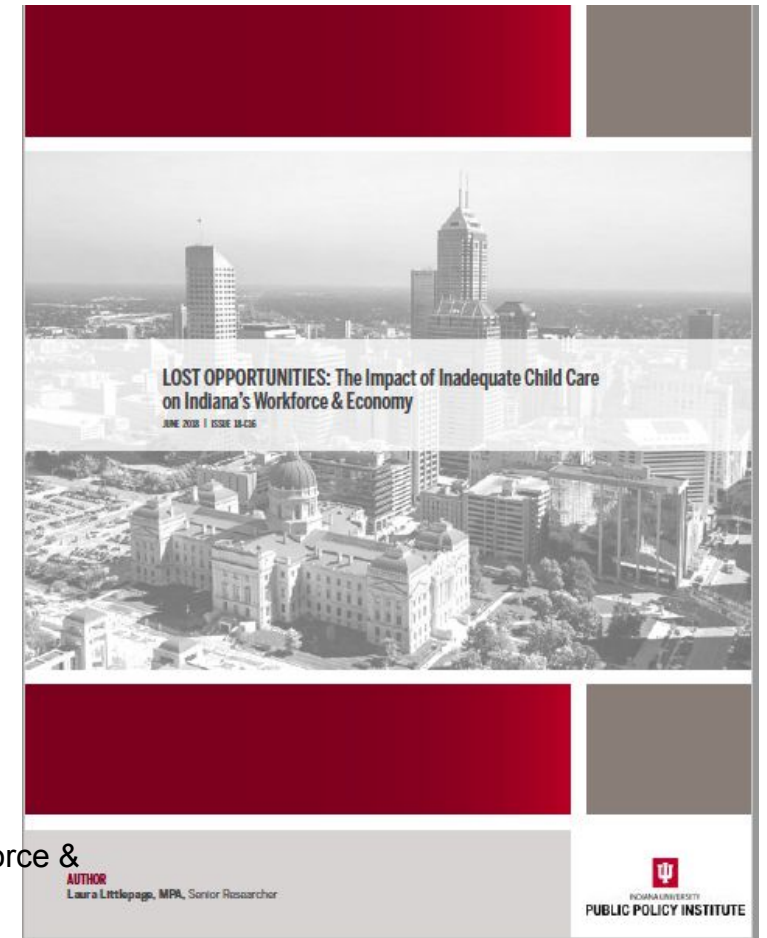
Potential employees don't stay in workforce due to:

Attendance can be difficult at work if unreliable child care

Productivity can be low if concerned about child care provider

Economic Impact

- ✓ Indiana employers lose \$1.8B annually
- ✓ Indiana economy loses \$1.1B annually
- ✓ Indiana loses \$118.8M in tax revenue annually

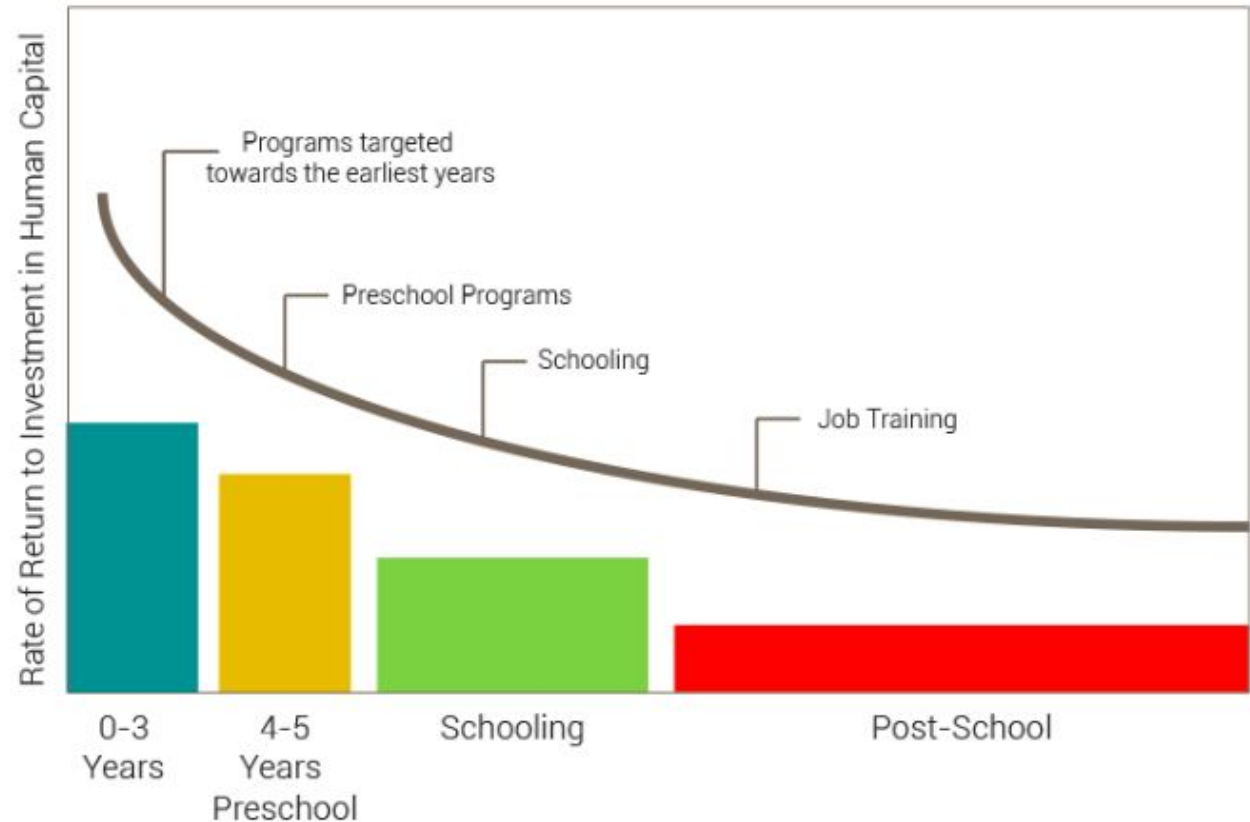


Source: Littlepage, Laura (2018). LOST OPPORTUNITIES: The Impact of Inadequate Child Care on Indiana's Workforce & Economy. Indiana University Public Policy Institute. Retrieved at: <https://earlylearningin.org/economic-impact-of-lack-of-child-care-in-indiana/>

Future Workforce

What is the return on investment (ROI) in human capital?

- ✓ Highest ROI of \$13:\$1 is in first five years.





Future Workforce

What is one of the top skills employers are seeking in the current workforce and say is a deficit?

- ✓ Executive function or “soft skills”
- ✓ These skills are developed (or not) in the first five years
- ✓ Developed in **quality learning environments**: conflict resolution, negotiation with peers, interpersonal communication, self-regulation, etc.

Child care system was
broken before COVID-19

slido



What have been the significance or implications of child care in your community?

① Start presenting to display the poll results on this slide.



Child Care Stabilization Funds



American Rescue Plan Act (ARP)

- \$39B total to support child care system
- \$15B to provide expanded child care assistance through Child Care and Development Block Grant (CCDBG)
- **\$24B created a stabilization fund for programs**

Purpose and Use of the Funds



- Stabilize child care providers - no more closures and lost seats
- Personnel
- Rent and mortgage
- Equipment and supplies
- PPE
- Material goods or services
- Mental health services for children and employees



Who is eligible?

- Existing programs as of March 11, 2021 that are licensed, regulated or registered in a state
- Homes, centers, schools, and other designations by your state



How much for my State?

- Ranges from \$40M to \$2B based on population
- State by state analysis available here:
https://www.clasp.org/sites/default/files/publications/2021/03/2021_American%20Rescue%20Plan%20CC%20Relief%20Funding%20State-by-State%20Estimates_updated%20March%202021.pdf

Timeline for Using Funds

- **December 11, 2021:** States must notify Feds if unable to obligate 50% of its stabilization funds.
- **April 1, 2022:** States must notify Feds if there are any remaining funds that will not be obligated. These identified unobligated funds will be recaptured by Feds and reallocated to other lead agencies.
- **September 30, 2022:** All stabilization funds must be obligated.
- **September 30, 2023:** All stabilization funds must be liquidated.

Questions?

What questions do you have about the funds?



Opportunities for Your Communities



Create a new business
model for child care and
build child care
sustainability.



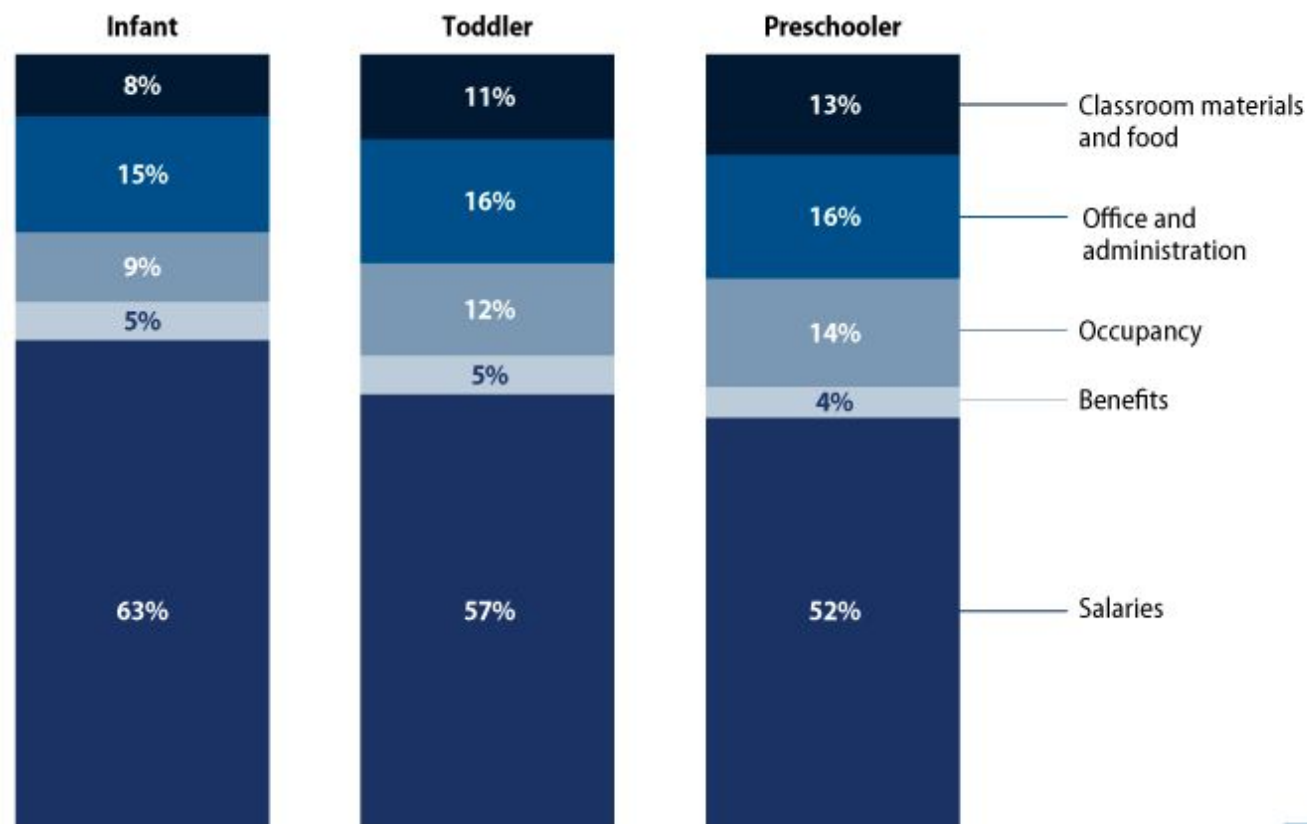
Child Care Business

Why is child care so expensive?

- ✓ Staff intensive
- ✓ High regulations
- ✓ Avg. 30% attrition rate

Personnel costs are the largest expense for child care programs

Distribution of child care program expenses for an infant, toddler, and preschooler in a child care center meeting basic state licensing standards and paying current average wages, based on United States averages





Current Workforce

How well is the early childhood education workforce compensated?

- ✓ The average hourly wage for child care workers is \$8.62 and \$12.53 for preschool teachers.
- ✓ The average wage falls below the average wage for all occupations

Source: Whitebook, McLean, Austin, & Edwards, 2018. Early childhood workforce index 2018. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <http://cscce.berkeley.edu/topic/early-childhood-workforce-index/2018/>

Current Workforce

A tale of two child care programs

Expense	123 Child Care Center	XYZ Child Care Center
Lead teacher salary	\$33,300 annually	\$55,460 annually
Health benefits	\$500 annually	\$5,300 annually
Retirement benefits	None	17% of annual salary
Paid planning time	8 hours per week	12 hours per week
Number of children in infant class	8 (4 per teacher)	6 (3 per teacher)
Classroom and shared space	65 square feet per child	78 square feet per child
Classroom materials	\$150 per child, annually	\$195 per child, annually
Monthly tuition	\$1,220	\$2,260

Source: Author developed scenarios based on data in the *Where Does Your Child Care Dollar Go?* interactive.



Support for Providers

- Legal guidance
- Tax support
- Financial partners and institutions
- Business management support
- Partnerships and collaborations

Support for Providers

- Host local meetings or webinars to discuss need and opportunity
- Convene local financial and other business partners to provide individual coaching and support to child care businesses
- Develop cooperative relationships with child care programs to put funding together and share costs
- Advise providers to wait to spend the money
- Establish endowments or funds

Key Partners to Collaborate

- State administrator for child care (CCDBG Funds)
- Child Care Resource and Referral (CCR&R) Agencies - regional contractors
- State and Local Association for the Education of Young Children (AEYC) Chapters - providers
- Philanthropic Partners - foundations and United Way agencies
- Early learning coalitions

slido



What opportunities do you see possible to leverage with this new funding for your community?

① Start presenting to display the poll results on this slide.

Questions?



1. **Sign up** for our newsletter here:
<https://transformconsultinggroup.com/contact/>
2. **Contact me** with any questions or to talk further about how we can help you!
Amanda Lopez, President
317-324-4070 x 800
A.lopez@transformconsultinggroup.com



www.transformconsultinggroup.com



317-324-4070



Transform Consulting Group



@About Transform



Transform Consulting Group