



# Council Business Meeting

August 1, 2023

<b>Agenda Item</b>	Early Childhood Affordability Grant Program	
<b>From</b>	Joseph Lessard	City Manager
<b>Contact</b>	<a href="mailto:joe.lessard@ashland.or.us">joe.lessard@ashland.or.us</a> ; 541-552-2103	
<b>Item Type</b>	Requested by Council <input type="checkbox"/> Update <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Presentation <input type="checkbox"/>	

## **SUMMARY**

This agenda item is for Council consideration of the Early Learning Grant Program to Ashland licensed, non-profit preschool or childcare providers. Providers will in turn offer affordability scholarships to families that qualify as low-moderate income households in need of childcare financial assistance.

## **POLICIES, PLANS & GOALS SUPPORTED**

The Economic Roundtable conducted by the City Council on March 6, 2023, identified the need for a partnership to develop early childhood development or care options for the Ashland community (see attached Economic Roundtable – “Better Together” Next Steps).

On March 21, 2023, Council adopted a motion adopting its 2023-2025 BN Budget priorities that included the following:

- Wildfire Risk Reduction & CEAP Execution
- Economic Development
- Affordability

On May 16, 2023, the Council voted to establish an Early Learning Ad Hoc Committee at the request of Councilor Hyatt to create a tangible network of early learning care options within the Ashland community (see attached Request for Early Learning Ad Hoc Committee). At the Regular Meeting of June 20, 2023, Council confirmed the Mayor’s appointment of six members to the Ad Hoc Committee which also includes Councilors Hyatt and Bloom, an Ashland School District member and a potential City Manager’s Office assigned participant.

The 2023-2025 BN Budget includes funding appropriations of \$120,000 each fiscal year for an affordable childcare initiative (BN Budget total of \$240,000).

On June 6, 2023, Council authorized an Early Learning Small Grant to ScienceWorks Museum in the amount of \$5,000 to serve as matching funds to the purchase of two temporary classrooms and a bathroom modular building for use in developing an early childhood learning program (see attached Council Communication for the Early Learning Small Grant Opportunity – ScienceWorks Museum).

## **BACKGROUND AND ADDITIONAL INFORMATION**

For affordability scholarships to be available to qualified low and moderate Ashland households seeking early childcare options at/near the start of the next Ashland School District scholastic year, it is timely for Council to authorize the corresponding grant issuance plan for implementation. The plan is as follows:





# Council Business Meeting

- The goal of the Early Childhood Affordability Grant Program is to:
  - Address Ashland’s need for expanded early childhood care services that support families, a need evidenced by childcare or preschool waitlists in excess of six to twelve months due to program closures, reduced seats from program relocations and increased staffing challenges.
  - Respond to households seeking affordability and financial stability. Such a response enables both partners in the household to work if they choose and most important, studies demonstrate the children in working family households thrive with access to early learning opportunities.
  - Support the Ashland School District and other local economic institutions, as well as local businesses, in their efforts to attract and retain employees with attractive early childcare or learning options.
  - Support kindergarten readiness for enrollment in the Ashland School District with early learning and socialization opportunities for children.
  - Support post COVID economic development in Ashland.
  
- Establish a pilot program that issues one-year grants to licensed preschool or daycare providers in Ashland who will in turn provide affordability scholarships to individuals or families eligible for assistance. The pilot program will only award grants for the FY 2023-2024 budget year.
  - Subsequent funding will be based on learnings from the pilot program AND at the discretion of the City Council.
  
- Grant awards will be made on a competitive basis from applications submitted by early childhood service providers. In addition to the requested application information, provider applicants will likely be interviewed and receive site visits as part of the award process. The draft applications process is as follows upon City Council grant program consideration and approval:
  1. Public announcement/notification of upcoming Grant Program;
  2. Issue formal grant solicitation announcement;
  3. Program orientation/input meeting for prospective grant;
  4. Grant application deadline
    - i. City staff review for completeness and preliminary evaluation
  5. Grant application recommendation process
    - i. Leverage Early Learning Ad Hoc Committee
    - ii. Applicant interviews and site visits
  6. City Council award of grants; and
  7. First grant allocation payouts to grant recipients
  8. Monitor for success
  
- Pilot program grant applications will only be accepted from non-profit, certified/licensed childcare providers offering service within the City of Ashland. A grant application is being developed by City staff similar to those used by City for social services grants. The Grant application is anticipated to request the following types of information:



# Council Business Meeting

## Applicant Entity Information

- Applicant narrative on organization priorities/mission and values, equity commitment, childcare philosophy, history, board membership, etc.
- Staff profiles including formal and continuing education accomplishments/requirements
- Documentation of non-profit status
- Documentation of state certification/licensure of applicant/childcare facilities
- Description of type of childcare services offered (preschool/childcare, special needs services, ages served, days/time of service, family-child needs screening/planning, and auxiliary services offered such as meals, health screening, transportation, etc.)
- Documentation of organization financial viability (990 tax form, recent income tax filings, liability insurance coverage, etc.)

## Grant Funding Request

- FY 2023-2024 (Sept./Oct. 2023 through June 2024) total grant funding request amount with a proposed affordability scholarship program budget
- Anticipated number of affordability scholarship awards with estimated average scholarship awarded under the requested total grant amount.
- Description of applicant's proposed marketing/public information efforts announcing the availability of the City's grant funding and soliciting affordability scholarship participants

## Scholarships Award Information

- Description of applicant's proposed scholarship program including:
  - Household income affordability thresholds (minimum and maximum percentage of Oregon/regional median family income level eligible for affordability scholarships);
  - Draft sliding scale the grant applicant proposes to use to identify/verify level of need and priority in awarding affordability scholarships (City grant funding is intended to only fill a household's ability to pay for childcare gap with an affordability scholarship and thereby attempt to maximize the number of households supported by affordability scholarships);
  - Outline of information the grant applicant intends to require from households to evaluate their potential scholarship eligibility (household Affordability Scholarship application process).
  - Note: Grant recipients may be requested to adjust their proposed scholarship award plans/programs to establish affordability scholarship award consistency between multiple grant recipients.

## Program Monitoring & Reporting

- Anticipated/recommended outcome measures to be reported, including number, and dollar value, of affordable scholarships awarded.
  - Corresponding demographic information, as appropriate.
- Quarterly reporting will enable evaluation of the pilot program's status, including identification of underutilized grant funding.
  - Underutilized funding shall be subject to recapture by the City and re-award.



# Council Business Meeting

- Affordability scholarships awarded by a grant recipient will be on the following household's basis:
  - Ashland residents
  - Ashland business or local government employees
- FY 2023-2024 provider applications will be solicited for up to a total \$100,000 of available City grant funding. The City's goal is for the available City grant funding to be used for affordability scholarships and increasing access to programming. Initial grant awards are anticipated to be paid on a quarterly basis with the first installment available upon grant award. End of quarter reporting will be required from each grant recipient provider in advance of subsequent grant allocations/payouts.

All subsequent grant awards, including for FY 2024-2025, be made under a new competitive process and at the discretion of the City Council. A prior year grant award, including under the current pilot program proposal, does not guarantee an award in any subsequent program year.

Subsequent biennial budgets continuation of grant program funding is solely at the discretion of the City Council and may not be continued in future biennium budgets.

- City grant funding should be considered by provider applicants as last-in funding. That is, available affordability funding from other sources (such as Preschool Promise, Head Start, SNAP, foundations/donors, local employers, etc.) should be considered the first applied affordability support for each potential low or moderate household seeking early childcare support. Applicants will be requested to indicate their potential other funding source or solicitation efforts as part of their City grant application.
- The \$15,000 balance of FY 2023-2024 available funding for early childhood programming will be held by the City as a pilot program contingency for unanticipated needs or opportunities, or for grant award later in the fiscal year.

## **DISCUSSION QUESTIONS**

The Early Childhood Affordability Grant Program is a new and unprecedented initiative by the City. As such, its application process and implementation are proposed as a pilot program to allow continual evaluation and updating throughout the FY 2023-2024 year. Ongoing and constructive feedback from its participants and other stakeholders will be necessary as the program proceeds to assure it meets its performance goals and community expectations. The above outlined proposed plan should be considered a starting point for its implementation and feedback.

## **FISCAL IMPACTS**

Funding is available within the FY 2023-2024 budget for the Early Childhood Affordability Grant Program. City FY 2023-2024 balance of available funding is \$115,000. Funding UP TO \$100,000 is proposed for this program in FY 2023-2024.

## **SUGGESTED NEXT STEPS**

City staff recommends adoption of the Early Childhood Affordability Grant Program conceptual plan:

I move to adopt the Early Childhood Affordability Grant Program plan and authorize City staff to begin its implementation.



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## **REFERENCES & ATTACHMENTS**

Attached documents:

1. Economic Roundtable – “Better Together” Next Steps
2. Request for Early Learning Ad Hoc Committee
3. Council Communication for Ad Hoc Committee for Affordable Childcare and Early Learning Appointments
4. Council Communication for the Early Learning Small Grant Opportunity – ScienceWorks Museum



# City Grants Plan: Early Childhood Affordability Grant Program

August 1, 2023

# Childcare & Early Childhood Development

## Early Childhood Affordability Grant: Pilot Program Overview

- **Goal:** Affordability and Access
- **Stakeholders:** Families, Ashland School District, local businesses & institutional partners
- **Partners:** Ashland, licensed, non-profit entities offering early learning
- **Process:** Employ a formal, competitive grant process
- **Funding:** Up to \$100K (not all funding must be awarded)
- **Reporting:** Quarterly review with grantees
  - Ensure appropriate use of funds
  - Recapture funds if appropriate
  - Evaluate effectiveness and assess for future



# Childcare & Early Childhood Development

## Program Goals: Affordability and Access

- **Address Ashland's need for expanded early childhood care services**
  - Lack of slots evidenced by excessive waitlists
  - Lack of affordability – Gap between entry wage and living wage cost of care
- **Respond to households seeking affordability & financial stability**
  - Enable those who want to work to do so
  - Children thrive with access to quality early learning
- **Attract and retain local workforce: quality of life and affordability**
  - Collaborate with Ashland School District & local economic institutions
  - Promote supportive environment for local businesses
- **Reinforce & propel kindergarten readiness in collaboration with partners**
- **Support post COVID economic development in Ashland**
  - Be a community of choice for business, retention, development & relocation



# Childcare & Early Childhood Development

## Early Learning As A Community Benefit: Stakeholders

- **Families and Ashland's Youngest Citizens**
  - Employ short term strategies to impact Ashland affordability
  - Data shows: Approx. 442 children, age 0-5 at or below 200% FPL
  - Ashland only has 77 subsidized early learning seats (17% access rate)
  - Families who can afford the tuition also cannot access a program
- **Local Business & Institutional Partners: Enhanced Workforce**
  - Help position Ashland to retain & attract business
  - 53% of families cannot afford both partners to work:
    - Prohibitive to cost of care / lack of access
    - Affordability gap: entry level wages vs. market price of care
  - Businesses continue to struggle for workers post COVID
    - Exacerbated by lack of affordable & accessible early learning options
- **Ashland School District: Enrolment and Kindergarten readiness**



# Childcare & Early Childhood Development

## Early Childhood Affordability Grant Process/Steps

1. Public announcement/notification of upcoming Grant Program;
2. Issue formal grant solicitation announcement;
3. Program orientation/input meeting for prospective grant;
4. Grant application deadline
  - a. City staff review for completeness and preliminary evaluation
5. Grant application recommendation process
  - a. Leverage Early Learning Ad Hoc Committee
  - b. Applicant interviews and site visits
6. City Council award of grants; and
7. First grant allocation payouts to grant recipients
8. Monitor for success



# Childcare & Early Childhood Development

Funding: Up to \$100K (not all funding must be awarded)

## Reporting: Outcome measures to be required

- Quarterly reporting to enable evaluation of the pilot program's status
  - o Funding advanced vs. reimbursed
    - support provider scholarship allocations
    - support staffing cashflow considerations
  - o Quarterly advance replenishment, upon review completion
- Review for underutilized scholarship funding for recapture & re-award
- Year-end program summary narrative and scholarships data required



# Childcare & Early Childhood Development

## Responsive:

- Economic round table feedback, community and business feedback
- Partner on Emergency Preparedness, Senior Services & many others
  - Pilot program responds to the needs of our youngest citizens

## Values:

- Community affordability, including in available housing and childcare
- Quality of life that underpins the City's economic vibrancy
- Belonging through mutual respect and openness, inclusion and equity
- Sustainability through creativity, affordability and rightsized service delivery
- Respect for the citizens we serve, for each other, and for the work we do



QUESTIONS?



# Childcare & Early Childhood Development

## Grant Funding Pilot Program

- New & unprecedented City role/approach
- Initial pilot targeting FY 2023-2024 only
- Subsequent grants at City Council discretion,
  - including for FY 2024-2025
  - Continued programing based on pilot program experience & Early Learning Ad Hoc Committee study/ recommendations
  - pilot program/prior year grant does not guarantee subsequent award
- City grant funding: Affordability focused
  - Scholarships intended to help address the financial gap between market price of care and ability to afford care
  - Maximize households able to benefit from finite funds
  - Position us to better retain and attract workers



# Childcare & Early Childhood Development

## Grant Application

- **Grant Funding**
  - Ashland Residents & local business/government employees
  - Anticipated grant awards
    - FY 2023-2024
 

Affordability Grants	\$100,000 (multiple awards)
Supplemental/contingency	\$ 15,000
    - FY 2024-2025 (if pilot determined successful)
 

Affordability Grants	\$100,000 (renewals/new awards)
Supplemental/contingency	\$ 20,000
- **Grantees must first use other available funding** (City support is last-in/gap funding)
  - Preschool Promise / Head Start / SNAP / etc.
  - Foundations
  - Employer or donor contributions
  - Etc.



# Childcare & Early Childhood Development

## Grant Application

- Applicant Information
  - Applicant Narrative (mission & values, equity commitment, childcare philosophy, history, etc.)
  - Staff Profiles & continuing education approach
  - Non-Profit status & state certifications/licenses
  - Description of child placements
    - childcare or preschool (including early learning program content/activities)
    - special needs served
    - child ages served
    - days/times of service
    - before/afterschool care
    - other services (snacks/meals, health, transportation, library, etc.)
  - Financial viability information



# Childcare & Early Childhood Development

## Grant Application

- Grant Funding Request
  - FY 2023-2024 total grant funding request
    - including proposed affordability scholarship program budget
  - Anticipated number of affordability scholarship awards
    - with estimated average scholarship awarded
  - Description of proposed marketing/public information efforts
    - announcing City's grant funding
    - soliciting affordability scholarship participants



# Childcare & Early Childhood Development

## Grant Application

- Applicant Grant Funding Request
  - Define/describe scholarship award process
  - verification/screening process
    - min & max eligibility as percent of income & family size
    - scholarship sliding scale by verified affordability need and priority/type
    - information required to verify household affordability
- Program Monitoring & Reporting
  - Recommended outcome measures to be reported
  - Quarterly reporting to enable evaluation of the pilot program's status
    - including potential underutilized scholarship funding for recapture & re-award
    - Year-end program summary narrative and scholarships data



# Childcare & Early Childhood Development Grant Application

- Funding & Reporting
  - Funding advanced vs. reimbursed
    - support provider scholarship allocations
    - support staffing cashflow considerations
  - Initial advance of approx. 25-35% of total fiscal year grant award
  - Quarterly advance replenishment



# Childcare & Early Childhood Development

## So. Oregon Median Income Table

<u>% of Median Income</u>	<u>Household Members</u>							
	<u>1 Pers</u>	<u>2 Pers</u>	<u>3 Pers</u>	<u>4 Pers</u>	<u>5 Pers</u>	<u>6 Pers</u>	<u>7 Pers</u>	<u>8 Pers</u>
30%	\$ 17,000	\$ 19,400	\$ 21,850	\$ 24,250	\$ 26,200	\$ 28,150	\$ 30,100	\$ 32,050
50%	\$ 28,350	\$ 32,400	\$ 36,450	\$ 40,450	\$ 43,700	\$ 46,950	\$ 50,200	\$ 53,400
60%	\$ 34,020	\$ 38,880	\$ 43,740	\$ 48,540	\$ 52,440	\$ 56,340	\$ 60,240	\$ 64,080
80%	\$ 45,300	\$ 51,800	\$ 58,250	\$ 64,700	\$ 69,900	\$ 75,100	\$ 80,250	\$ 85,450
90%	\$ 50,960	\$ 58,280	\$ 65,530	\$ 72,790	\$ 78,640	\$ 84,490	\$ 90,280	\$ 96,130
100%	\$ 56,630	\$ 64,750	\$ 72,810	\$ 80,880	\$ 87,380	\$ 93,880	\$ 100,310	\$ 106,810
120%	\$ 67,950	\$ 77,700	\$ 87,380	\$ 97,050	\$ 104,850	\$ 112,650	\$ 120,380	\$ 128,180
150%	\$ 84,940	\$ 97,130	\$ 109,220	\$ 121,310	\$ 131,060	\$ 140,810	\$ 150,470	\$ 160,220
200%	\$ 113,250	\$ 129,500	\$ 145,630	\$ 161,750	\$ 174,750	\$ 187,750	\$ 200,630	\$ 213,630

