

LINKING ECONOMIC DEVELOPMENT AND CHILD CARE

Linking Economic Development and Child Care Project Awards 2007-2008 Venture Grantees

Nine venture grants for innovative projects that link child care and economic development were recently awarded by the Linking Economic Development and Child Care Technical Assistance Project, a joint venture of Smart Start's National Technical Assistance Center, the Alliance for Early Childhood Finance, Cornell University and the Institute for Women's Policy Research. Five of these were small venture grants to support the cost of research, planning, training or the preparation of a business plan. Four organizations received larger grants to help fund implementation. Funding for these grants was made possible by the W. K. Kellogg Foundation.

Applications for the venture grant program were solicited from all states, and were reviewed by a national panel that included experts in child care, economic development, planning and policy. Over 60 proposals were submitted from 18 states. Priority was given to proposals that were innovative, made a new contribution to the fields of child care and/or economic development, reached communities of color, and were sponsored by organizations or coalitions with the capacity to implement and/or market the plan.

"The venture grant program is designed to encourage organizations to try out new ideas. We really wanted to encourage bold, new thinking," said Louise Stoney of the Alliance for Early Childhood Finance. "In addition to the grants, we are providing technical assistance and bringing grantees and applicants together to share ideas and foster peer-to-peer learning."

Below is a list of grantees and a brief description of their projects. In addition to the grant awards, eleven applicants were invited to participate as Learning Partners. A representative from each of these organizations will be funded to participate in Venture Grant national technical assistance meetings and conference calls.

2007-2008 Venture Grantees

CALIFORNIA

Linking Child Care and Transit Oriented Development

The Local Investment in Child Care (LINCC) Project

Oakland, CA

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LINCC has worked to capitalize on the land use and economic development trend of Transit Oriented Development (ToD) and to amplify efforts to link child care and transportation. This project builds on that work. The goal is to leverage new resources to support child care center development and internal operations as well as increase low-income and transit-dependent parent access to quality child care programs. Specific tasks include conducting an analysis of the barriers and opportunities for financing, siting, and designing child care at ToD; reaching out to key leaders in transportation and planning; and, sharing new finance strategies and lessons learned at national conferences and meetings.

MAINE

Mid Coast Maine Child Care Cooperative

Family Focus

Bath, ME

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Family Focus, a multi-site child care business, will use Venture Grant funding to launch a new business model aimed at reaching the fiscal stability and economies of scale needed to offer high quality services in rural communities. The plan involves several steps, beginning with internal reorganization (that will separate current Family Focus child care programming from administrative and business functions), negotiating Service Level Agreements (SLAs) with each site, and transitioning to a new non-profit corporation, the Mid Coast Maine Child Care Cooperative (MCMC³) that will offer business/administrative services to a broad group of child care providers.

NEW JERSEY

Partnering with Municipalities to Improve Access to Economic Development Funds

John S. Watson Institute for Public Policy of Thomas Edison State College

Trenton, NJ

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The New Jersey Child Care Economic Impact Council, staffed by the John S. Watson Institute, will partner with the New Jersey League of Municipalities to implement strategies that link child care and economic development. Specific activities include: convening mayors and other elected officials to discuss the economic impact of ECE; facilitating interaction between child care providers and the economic development community; and, hosting seminars for child care providers on economic development funding opportunities such as tax credits, grants/loans from the state economic development agency and Community Development Block Grant funding.

NEW YORK

Engaging local economic development, business and government leaders in tangible efforts to stabilize the child care sector

Pro Action, Inc./Steuben Child Care Project

Bath, NY

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The Steuben County Child Care Project will lead several engagement, research and planning efforts aimed at strengthening child care businesses. Proposed activities include, among others: negotiating a group Chamber of Commerce membership for child care providers; seeking funding for a dedicated child care community planner; seeking public and/or private investment source(s) to fund child care fee assistance as a workforce stability / development support for employed parents who are ineligible for low-income child care subsidies; and, exploring the feasibility of establishing a shared services, back-office solution for child care providers.

OREGON

Supporting the Child Care Needs of Migrant Workers: Forging Alliances with Growers and Packers

Oregon Childcare Resource & Referral Network (OCCRRN)

Salem, OR

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Oregon has many companies (such as Harry and David) that rely on migrant workers to stabilize and grow their businesses. This project seeks to involve these companies in addressing the child care needs of migrant workers. A pilot project that makes ECE available to the children of migrant workers will be planned. The plan will include: the rationale for why businesses, government, communities and private donors should support the pilot program; key action steps; and, a sustainability analysis. The goal is to identify ways that growers, packers and other employers can be strategic allies, donors and advocates. The Oregon Child Development Coalition (OCDC) and the Oregon Childcare Resource and Referral Network will serve as key partners.

WISCONSIN

Increasing Family Child Care Provider Access to Health Insurance and Other Benefits

Wisconsin Early Childhood Association

Madison, WI

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This project seeks to improve the job quality of family care providers by creating a practical (and potentially replicable) model for facilitating access to health insurance/health care services and other benefits. Specific tasks include: identifying best practices in other states and employment sectors; analyzing the feasibility of various approaches based on likely positive impact, cost and complexity of implementation and perceived desirability; preparing a business plan; identifying potential funding sources; exploring the potential for collaboration with the unions.

NATIONAL

Planning for Family Friendly Cities: A National Survey of Planners

The American Planning Association

Chicago, IL 60603

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APA will conduct a range of activities aimed at: benchmarking planner's current thinking and practice on family friendly cities; assessing the need for tools and/or support to initiate policy change and move the family friendly agenda forward; strengthening the collaborative partnership between APA, economic developers, child care advocates, and other policy makers by providing a forum for discussion and learning; and, identifying best practices that can be shared with APA members and other community decision-makers. Specific activities include an online national survey of APA members, publishing a white paper, developing web pages, and conducting a session on family-friendly cities at the national APA conference.

Tax Strategies to Support Child Care Businesses

Corporation for Enterprise Development (CFED)

Washington, D.C.

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CFED's Self-Employment Tax Initiative is focused on using the tax code to deliver support (via collaboration with a national network of free tax preparation service providers) to millions of start-up and self-employed micro-businesses. In analyzing the results of the 2006 tax season, SETI learned that home-based child care businesses were the single largest business type served by these free tax preparation services. At some sites, home-based child care services represented well over 50% of the site's self-employed businesses seeking free tax preparation. Many of these home-based child care businesses kept poor business records and were unable to calculate basic business profits needed to compute their businesses' earned income (net profit) and claim the EITC. To strengthen child care business use of tax credits, CFED will use Venture Grant funding to: identify a "portfolio" of 3-5 community-based free tax preparation partners focused on the child care industry; convene two conference calls to assess issues and progress in providing tax preparation and related business training

assistance to self-employed childcare providers; and, prepare an issue brief based on the findings from this project.

Community Developers Consider Alternative Financing for Child Care Businesses: A National Strategy Session

Aspen Institute

Washington, D.C.

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The Aspen Institute will convene a brain storming session on alternative approaches to finance and business development for the early care and education industry. The goal is to garner strategies and lessons learned from the community development field by inviting experienced community developers with a record of out-of-the-box thinking to identify and discuss potential new ideas, explore innovative strategies that link economic development and child care and to focus on products and outcome linkages.