



EARLY CHILDHOOD COUNCIL RECOMMENDATION 20180411-6a

Date: April 11, 2018

Subject: Recommendation regarding Items for Council Consideration in the High Quality Child Care and Pre-K 3 Report in response to Council Resolution 20170928-057

Motioned By: Member Mary Jane Burson-Polston

Seconded By: Member Rebecca Harrison

Recommendation

The Early Childhood Council endorses and recommends Council action on all items for Council Consideration included in the High Quality Child Care and Pre-K 3 Report developed in response to Council Resolution 20170928-057.

Description of Recommendation to Council

Council passed Resolution No. 20170928-057 which requested information on twelve separate deliverables related to community data, equity gaps, and potential policies and resources that could provide opportunities to expand existing affordable high quality child care services and access to Pre-K.

As part of the response process to this resolution, Austin Public Health convened a Quality Child Care and Pre-K 3 Resolution Work Group which was comprised of local community experts on high quality child care who worked together with City staff to gather and compile community wide data and provide input on policy, best practices, and funding priorities. Additionally, the Work Group developed four categories of items for Council Consideration.

The Early Childhood Council endorses and recommends Council action on all items for Council Consideration developed by the Work Group that are included in the High Quality Child Care and Pre-K 3 Report developed in response to Council Resolution 20170928-057. The section of the report that includes the items developed for Council consideration with related background information are included as an attachment to this recommendation to Council.

Rationale:

The Work Group that developed these items for Council consideration included representation from the Early Childhood Council, and the Early Childhood Council received updates throughout the process regarding development of the items. These items have the potential to improve school readiness and greatly expand access to affordable and high quality early care and education, which is aligned with the goals of the Early Childhood Council and would benefit the community as a whole.

Vote

For: Members Alvarez, Burson-Polston, Conlin, Harrison, Hill, Huston, and Wren

Against: None

Abstain: None

Recuse: Chair Elsner

Absent: Vice Chair Sanchez and Members Garcia, Paver, and Semple

Attest: *[Staff or board member can sign]*

Lawrence B. Elsner, Chair, Early Childhood Council

Items for City Council Consideration from the Quality Child Care & Pre-K 3 Resolution Work Group

The Quality Child Care and Pre-K 3 Resolution Work Group (Work Group) was comprised of local experts on high quality child care who worked together with City staff to gather and compile community wide data and provide input on policy, best practices, and funding priorities. The Work Group was convened by Austin Public Health, and the Work Group Members included representation from Austin Community College, Austin Independent School District, the Early Childhood Council, E3 Alliance, Travis County, United Way for Greater Austin, and Workforce Solutions Capital Area. Work Group meeting participation also included City staff from Council Member Delia Garza's Office and the Office of Real Estate Services.

It should be noted that any mention of child care in the items for Council consideration refers strictly to affordable, high quality services. Child care centers can obtain certification for quality through the National Association for the Education of Young Children (NAEYC), the National Accreditation Commission for Early Care and Education Programs (NAC), and/or by receiving a 4-Star rating from Texas Rising Star (TRS). As noted in the Resolution, the "Texas Department of Health and Human Services benchmarks affordable child care at no more than 10% of a family's median income, or \$7,540 in 2014 for the Austin area."

The Work Group met biweekly from November 2017 through March 2018, and provided an extensive amount of expertise and data that were incorporated into the report responding to the action items in the Resolution. The Work Group also considered community needs and best practices, and formulated a list of considerations, which are provided in the four following categories:

Policy Considerations: These two items have no immediate fiscal impact, and require additional work to develop and implement policy. Because of the potential benefits for the community once implemented, the Work Group would like for the City Council to consider immediate action on both of these items to begin work on policy formation and implementation.

Funding Considerations: The Work Group recommends that Council consider these four items, which total \$430,000 be approved during the Fiscal Year 2018-19 City of Austin Budget process. The Work Group compiled a targeted and vetted list of items with potential for significant, positive impact for access to quality child care and/or Pre-K with the hope of prompt implementation.

2018 Bond Consideration: The Work Group recommends the Dove Springs Health Center be considered for inclusion as part of the 2018 Bond Package with the addition of affordable, high quality child care as one of the community services provided at the Center.

Additional Considerations: Each of these seven items has both budget and policy implications, and the list has been prioritized based on potential community benefits and feasibility. The Work Group prefers the Council consider beginning preliminary work on all items within 18 months.

Policy Items for Council Consideration:

Consideration: Work with the Development Services Department and the Planning and Zoning Department to explore the current fee schedule and potential fee waivers that may be applied for expenses associated with opening, expanding, and/or operating high quality child care centers. This may involve multiple City departments for waivers that could be provided up front or retroactively. Also explore increasing the types of zoning categories where child care is a permitted use or consider implementing a waiver for the conditional use permit process and/or a fee waiver for conditional use permit fees for high quality child care centers. This process should include gathering input from high quality child care providers to determine what barriers they have faced when working with the City to open and/or expand. Additionally, during the CodeNEXT process, replace all references to “Day Care Services” with “Child Care Services.”

Background: As shown in the map in Deliverable 1, there is a shortage of affordable, high quality child care centers. This can be addressed both by working with existing centers to increase quality as well as removing financial and policy barriers to opening new centers. The process to build a new child care center, or any new facility within the City of Austin can be very costly and take a significant amount of time to navigate the process. Work should be done with Development Services and Planning and Zoning to map out all associated fees and requirements for centers, and identify where the process could be simplified and/or where fees could be waived.

Fee waivers have an impact on City revenue and resources. If the City chooses to invest in expansion of child care centers, it should be limited to high quality centers to ensure positive outcomes for the children served in these programs. Centers cannot be certified as high quality until they have been in operation for a year. Exploration would need to be done with City staff and community partners to determine how fees could be waived either retroactively after new centers obtain a quality rating through NAEYC, NAC, and/or obtain a 4 Star rating through TRS, or if centers that receive fee waivers up front could be required to pay the City if they do not obtain quality rating after a mutually agreed upon period of time.

Additionally, child care centers have annual ongoing City fees required to operate. For example, there are \$475 in fees annually for food service establishment permits and \$110 in fees annually for annual environmental inspections. Annual fire inspections are also required. For high quality child care centers that are certified as high quality through NAEYC, NAC, and/or certified as 4 Star through Texas Rising Star, some or all of

these fees could be fully or partially waived to reduce some of the operational burden for these centers.

In the City Code, Child Care facilities (“Day Care Services” in Section 25-2-6) can fall into three categories as follows:

§ 25-2-6 - CIVIC USES DESCRIBED.

- (16) DAY CARE SERVICES (COMMERCIAL) use is the use of a site for the provision of daytime care for more than 20 persons. This use includes nursery schools, preschools, day care centers for children or adults, and similar uses, and excludes public and private primary or secondary educational facilities.
- (17) DAY CARE SERVICES (GENERAL) use is the use of a site for the provision of daytime care for more than 6 but not more than 20 persons. This use includes nursery schools, pre-schools, day care centers for children or adults, and similar uses, and excludes public and private primary or secondary educational facilities.
- (18) DAY CARE SERVICES (LIMITED) use is the use of a site for the provision of daytime care for six persons or less. This use includes nursery schools, preschools, day care centers for children or adults, and similar uses, and excludes public and private primary or secondary educational facilities.

These are either a permitted use, allowable with a conditional use permit, or not a permitted use depending on the category of child care facility and the zoning category.

The zoning uses are all included in the Code available here:

[https://www.municode.com/webcontent/austintx/Permitted Use Chart 2015-10-13.pdf](https://www.municode.com/webcontent/austintx/Permitted%20Use%20Chart%202015-10-13.pdf).

The process to obtain a Conditional Use Permit can be burdensome and costly. As an example, the Jeremiah Program of Austin recently sought a Conditional Use Permit to allow families who do not live on the same site as the child development center to apply for vacant spots, which would have made additional high quality child care slots available to lower income families (Appendix X). In order to move forward with this process, the nonprofit organization would have incurred approximately \$4,000 in costs, primarily for redundant design work. This was despite the fact that they had an e-mail from City staff acknowledging they have an approved revised site plan, and that the early childhood development center was built in a way that complies with applicable regulations. As part of CodeNEXT, increasing the zoning categories where child care centers are a permitted use should be explored, as well as exploring the potential for having a less burdensome and costly administrative process to handle similar requests for Conditional Use Permits.

With all of these factors in mind, the Work Group recommended that the City explore current fee schedules across applicable departments and look into existing restrictions, allowances, and processes associated with zoning categories to identify opportunities to alleviate burdens to opening, expanding, and/or operating quality child care centers.

The stakeholder group also strongly recommends that any reference to “Day Care Center” in the City’s Code be changed to “Child Care Center” during the CodeNEXT process. Child care is the accepted and widely used term in community plans and best practices for quality rating and certification processes.

Consideration: Develop a policy in consultation with the Office of Real Estate Services, Neighborhood Housing and Community Development, and other relevant City departments and community stakeholders to include the option and related price estimate for an affordable, high quality child care facility for RFPs, RFAs, and other competitive processes that the City conducts to lease or develop space for projects such as affordable housing, office space, Parks facilities, and/or mixed use development. This should be considered when a quality child care facility is feasible as a partial use of project space and when located in areas where quality child care is needed. Additionally, any future City projects that will house a significant number of employees such as the space for the Development Services Department on the Highland Mall campus, the future headquarters for Austin Energy, the future headquarters for the Austin Police Department, and any other large facilities should include a cost estimate and option for inclusion of an onsite quality child care center for Council to consider as part of each project.

Background: This policy item is aimed at ensuring that competitive processes the City enters into will include an option for a child care center that Council can consider. There will be opportunities in affordable housing space, office space, Parks facilities, and/or mixed use developments where a child care center could be a good community benefit and partial use for project space.

The City has several projects on the horizon that will house a large number of City employees, and the Work Group believes that Council should at least consider whether a child care could be a part of these projects. These will include, but are not limited to the Highland Mall campus site that will house the Planning & Zoning Department and Development Services Department, the future headquarters for the Austin Police Department and/or Austin Energy, and any other large facilities that could provide an optimal space for affordable, high quality child care as a component of the project.

While adding child care centers to larger projects could result in additional expenses if that option is selected, it should not cost the City anything to require that solicitations include a child care center as one option for consideration for competitive processes. By having the cost as part of packages for consideration, Council can weigh the potential benefit and the cost of including child care centers as part of future projects. Having an option available for Council consideration also ensures that providing quality child care

is at least part of the conversation when the City is investing in large projects moving forward.

Funding Items for Council Consideration:

Consideration: Leverage up to \$112,000 in State funding per classroom per year by investing in one-time startup costs associated with setting up new Pre-K 3 classrooms, including up to eight classrooms in Austin Independent School District and up to 3 classrooms in Pflugerville Independent School District. Continue to invest in the expansion of Pre-K 3 by exploring opportunities with these and other school districts for similar investments in future budget years (\$176,000 based on \$16,000 in one-time costs per classroom, with up to 32 children served per classroom for half-day curriculum).

Background: According to the Texas Education Agency (Appendix Y - Pre-K Partnership Implementation Guide), “it is estimated that only 5 out of 10 children enter Texas kindergarten classrooms ready to learn and be successful in school. Therefore, half of our youngest learners may not have the ability to follow routines or multistep directions, sustain attention to a task, hold a book, identify letters and sounds, sequence ideas, take turns or sit up during circle time. Pre-kindergarten programs are vital for developing these skills and more.”

AISD has been able to open up Pre-K 3 classrooms with assistance from outside funders that have provided the start-up cost for the classrooms. Approximately \$16,000 per classroom includes expenses related to furniture, manipulatives, and curriculum. In order to continue to expand Pre-K 3 classrooms, AISD relies on funders for these startup costs. Each classroom provides half day services for 2 classes of 16 students each. Each student enables school districts to draw down \$3,500, for a total potential of \$112,000 in state leveraged funds per classroom.

In discussions with some of the school districts fully or partially within the City of Austin including Austin, Del Valle, Manor, Pflugerville, and Round Rock, the only school districts that have capacity to expand Pre-K 3 in the near future that also have classroom space that can be made available include Austin Independent School District for up to eight classrooms and Pflugerville Independent School District for up to three classrooms. The City of Austin could enter into a partnership with these school districts to fund the one-time start-up costs for those eleven classrooms for a total of \$176,000.

Surrounding school districts have seen an increase in enrollment, which creates a challenge for available classroom space and staff capacity to expand programs or create new programs. In future years, there may be opportunities to expand the City’s partnerships with Austin and/or Pflugerville Independent School Districts, and/or enter into a partnership with Del Valle, Leander, Manor, and/or Round Rock Independent

School Districts to expand availability of Pre-K 3 services for Austin children and leverage additional state funds.

Consideration: Leverage up to \$280,000 in State funding and expand community-based Pre-K partnerships that could serve up to 80 children in high quality centers. Partner with Texas Association for the Education of Young Children (TAEYC) to provide scholarship funding for eligible child care and Head Start teachers to earn Texas State Teacher Certification through the Alternative Teaching Program (ACC, Huston- Tillotson, Region XIII Service Center). (\$41,800 annually with 5 student participants)

Background: In order to increase access to high quality Pre-K programs, the Texas Education Agency (TEA) allows districts to partner with organizations and private providers for community-based Pre-K partnerships in high quality settings. These partnerships allow the district and community partners to utilize available per student ADA state funding. Currently AISD partners with several NAEYC accredited child care centers, TRS 4 Star Centers, and Child Inc. Head Start centers for community-based Pre-K partnerships using a contract for educational services model. In this model, the community partner provides the Pre-K services on site which requires the center to employ a teacher with a Texas EC-6 Teacher Certification. For each eligible student enrolled in Pre-K 3 or Pre-K 4 in the classroom, the AISD/Center Partnership is able to access and pull down the State allocated ADA funding for Pre-K students of approximately \$3,500 per student annually. In current agreements for these partnerships, AISD keeps 20% of the funding and the centers providing education receive 80% of funds for qualifying students. Most students concurrently qualify for child care subsidy funding which is matched to cover a full day of care. Not all students in the classroom must qualify or be enrolled as concurrent AISD Pre-K students – the state funding is only allocated for those who are eligible and enrolled through the school district. Classrooms can vary from as few as 1 to as many as 16 students that qualify for free public Pre-K.

This partnership model is effective in expanding access to high quality Pre-K, especially for families who need full day care. It also allows districts to expand Pre-K enrollment without the burden of additional facilities and other expenses that challenge their ability to expand. In addition, the state funds leveraged into the community child care centers can be used to invest in quality initiatives including, but not limited to increasing compensation to staff whose wages fall drastically below their counterparts in public schools. TEA states that these partnerships raise the quality, capacity and continuity for the early childhood education community as a whole.

The greatest barrier to expanding community-based Pre-K partnerships is the lack of State certified educators working in child care programs. The wages of teachers in local child care center averages \$11.39 per hour. Therefore, few certified teachers that meet the high quality standard educational requirements choose employment in these

settings. However, there are often center staff who have Bachelor's Degrees in fields other than child development who have chosen to teach in the child care centers. Alternative Certification Programs offer the opportunity for such staff to earn a teaching credential while concurrently teaching in the community-based program, leveraging available state funding. Alternative Certification involves evening and weekend coursework and a paid internship with supervision as well as passing certification exams, and can typically be completed in 18-24 months. Scholarship funding for alternative certification not only elevates the quality of early childhood education in centers but also provides access to state Pre-K funding that will continue beyond the certification program once they have a credential. Under the current pilot program, scholarship recipients have committed to employment for at least 18 months after their certification.

Teachers enrolled in Alternative Certification programs can complete their paid teaching internships within their centers of employment while concurrently providing Pre-K instruction to enrolled students. Therefore, during the year of paid teaching internship, the return on the investment of this scholarship is up to \$3,500 per student enrolled (if enrolled for the full year). Essentially, as long as at least 4 students are enrolled in a class per Alternative Certification Candidate, the return on the investment covers the cost of the scholarship (at approximately \$10,000 per student).

In 2017-2018 this is approximately \$3,500 per student. Under the current contract, the Center receives 80% of this funding and AISD keeps 20%. As of 1/30/18, there are 201 Pre-K 3 and Pre-K 4 students enrolled through community-based Pre-K partnerships in either licensed child care centers or Head Start (Child Inc.) centers which is leveraging \$703,500 in state funding.

A pilot program of 5 candidates is currently in place through partnership with TXAEYC, Workforce Solutions Capital Area, and United Way for Greater Austin. Results of this pilot can be used to help refine candidate and center criteria for scholarship funding. To date, three of the five candidates have earned their probationary certificate and have invoiced to pull down AISD funds to date.

Budget:

The budget below is for the current pilot program. There are additional supports beyond certification program tuition costs including paid release time for observations and study, support from a professional staff counselor from TXAEYC T.E.A.C.H. program. This model has been utilized in supporting staff to pursue AA and BA degrees through the T.E.A.C.H. program nationally and locally for nearly 7 years. It also requires accountability and investment from the child care center of employment as well as the teacher candidate.

Pilot Program Budget	
Administrative Costs	750
Personnel	2000
Other (Lease, Utilities, Insurance, Accounting, Professional Development)	2360
Miscellaneous (printing, phone, fax, web support, postage, licensing, supplies, travel, outreach/recruitment, advisory)	1800
Total Non-Scholarship Expenses	\$6,910
Tuition/fees	25000
Materials/Books	600
Travel	1875
Certification Testing and Fees	400
Release Time/Student Teaching	3500
Bonuses	2000
Total Scholarship Expenses	\$33,375
TOTAL PROGRAM EXPENSES	\$40,285

Consideration: Invest in a partnership with the Austin Community College Child Care and Development Department to accelerate child care teachers through the CDA Preparation Certificate to improve quality of child care services for approximately 280 children (\$137,600 annually with 20 student participants).

Background: The ACC Child Care and Development Department is proposing an accelerated schedule for the CDA Preparation Certificate. Students will be able to take two courses per semester and complete 19 credit hours within one academic year to receive a certificate. Students will have access to technology, tutoring, college services, and study time while being on campus for a full day per week. The benefits of offering this degree through an accelerated schedule format (two courses/one day per week) is to eliminate barriers to degree completion. Some of the major barriers identified by students to successful completion are transportation to campus (multiple trips & traffic), access to internet and technology (computers, printers), extended study time, academic support/tutoring, leaving work to attend class, attending school in the evenings during family time, and access to child care during evening class times. This certificate requires strict attendance to meet the required CDA training hours. Students who are funded through sponsorship will have a mandatory on-campus schedule on class day totaling 8 hours. Students attending classes will not lose wages or leave days

because a substitute teacher will be provided to the child care center in which the student works. Employers will have continued coverage for the child care classroom without disruption to the workplace. Students completing this degree will receive a Level I Certificate and will have completed the training hours required for a CDA. All courses articulate into the Child Development Associate Degree should the student continue their education goal.

CDA Preparation Certificate Degree Plan (19 Credit Hours)

CDEC 1354 Child Growth and Development
CDEC 1311 Educating Young Children
CDEC 1419 Child Guidance
CDEC 1321 The Infant and Toddler
CDEC 1318 Wellness of the Young Child
CDEC 1341 CDA Preparation for Assessment

Estimated cost for the Certificate

Tuition total: **\$1860.00** (in-district tuition)

Textbook approximation: **\$1080.00**

Incentive for degree completion: **\$100.00 (optional)**

Substitute teacher: \$96/per day (approximate \$12/hr) **\$3840.00**

TOTAL COST per teacher: \$6880.00

Consideration: Economic Development Department and Austin Public Health should work with United Way for Greater Austin, Early Matters Greater Austin, and other community partners to understand and define the needs for a consultant to study potential incentive programs and public private partnerships that could be effectively implemented in Austin around quality child care (Estimated \$75,000 for consultant cost)

Background: As discussed in the context provided by the Economic Development Department included in the section regarding Deliverable 5 of this report, Economic Development Department and Austin Public Health could work with United Way and other community partners to understand and define the needs for a consultant to study potential incentive programs and public-private partnerships that could be effectively implemented in Austin around quality child care. The Work Group believes that a community-defined scope of work for a consultant to explore could yield a framework for a program that would incentivize local employers to either provide high quality child care on site, or provide subsidies for their employees that need child care.

2018 Bond Item for Council Consideration:

Consideration: Include the proposed Dove Springs Health Center in the 2018 Bond Package, and expand the project scope and ongoing operational funding needed for the project to enable inclusion of an affordable, high quality child care center onsite.

Background: The current projected footprint and estimated cost for the project could accommodate a high-quality, affordable child care center that would serve approximately 74 children. The work group recommends that Council include a high quality child care center as part of the 2018 bond package, and commits to fund the associated ongoing operational and maintenance costs for the facility once the center is open. These cost projections have been provided in the report response to Deliverable 11.

Additional Items for Council Consideration:

Consideration A: Work to increase the community's capacity to provide affordable, high-quality child care services by entering into formal discussions with AISD to use underutilized classrooms in elementary schools. Consider City investments in expenses related to minor capital improvements and/or ongoing costs associated with agreements with child care providers to provide high quality affordable child care services to City employees, AISD employees, and/or community members including families with children that qualify for child care subsidies.

Background: As discussed in the report for Deliverable 5, Austin Independent School District has 22 elementary schools, mostly in the eastern crescent of Austin that are currently below 75% enrollment capacity. There is a promising opportunity to partner with AISD to utilize classroom space for affordable, high quality child care services. Of the many avenues for expanding availability of these services, using existing classroom spaces appears to be one of the most economical options that could benefit the City and AISD, and strengthen that community partnership. As discussed in the background for Deliverable 12, AISD is currently the only school district with campuses that have low enough enrollment to make classroom space available for this use. However, the City should continue conversations in future years in case the opportunity for a similar partnership with another school district that serves Austin families becomes an option.

Currently, none of the child care programs serve children during the summer months. They operate by the traditional school calendar, which has worked for their program structure since the child care program available on campuses is provided for AISD teachers and staff. If the City were to invest in additional services intended to be available to City employees and/or families with low-income, negotiations would need to include which campuses might be available for year round services. There are limited campuses where programming is provided all year (summer school, etc.), which could be a good starting place for discussion. Most families that seek child care services need

them year round, and the teachers at AISD that work through the summer could utilize those services as well.

Classrooms to be utilized for child care would need some investment in one-time costs to meet child care center requirements, such as changing tables and hand washing stations. Additionally, funding could be needed for vendor agreements to provide high quality child care services and/or to subsidize rates to make services affordable. Currently, AISD has five campuses where AISD manages child care programs, and eighteen campuses where a vendor provides child care services on site. The City of Austin and Austin Independent School District should explore what a formal partnership could look like to utilize existing classroom space for affordable, high quality child care services that could be made available to families with low income, City of Austin employees, and/or AISD employees.

Consideration B: Continue to support the Income-Eligible Child Care Assistance program available for City employees. To reach more employees and be more impactful, consider raising the family income level required to qualify, setting the assistance level at a tiered rate to correspond with the higher cost for services per child at younger ages, and/or raising the financial assistance rate overall for all children.

Background: As discussed in the report regarding Deliverable 6, the City of Austin currently offers a benefit for \$50 per week in child care assistance for income-qualifying City employees. As detailed in the report, there are adjustments that could be made to the program to reach more employees and have a deeper impact for the employees the program currently serves. The Work Group understands that some progress in making changes is already underway as a result of collaboration with Austin Public Health related to this Resolution, and appreciates the work that is already being done. The Work Group encourages APH and the Austin City Council to continue to work with Human Resources to improve the program parameters to best meet the needs of City employees.

Consideration C: Initiate and allocate funding for a planning process to develop a Coordinated Early Childhood Enrollment and Resources and Referral System among high quality child care providers in the community, Workforce Solutions Capital Area, AISD and neighboring school districts, and Child Inc. This system should make families aware of all the early learning options available to their children that fit their families' needs and location, including high quality child care, child care subsidies, free public Pre-K 3 and Pre-K 4, tuition-based public Pre-K, Early Head Start and Head Start. Furthermore, this system would facilitate the most efficient allocation of limited resources by increasing enrollment in public Pre-K which allows school districts to leverage state funding to serve more children and, in turn, increase the availability of child care subsidies and spaces in Early Head Start for infants and toddlers.

Background:

Louisiana has developed local level coordinated enrollment systems and Austin can learn from their model

(<https://www.grisnetwork.org/sites/all/files/materials/Jan2018LetsTalkPPT.pdf>). That model does the following:

1. Coordinates Information so that families know of all available seats and are informed about the availability of publicly-funded programs.
2. Coordinates Eligibility so that families easily know what programs they qualify for by ensuring they are referred to available publicly-funded programs.
3. Coordinates the application process, so that families apply to all programs through one application that collects the family's preferences regarding enrollment options.
4. Matches and enrolls families in their highest ranked program preference that is available and ensures no one occupies more than one seat.

In Austin/Travis County, this would require:

- At least one dedicated staff position, which could be a City of Austin employee or an employee with a community partner
- Designating a primary source of information for families to learn about all early childhood programs;
- Buy-in from key partners including public schools/districts with Pre-K, Child Inc. (the local Head Start and Early Head Start provider), Workforce Solutions Capital Area (which administers child care subsidies locally, and child care providers in the community);
- Close coordination and regular communication with those key partners in order to have up-to-date information on eligibility requirements, spaces available, wait lists, services offered, quality ratings, hours, after-school care options, and other key information to share with families and use to match families with programs.

The potential benefits of having a Coordinated Enrollment and Resource and Referral system include:

- Families will have a primary contact to learn about early childhood programs in the community.
- Families will have an easy way to know what they are eligible for and apply.
- Fewer families will stay on wait lists and more families will be connected with appropriate and available services.
- More 3 and 4 year olds will be enrolled in public Pre-K, which leverages state funds for local early education, frees up more subsidized child care seats for infants and toddlers, and increases the capacity of Child Inc. to serve more children under age three in Early Head Start.

- There will be a more accurate picture of the demand in the community for affordable, high quality early learning opportunities which can be used for ongoing school readiness planning purposes.
- The greatest number of children will be served and school readiness will likely increase.

Consideration D: Develop a policy that would achieve higher quality in existing child care provider facilities and/or more high quality child care slots available for children that qualify for subsidies by covering the gap in payment that providers experience for each high quality subsidized slot.

Background: This consideration is aimed to address the gap in payment that providers experience for each subsidized slot in high quality centers. Currently, that gap is about \$350-\$400 per month per subsidized slot in comparing what providers are reimbursed for these subsidized slots versus what families pay for the same high quality slots at market rate. This gap serves as a financial disincentive for high quality centers to increase the number of subsidized slots at their centers.

If funding was made available, there could be discussions about how to increase the number of high quality slots available for children that qualify for subsidies or to help existing facilities maintain slots as an investment in quality child care for the community. The Work Group identified this as a very important, but also complicated and potentially expensive compared to some of the other items in this report. Should funds become available, more work would need to be done to define program parameters and funding requirements for program participants.

Consideration E: Pursue creation of City-owned or leased facilities for high-quality affordable child care, which should include options for contracted and City-run high quality child care services at the facility.

Background: This consideration is intended to be *in addition to* the high quality child care center recommended to be part of the Dove Springs Health Center in the 2018 Bond, not in lieu of that project. The workgroup saw great opportunity in the City investing in a center, both to increase access to affordable, quality child care generally and to set the City up to serve as an example of best practices in the community by investing in quality child care.

Because of the wide range of potential scope, location, and structure, as well as the number of departments that would have to be involved in such a project, the Work Group chose to leave the specifics open so that all possibilities could be explored. The flexibility in this consideration also includes whether the City would provide services directly, would contract for services, or would provide an affordable lease space for services.

Moving forward with this consideration as a City-run facility could potentially result in a higher overall cost. However, a City-run affordable, high quality child care center would address teacher retention, one of the biggest challenges in high-quality child care while also aligning with the City's established workforce goals of access to health benefits and living wages. Given these two factors, a City-run facility could yield multiple community benefits that could be worth the additional cost. The Work Group was also open to who would be served at these facilities, and recommended exploring whether services would be available to City employees, income qualifying families, and/or the community at large (potentially on a sliding scale).

Consideration F: Explore options for the Parks and Recreation Department to expand existing programs and/or create new enrichment programs for children 3-5 years old that comply with quality standards. This programming should explore opportunities to collaborate with community partners and providers.

Background: Aside from Nature's Way Preschool which is operated at The Nature Center, all other PARD sites and programs do not operate as licensed child care facilities through the State of Texas. The Department is regulated by the Austin City Council through the Local Standards of Care for Youth Recreational Programs Ordinance. This is important to be aware of moving forward when considering PARD sites as locations for future Pre-K programming. For the most part, due to these regulations and limited available space, PARD is more suited to provide enrichment opportunities rather than full day, high quality child care.

The attached spreadsheet (Appendix Q) provided by the Parks and Recreation Department (PARD) includes information on existing Pre-K and Early Childhood Education programs that PARD provides. In addition to providing programmatic information, the spreadsheet offers a "one-stop-shop" for current facility usage, including available spaces and times. While there is currently some limited enrichment programming for children 3-5 years old, these services could be expanded if additional resources were provided.

Without additional resources PARD currently lacks the ability to expand existing programs and/or create new programs. In some instances it's strictly a space/capacity issue, as is the case with the Nature Center, while across the board operating budgets are functioning at full capacity. Additional money would need to be committed to PARD in order to support both the creation of new programs and/or the expansion of existing programs.

Consideration G: Explore options to alleviate tax burdens for quality child care centers through tax abatement and/or leasing City-owned property for child care centers.

Background: Many high quality child care centers lease and have the property taxes passed onto them through rent, though a few centers do own their facilities and pay

property taxes directly. The Work Group wanted all potential options that could relieve barriers for high quality centers to be available for consideration. By providing direct tax abatement for centers that own their own property, or providing City –owned lease space, that could eliminate some costs for existing high quality centers or encourage new high quality centers to open.

The Work Group understands there are a lot of challenges and complexities in regards to both tax abatement and leasing City property for organizations. Given that the City’s proportion of overall property tax bills is fairly low, and that the City doesn’t currently have any properties that would be an appropriate option to lease to child care centers without significant capital investments to meet standards required, this is listed as a lower priority in the list of considerations. However, it does deserve some exploration to see if it’s a viable option to support existing high quality centers and/or help incentivize new high quality centers.