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To: Community Development Neighborhood Revitalization Committee
From: Noelle MacKay, CEDO Director, Brian Lowe, Mayor's Office

Re: **Early Learning Initiative (ELI) Overview and Next Grant Round For Discussion**

This memo provides an update to the Community Development Neighborhood Revitalization Committee (CDNR) regarding the Burlington Early Learning Initiative (ELI). When the Council approved funding for the program in FY18, the Administration committed to updates prior to any grant expenditures. The City has completed its first round of seeking proposals for initiatives to expand low-income, infant and toddler high-quality child care opportunities in Burlington and awarded a grant to create four new slots with a \$14,000 grant.

We now have a draft of our next steps to make further grant allocations prior to the close of the fiscal year on June 30 and would like to provide an overview for discussion with the CDNR Committee. We want to incorporate your feedback into the grant guidelines that we hope to release shortly.

Background

Five hundred thousand dollars was included in CEDO's FY18 budget for an Early Learning Initiative to be used to provide capacity grants to Burlington child care institutions that provide high-quality care to children and commit to increasing the number of slots available for low income children ages birth to three. There is a well-documented shortage of child care within Burlington, and the Council's allocation followed substantial analysis and community feedback that ultimately focused on capacity needs. CEDO also plans to work over the next couple of years to leverage future non-City dollars to build on this investment and improve both health measures and kindergarten readiness, thus reducing future special education and other public spending over time and helping break the cycle of multi-generational poverty.

CEDO released a request for proposals in September 2017 for a third party to manage the grant application process and provide assistance to potential grantees. It was determined that this would be a more cost effective way to develop the grant criteria and measures, and provide technical assistance to applicants rather than have CEDO staff provide that support. Four applications were received and Vermont Birth to Five (VB5), an organization connected with the Permanent Fund for Vermont's Children, was awarded the competitive contract to assist CEDO and the Mayor's Office on this project. VB5 works to increase access to high-quality early care and learning statewide; they have an expert staff that can support the ELI program and subsidized the cost of the work to help the City preserve funding for the grants. The contract is for approximately \$30,000 and VB5 is providing an additional \$30,000 support to ensure the project's success. CEDO staff support of ELI is supported by remaining funds from an early grant that helped lay the foundation of the need and options for this program.

First Round of the Grant Program:

In November 2017, VB5 opened the [grant program](#) with a letter of interest due December 1, 2017, and information sessions and one-on-one meetings followed by a full grant proposal due January 12, 2018. The goal of the program is to increase the availability of high-quality child care for infants and toddlers, through expanding or increasing the quality of existing child care, or starting new high-quality child care programs. Following substantial community feedback, we decided to provide funding that supported increasing the number of slots because we knew that Burlington does not have enough capacity. We considered providing scholarships in this first year, but decided that we wanted to first increase the supply of child care, otherwise it would not be equitable or true to the intent of providing high-quality child care to all of Burlington.

The City pulled together a Grant Committee made up of representatives from the University of Vermont Medical Center, Burlington School District, United Way, ECHO and other experts in the field. The City and VB5 intended to make awards in late January. However, at the time of this deadline, while there were four active parties, there was a clear need for additional time to ensure their respective financial and program projections had strong Board and partner support. As a result, the deadline was extended until March 15 in order to allow additional time for applicants. CEDO, the Mayor's Office and VB5 also used the additional time to gather information from programs that considered applying but ultimately chose not to do so (the results of those discussions are described in the following section).

As of March 15, the City received a complete proposal from the Full Circle Preschool at the Ohavi Zedek Synagogue. They requested \$14,000 for bathroom renovations that would allow them to increase their number of infant slots this year by four. The City, working with VB5, thought that this modest investment should move forward and not miss several months of work. Thus, CEDO brought a request to City Council to award the Full Circle Preschool these funds which would include all the grant criteria outlined in the application process. City Council approved that request at their March 26 meeting and grant award documents have been executed with the Full Circle Preschool.

Second Round of the Grant Program

During the first months of 2018, CEDO, the Mayor's Office and VB5 reached out and had conversations with different centers focused on specific challenges they were having that may have resulted in not seeking funding from this program. As the goal of ELI is to expand the number of high-quality slots available to low to moderate income families, it was important to identify some of the barriers to expansion. From these discussions, challenges identified include:

- the relatively high cost of space,
- difficulties with providing a livable wage,
- the short one-year capital investment timelines in the first round of the grant program; and
- workforce shortages.

As a result of this learning, the City plans to release a follow on grant application this spring, with the intent of addressing these barriers to the greatest extent possible. The primary changes to this application, as drafted, will include extending the timeline for capital investments to 2020, and an expansion of the allowable uses of grant funds to include planning grants focused on sustainable expansion (e.g. use of child care management software, facilities planning, etc.) and business strategy support. These drafted grant guidelines for the Spring 2018 application are attached for your review. We appreciate your review of these proposed modifications and look forward to your feedback on the guidelines during your April meeting.

To have this round of awards confirmed by the end of the fiscal year, a tight timeline is required, and it is critical that this be balanced with providing adequate time for both collecting and incorporating CDNR input as well as adequate time for applicants to develop strong proposals. To balance these needs, VB5 will begin engaging with potential applicants now, letting them know that the grant announcement and guidelines will be released by the end of April. Applicants will be asked to submit a letter of intent and meet with a VB5 consultant to determine if grant qualifications are met in early May before submitting a complete grant application by May 25.

As with the first round of applications, the City and VB5 will pull together a Grant Committee to meet and review applications in early June. To maintain consistency and continue to incorporate CDNR input, it is our hope that the CDNR Chair will serve on this Committee. Recommendations on grant awards will then be made to the Mayor and to City Council for vote in June.

FY 19 Grant Considerations

Looking forward, if City Council approves the FY 19 budget, we will have funding for future grant rounds. For these rounds, we are considering the inclusion of scholarships, which would aim to support and maximize the Child Care Financial Assistance Program (CCFAP) by providing scholarships that meet the gap between funding and cost. To evaluate this additional component, we would engage stakeholders in a focused meeting series to make sure the new element of the program met the needs of providers in the community and was based on the best practices and successes documented in other cities and in the research that informs Burlington's Early Learning Initiative. CEDO would engage CDNR early in that discussion following FY19 budget decisions.

If you have any questions in advance of our discussion, certainly feel free to contact me.