



Strengthening Child Care in Whatcom County & City of Bellingham

March 2022

**UPDATED 30 April 2022*

PREPARED BY: Opportunity Council, Early Learning & Family Services (ELAFS)

Proposal Summary

Opportunity Council seeks to partner with Whatcom County and the City of Bellingham to help stabilize child care businesses and increase family access to high quality child care. As regional leaders with more than four decades of experience working with families and early learning programs, Opportunity Council is well-positioned to launch specialized business training and services that will benefit small businesses, strengthen fragile families, and support the workforce.

In partnership with Whatcom County and the City of Bellingham, from (estimated) May 1, 2022 – December 2024, Opportunity Council anticipates:

1. Providing **77** stabilization grants that support **23** family child care, **37** child care centers, **15** school-age programs and **2** Outdoor Nature-Based preschools.
2. Administering **90** child care vouchers for families at risk of losing access to child care.
3. Providing one-on-one and small cohort professional business coaching to a minimum of **30** child care businesses annually to help them increase profit margins and stabilize their programs
4. Leading **2** professional business development training series, 54 hours over 24 months on leadership, management, enrollment, financial planning, maximizing profit and marketing strategies.
5. Launching a Last Dollars Scholarship program, in partnership with Northwest Indian College and Whatcom Community College's early childhood education programs to increase the participation of potential child care teachers and help child care workers attain educational credentials required by state law. Estimated range of scholars is **20** – **70** child care providers/teachers within the workforce dependent on required or desired credential/certificate credits.



Opportunity Council: Involvement in Child Care & Early Learning

In 1965, [Opportunity Council](#) began as a grassroots group of volunteers and staff working with a borrowed typewriter out of a small corner in the Whatcom County Courthouse. Today, Opportunity Council serves as a vital Community Action Agency with 56 years of experience providing support services to individuals and families in Northwest Washington. Our mission is to help people improve their lives through education, support, and direct assistance, while advocating for just and equitable communities.

This proposal is a collaboration of two Opportunity Council teams: Child Care Aware (CCA) NW and the Center for Retention and Expansion of Child Care (C-RECC) NW. Program staff have extensive experience as licensed child care administrators, owners, directors and teachers, state-certified STARS trainers, early childhood college and community educators, program directors, and small business owners. Working together, we will provide specialized business coaching and training to bolster these small businesses battered by COVID-19 and support families in accessing and keeping high quality child care.

Our C-RECC NW team, in partnership with the Bellingham Regional Chamber of Commerce, brings essential experience in administering stabilization and expansion grant funds while connecting child care programs with the support needed stay afloat and increase income as licensed child care providers. C-RECC works closely with engaged child care providers as they navigate their way to stabilize, improve and expand their family home child care or child care center business/facility and has facilitated access to or awarded some \$1.2 million in grants since its inception in 2020. Child care businesses in Whatcom County have benefited from 39 grants awarded in response to specific needs of workforce, physical improvements, building new partnerships and more. As detailed later, an important by-product of this proposal is sustaining (in conjunction with philanthropy) C-RECC's ongoing availability to our community.

In addition, our CCA NW Early Learning Coaches provide on-on-one assistance to guide child care providers as they integrate best practices into every aspect of their programs. Coaching includes working with programs to create culturally responsive, nurturing and inclusive learning environments; to increase knowledge about child development and behavior; and to ensure high-quality interactions for all children in their care. Child Care Aware NW also offers professional small business training, and free infant and early childhood mental health consultation for child care, preschool and early school age staff and families through our Holding Hope program.

We look forward to the opportunity to help child care businesses grow and children thrive during these stressful and uncertain times.

Investing in Immediate Needs for the Child Care Industry

Investing a portion of ARPA (America Rescue Plan Act) funds towards early learning and child care in Whatcom County will provide both immediate and long-term benefits for the children, families, and employers in our community.

High-quality child care and early learning programs are fundamental to promoting long-term positive social and school readiness outcomes among children and families. They also are pivotal for participation in the workforce and local economic development.

Well-documented investments in early learning have reduced the achievement gap, improved health outcomes, and increased future earnings. The rate of return for investments in early childhood development for disadvantaged children is 7–10% per annum through better outcomes in education, health, social ability, economic productivity, and reduced crime.¹ And yet, there continues to be a severe lack of investment.

Child care providers have struggled to survive and pay living wages, especially with the brutal impacts of COVID-19 for the past two years. Since the onset of the pandemic, the net number of child care providers has decreased by 10%, and the net number of licensed family child care programs has decreased by 21%. New programs have opened, but they do not make up for loss of child care spots in the last two years. Data snapshots show a net loss of 84 spots from March 2020 – February 2022, exacerbating the child care desert in Whatcom County. Providers are losing income due to constant quarantine closures, fluctuating enrollment, and skyrocketing cost of supplies and other expenses. As you read this, a significant number of early learning & care classrooms sit darkened and empty due to a lack of staff to operate them. Early learning staff have educational credentials that must be met and maintained which requires both time and energy, and can often get expensive.

Many child care programs are small, family-run businesses with low profit margins that would benefit from one-on-one coaching and business training. Creating business plans, streamlining processes, and developing marketing strategies can help stabilize –on several fronts simultaneously --programs at risk of closing and monthly increase their cash flow. Strengthening the financial viability of child care programs will benefit small businesses as well as the families that rely on them.

In addition, the Washington State Department of Commerce² reports that:

- Lack of accessible, affordable child care affects parents’ job prospects, productivity and career decisions—with different impacts reported across incomes, races/ethnicities, genders and areas of the state.
- Nearly one in five (18.3%) parents surveyed turned down a job offer or promotion due to child care issues, more often among Black and Native American parents.
- Nearly half (47%) of unemployed parents found child care issues a barrier to seeking employment—51% among female job-seekers compared to 41% among male job-seekers.
- In June 2020, about one in five child care providers temporarily closed according to Child Care Aware of Washington.

Workforce Retention and Industry Stabilization: Immediate Actions

Opportunity Council will meet the immediate child care needs through a multi-pronged approach that goes above and beyond our current work to support providers and families in Bellingham and Whatcom County.

1. Issue stabilization grants to childcare operators throughout Whatcom County and provide technical assistance

Funding requested or in hand for component – all sources:	\$2,605,468
Whatcom Co. Contribution to Component #1:	\$1,457,396

These grants will be flexible and support various programs and workforce needs that providers will share during the application process. Past grants facilitated through Opportunity Council by the C-RECC team have allowed providers to upgrade outdoor play space, make energy and home repairs, pay their staff (or themselves in the case of small owners), assist with operational costs during revenue shortfalls, and meet other financial needs enabling providers to continue caring for children. Other examples may include:

- Wages (increases in payroll, employee raises, bonuses, pre-paid annual health deductible, etc.)
- Recruitment and Retention (loyalty bonuses, incentives, etc.)
- Business operation costs (rent/mortgage, payroll, utilities, maintenance, food costs, etc.)
- Enriching Early Learning Environment (supplies, materials, furniture, curriculum, etc.)

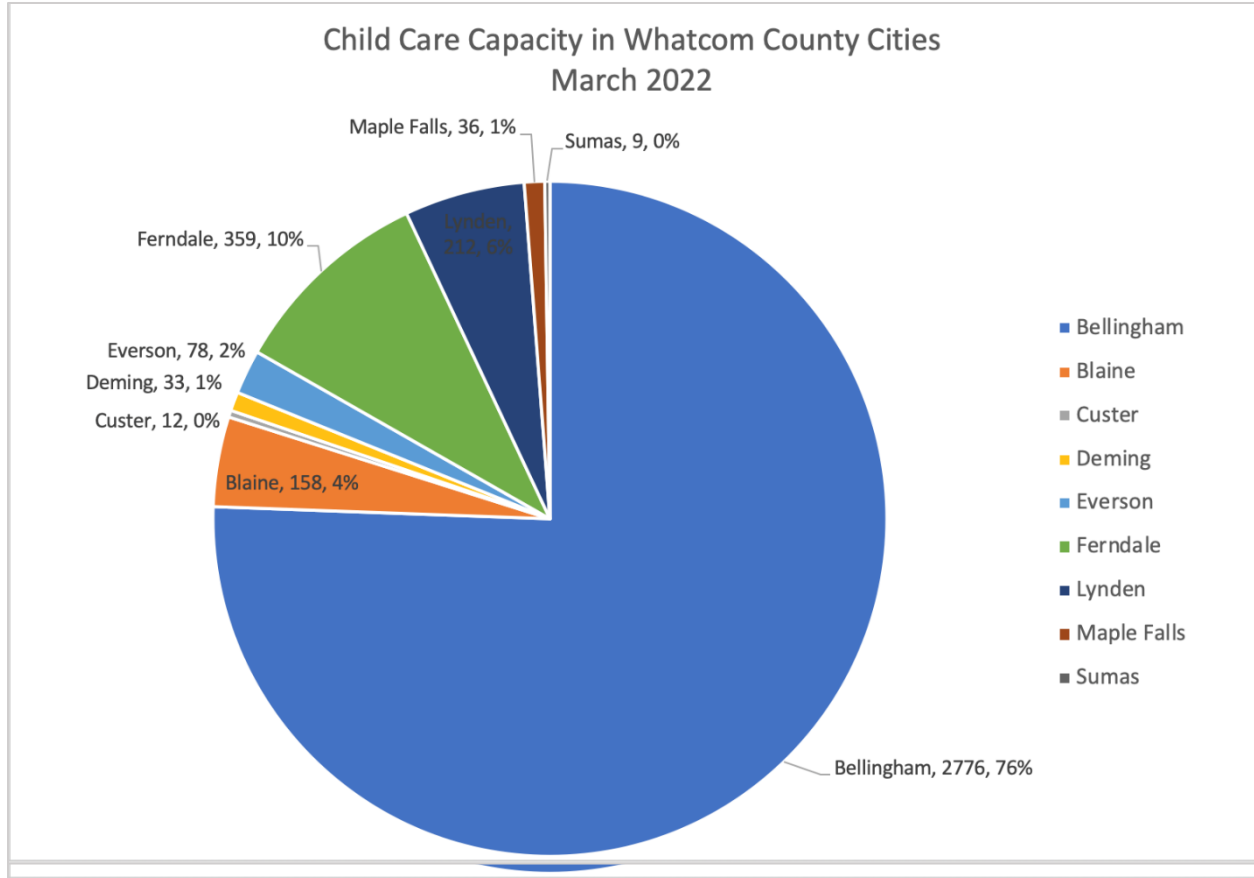
- COVID health/safety practices (PPE, cleaning or sanitizing supplies and service, etc.)

Initial metrics (mix of outputs and outcomes):

- Provide grants to 75% of total licensed childcare operators in Whatcom County.
- No net-loss of licensed operators over the funding period.
- No net-loss of childcare workers over the funding period.
- Decrease in unfilled childcare worker positions
- Net increase in childcare workers
- Number of re-opened darkened classrooms

Geographic Outreach and Distribution:

All requested resources will be put to use in Whatcom County. All proposal opportunities will be available to each licensed child care business in Whatcom County. Marketing will take place through both direct and broad/community social media, direct e-mail to each individual business and through monthly contact with each provider's assigned CCANW Early Learning Coach. C-RECC staff/consultants as well as early learning coaches will support all interested child care providers through the process of self-assessment and application, with the goal of reaching all those requesting support. Graph below indicates total capacity per current licensed child care business in county. At a minimum, the resource distribution goal will be to reflect the geographic distribution of existing non-Bellingham providers, and since many rural areas are among the most seriously underserved (as in hardly any providers), we will want to maintain the flexibility to move resources to solving those specific needs when opportunities arrive.



The deployment of funds to all individual licensed child care businesses via a tailored/flexible grant program would allow coverage for eligible expenses divided within the two areas of Stabilization:

- Stabilization through worker retention/recruitment** funds (general target 50%) for bonuses, wage-increases or benefits, but also creative strategies that reduce worker stress, which is increasingly a factor in attrition rates. This means funding for items like “extra hands” floating part time or regular substitute positions, or investing in staffing patterns that provide for four-day work weeks, coverage of additional PTO days, paid gym membership etc. will also be eligible costs.

- Stabilization through core operations** dollars (general target 50%) to, for example: support facilities costs such as lease/mortgage in arrears, licensing requirements, business expenses such as impact fees, tax information/preparation support and consumables etc.

Criteria and Goals:

Specific grant criteria and application requirements will be developed once funding is approved and will establish whether a portion of the funds must be used directly for the workforce as well as other immediate needs that may putting the business at risk. Grant size available will be according to facility type and child capacity as per table below. Applications will be reviewed by an established committee, using a designed rubric. At the same time (and similar to prior C-RECC processes), it is expected that some post-application dialogue will occur with the applicants to assure full comprehension of needs and strategies and, perhaps, help the applicant think about other ways to meet their goals.

Grant Categorization

Type of Facility	Projected Average Single Grant amount	Targeted # of programs/providers	Total
Family Child Care (capacity 6-12)	\$ 11,500.00	23	\$ 264,500.00
Center (capacity Under 50)	\$ 25,000.00	22	\$ 550,000.00
Center (capacity Over 50)	\$ 50,000.00	15	\$ 750,000.00
School Age Only	\$ 18,000.00	15	\$ 270,000.00
Outdoor Nature Based	\$ 21,500.00	2	\$ 43,000.00
Total providers		77	\$ 1,877,500.00

2. Business leadership professional development

Funding requested/in hand for category – all sources:	\$388,851
Whatcom Co. ARPA contribution to category:	\$260,430

- a. Business training series (1/3 of categorical total).** Licensed childcare providers will be offered free access to a business training series provided by Child Care Aware NW state-approved trainers who will facilitate multi-lingual training at no cost to the provider. The training series and one-on-one coaching addresses business stabilization, sustainability, and growth through the creation of marketing plans, job descriptions, budgets and networking.

In addition, participants will have the opportunity to obtain LegUp, a real-time, supply-and-demand Data Dashboard mobile app that will supplement professional development by improving marketing and enrollment management and making it convenient for families to locate and select a provider online. We believe the direct relationship-based outreach by all staff and partners as well as general advertising through diverse means (e.g. our bilingual Spanish trainers/coaches, social media, perhaps the licensed family home providers' union, etc.) will generate additional BIPOC customers for this initiative's offering.

This funding leverages other state dollars and expands programmatic reach.

Initial metrics (outputs and outcomes):

- 60 providers served and enrolled over the funding period.
- 27 hours of annual professional development provided
- Net gain in participating local providers/slot capacity within BIPOC-owned providers.
- Net gain in participating local providers/slot capacity (based on April, 2022 baseline data)
- Child Care Aware business and early learning coaches will track success throughout and following pre/post survey, goal setting

- b. Educational scholarships (2/3 of category expense).** These scholarships will help front-line staff meet credentials required to work in child care/early learning. These credential requirements have increased during the pandemic, putting additional pressure on already stressed staff to fulfill

their professional requirements. Scholarships will be available for the child care in-service, newly hired workforce and those just entering the early learning field to apply for and use to pay for costs associated with attending, maintaining and advancing within the early childhood education (ECE)/child care profession. This would be a partnership with the Northwest Indian College (NWIC) and Whatcom Community College (WCC) early learning programs.

This funding complements a limited state pool of dollars which typically runs out only part way through each budget year. That fund also limits enrollees to the lowest needed credential to become employed in the field. The requested dollars will open the door to more students and help create career ladders by allowing enrollees, especially BIPOC enrollees, to pursue higher credentials within the early learning field.

Initial metrics:

- 70 new certifications/credentials retained over the funding period.
- Net gain of certified BIPOC professionals

3. Support working families in accessing and maintaining high-quality child care through distribution of childcare vouchers

Funding requested or in hand for component – all sources:	\$139,000
Whatcom Co. ARPA contribution to component:	\$ 82,867

The Opportunity Council’s emergency voucher program funding, which is historically provided by United Way, has been depleted. These emergency childcare vouchers help families enduring medical, relationship dissolution (e.g., DV), acute unemployment and other blows to stability. The goal of the vouchers is to maintain employment, pay for housing, and prevent income loss during times of crisis. This temporary assistance ensures children keep their spot at a safe and nurturing childcare program, rather than exiting and being sent to the end of a waiting list, when unexpected financial emergencies threaten to destabilize families. As important, children maintain the bonded relationship they have established with their care provider and maintain their learning trajectory.

Initial metrics (outputs and outcomes):

- # of child care service disruptions avoided through use of emergency vouchers



- # of children served
- # of jobs or instances of housing stability enabled
- Demographic and geographic distribution of estimated 90 child care vouchers

Note: Mount Baker Foundation recently committed \$20,000 to this program, and the OC will be pursuing other grants, such as from United Way, to continue the program after ARPA funds are depleted.

Budget Summary

Line items include pro-rated staffing provided to administer the programs. See “C-RECC CoB-Whatcom Co. 2.5-Yr ARPA Budget by Year with Leverage” spreadsheet for detailed breakdown by year, funding source, and components.

Projected 2.5-Year Budget		
Item	Amount – All Sources	Whatcom Co ARPA
Component 1: Stabilization & Retention Grants and Tech. Assistance*	\$2,605,468	\$1,457,396
Component 2: Workforce Scholarships & Business Dev/STARS Trainings	\$388,851	\$260,430
Component 3: Emergency Child Care Vouchers for Families	\$192,395	\$82,867
Federally Approved Indirect @ 12% where allowed by GAAP	\$364,358.28	\$197,591.16
TOTAL	\$3,551,072	\$1,998,284.16

**this component includes pass-through funding, technical support, and the staffing costs (including taxes and benefits) of adding a new Spanish-speaking 0.75 FTE to work with all types of community providers in Whatcom County per the committee recommendation of the Whatcom County Child & Family Well-being Task Force.*

Implementation Plan

Upon funding approval, Opportunity Council will roll out proposed activities in a phased approach with a three-tiered framework. This will be pushed back based on the timeframe for funding approval.

Timeframe <i>(a three-tiered framework)</i>	Activities	Notes
April – May 2022 (prep)	Develop promotional materials and outreach plans to families and child care providers.	<p>Work with the City of Bellingham and Whatcom County to develop and share multi-language promotional materials that outline the available opportunities for providers.</p> <p>C-RECC team, Early Learning Coaches, higher education partners (NWIC/WCC), Child Care Aware Family Call Center, CCANW program assistant/administration team, and county partners will develop targeted outreach plan to inform providers and families of all opportunities.</p> <p>Develop Last Dollar Scholarship application and process details with higher education partners.</p> <p>Develop a project-relevant, tailored application and review rubric; design marketing/outreach campaign for child care providers seeking funding for stabilization and workforce retention</p>
May 2022; ongoing (prep)	Begin targeted outreach to providers,	<p>Build upon Opportunity Council’s long-standing relationships with child care providers.</p> <p>Initiate targeted email campaigns to providers will also be sent out as well as online marketing on</p>

	families and community	<p>established platforms (ex. Child Care Aware of NW Washington website)</p> <p>Begin promotion/recruitment for “Last Dollar” scholarship program to all licensed child care businesses.</p>
May 2022; ongoing (First Tier)	Grants – stabilization and workforce retention	Pending approval from county and city funders, application for grants will open to providers on or before May 15, 2022.
May 2022; ongoing (First Tier)	Leg-Up Software	With our partners at Child Care Aware of Washington, promote the LegUp app/dashboard pilot project to all providers, support onboarding and training of the platform. County-wide, families will also receive information and assistance in utilizing and navigating this platform to locate child care providers with open enrollment. Supply and Demand data in various forms will be available in real time.
July 2022; ongoing (Second Tier)	Emergency Child Care Vouchers	Incorporate new funding into Emergency Voucher Program upon contract process completion. Develop promotional materials indicating partnership with City of Bellingham and Whatcom County.
July 2022; ongoing (Second Tier)	Business coaching for new and existing programs	<p>Begin scheduling consulting meetings with interested providers and providers upon grant funding.</p> <p>Providers will have an initial Zoom meeting to discuss needs and set up an individualized plan tailored to their needs.</p>
Fall / Winter 2022; ongoing (Third Tier)	Professional Business Development Training Series	Schedule dates for the first year of business series trainings and begin enrolling providers. Tentatively schedule in-person trainings for Year Two, with virtual as a back-up.
Fall / Winter 2022; ongoing (Third Tier)	Last-Dollar Educational Scholarships	Accepted and enrolled child care workforce begins fall quarter academic year 22/23.

Resources and Funding Subgroup Questions/ Recommendations this proposal seeks to address and we look forward to discussing:

Clarify the parameters of the grant as to how much will be distributed to each program. What is the target number of programs reached as well as geographic distribution?

- Will there a maximum grant size? Yes, see section 1 above.
- Will there be a limit, or range, per child care spot? Yes, in licensed capacity ranges, see section 1 above.
- Will there be an effort to ensure that programs outside of Bellingham are included? Yes, special emphasis
- How will geographic distribution of grants be tracked and measured? Customized Database & Mapping Program software.

Clarify the process of how grant distributions will be decided.

- Will there be a review panel involved? – yes, including QCC/C-RECC staff and at least one representative from each funding source
- Will there be a rating scale used for applications? – yes, though it will be a rubric and open to negotiation with the applicants

Require that grants to centers spend no less than 50% of the grant on workforce stabilization. (We agree with the need to give centers full leeway to determine what appropriate retention measures are for their program and staff but believe that this should not be a target but a requirement for center-based programs). Full flexibility should be given to home-based providers.

We understand the committee’s strong interest in driving investments toward our area’s dedicated early learning and care workforce. We wholeheartedly share that concern. It’s real. AND, it might need to be complemented with other interventions to save a provider, but above all, it must be done right to avoid unintended consequences that other funders have stumbled into. It will be an important conversation topic when we meet.

We are also concerned about the rather broad-brush painting of “centers” in your statement, which come in a wide variety of sizes, histories, ownership models and specializations. We hope to inspire transformative applications from providers of all types and sizes so that the gains purchased with local governments’ ARPA dollars can be sustained once the funding period ends. And, as learned from the recent State stabilization grant process, being overly prescriptive at the outset frightens providers away from seeking help. We strongly believe in the tailored/guided approach to shaping interventions, honoring the owner’s knowledge of their situation, using the historical relationships of our QCC coaches and C-RECC staff have with the provider community to hear their perception of their needs, AND through that trust, bring to bear some ideas of seizing the funding opportunity perhaps differently than they originally thought to be more transformative and bold for the business and its workers.

In short, we are not as concerned (based on regular, ongoing conversations) that there will be a shortage of providers wanting to help advance the livelihoods of their staff members, but we also have to work with them to make sure our “help” doesn’t destabilize the operation, and therefore, the employment of those ECE professionals. We think by offering up to the committee an interim report of metrics and an early summary of first wave grantees before we are even a third of the way into the appropriations will give you confidence that you can trust we’re on the same page without having to squelch any provider’s knowledge of their own business and needs. We don’t believe any of us wants to tell a key part of our early learning and care sector, especially BIPOC-owned businesses, that there is “only one way or the highway.” We will have some examples for you when we meet.

Will the C-RECC expansion be specific to Whatcom County? Yes, the COB/County C-RECC infrastructure expansion will be specific to Whatcom, supporting part of exiting staff and 1 full bilingual FTE to be hired.

Will ECEAP programs be eligible for this funding? We look forward to hearing the committee’s thoughts on this. Since Opportunity Council’s Dept of ELAFS is the largest provider of ECEAP in the county, if the committee has an interest in this area, we would advocate for a separate process to be set up that would alleviate the otherwise obvious conflict of interest. Said another way, C-RECC has never awarded dollars to an ECE element of our own department, even where demonstrated need exists.