



**The ECE Business
Collaboratory**

The Child Care Ecosystem



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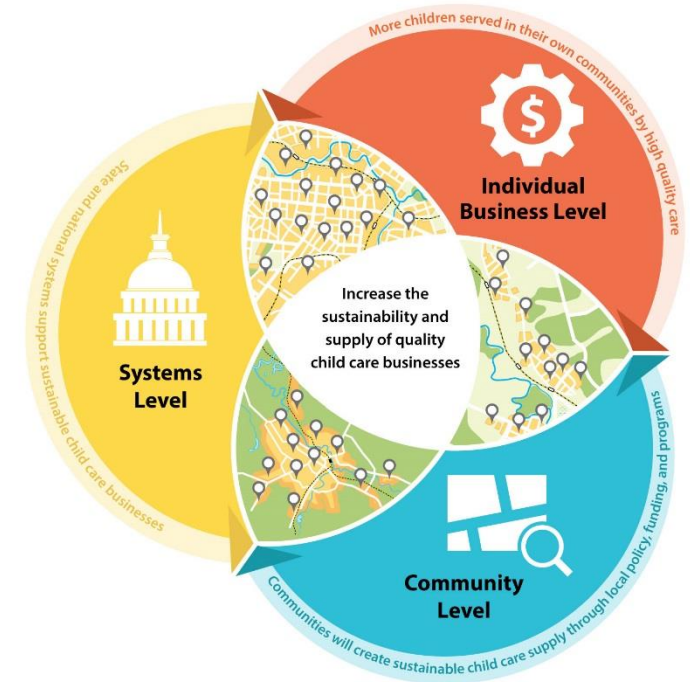
The Ecosystem identifies the essential elements of a strong, sufficient, sustainable system of high-quality child care that:

1. meets the practical, educational, and cultural needs of local children and families;
2. provides child care owners and staff with a viable business model, career pathways, livable wages, and valuation of their skills; and
3. enhances the local economy, community vitality, and civic life.

SCOPE & DESIGN

- *Developed by First Children's Finance*
- *Serves as both an Assessment and a Planning Tool*
- *Ecosystem elements will look different in each state, given demographic, cultural, administrative & economic variations*
- *Elements may evolve over time, based on emerging conditions, innovations, and feedback from the field*

The Child Care Ecosystem



The ECE Business Collaboratory is a project of First Children's Finance, which works at the child care **BUSINESS**, **COMMUNITY**, and **SYSTEMS** levels.

Our Child Care Ecosystem identifies essential elements at each level.



STRATEGIES

- Financial relief programs (tax credits, TEACH, RETAIN)
- Student loan forgiveness for child care professionals
- Child care businesses unionized
- Access provided to insurance and retirement benefits
- Apprenticeships in place for child care professionals
- Career pathway to B.A. degrees supported with articulation agreements and state-funded scholarships
- Wage increases scheduled through state funding for all child care professionals
- Salary scales create parity (compensation and benefits) with K-12 teachers

Business Efficiency

BUSINESS

Workforce



Business Efficiency



Training & Education



Consultation



STRATEGIES

- Efficiencies of scale are funded by the state
- Training and coaching on emergency preparedness and emergency recovery provided
- State subsidizes the acquisitions of curriculum & assessment tools for community-based child care businesses
- State supports staffed and funded licensed family child care businesses networks/hubs



STRATEGIES

- Licensure process includes processes for child care businesses to develop business models and assess their business management capacities; initial licensure is paired with business coaching
- Child care business curriculum includes specific strategies, tools, and individualized coaching
- Director's credential /administrator's credential includes training and opportunities to build business management capacity
- Business coaches actively support child care entrepreneurs
- Child care business professional development is specific and offered to all child care professionals on an annual basis



STRATEGIES

- Personalized start-up consultation and coaching, including financial modeling, for child care businesses
- Personalized expansion coaching and consultation, including financial modeling, for child care businesses
- Personalized crises intervention coaching and consultation, including financial modeling, for child care businesses
- State-developed competency framework for businesses included in licensing and professional development

Access to Capital

COMMUNITY

Access to
Capital



Subsidy



Supply-
Building



Facilities
Planning



STRATEGIES

- State agencies funds physical plant improvement
- State and local governments fund grants
- Tax increment financing is in place on state and local levels
- Loans are available for child care businesses from nontraditional banking institutions to increase the favorable conditions of these loans
- State-contracted independent CDFI/clearinghouse provides access to loans

Subsidy

COMMUNITY

Access to
Capital



Subsidy



Supply-
Building



Facilities
Planning



STRATEGIES

- Child care subsidy payment rates reflect the true cost of care; subsidy pays at or above current market rates and sustains those increases each year
- The cost of quality is accurately analyzed and defined regularly, including in-person data collection from child care businesses
- State contracts for slots for infants, toddlers, and children under age 5
- Local funding (scholarships, vouchers, etc.)
- State pays for a defined, consistent number of slots that child care businesses can count on and use to serve CCDBG eligible children

Supply-Building

COMMUNITY

Access to
Capital



Subsidy



Supply-
Building



Facilities
Planning



STRATEGIES

- State conducts child care slot supply-demand gap analysis on state and local levels annually to inform the development of policies and practices
- Infant/toddler slot incentives are offered to intermediaries at a local level
- Innovative licensing mechanisms allow family child care businesses to operate in nontraditional spaces that meet licensing standards
- Innovative licensing mechanisms allow family child care businesses to care for an increased number of infants/toddlers
- Economic development initiatives include partnering with local entities and local dollars (tax abatement, forgivable loans, etc.)

Facilities Planning

COMMUNITY

Access to
Capital



Subsidy



Supply-
Building



Facilities
Planning



STRATEGIES

- School lease levy is approved by local school boards and provides facilities for community-based child care businesses
- Zero interest loans are available to providers for facilities
- Early childhood bonding program is in place
- Disaster planning is required of all providers and personalized, in-person coaching is provided by non-licensing entities

System Financing

SYSTEMS

System
Reform



System
Financing



Public-
Private
Partnerships



STRATEGIES

- Sin Tax proceeds (tied to workforce) fund the business needs of child care businesses
- Tax Increment Financing supports child care at local level
- State removes barriers to local taxing initiatives to support child are businesses
- Social Impact investing is facilitated
- New Market Tax Credit is in place
- State waives payment of land tax for child care businesses
- Support from the state legislature is provided to ECE system on an annual basis
- State implements a strategic financing plan
- Pay For Success financing is facilitated

Public Private Partnerships

SYSTEMS

System
Reform



System
Financing



Public-
Private
Partnerships



STRATEGIES

- Child care partnerships (public school, private employer, faith community, etc.) are in place
- Tax increment financing at a local level is inclusive of child care either from a financing or supply perspective on the state and local level
- Philanthropy and state government supports business innovation, research, and development
- Financial intermediary is contracted to provide loans, grants, and/or increase access to capital
- Workforce board advisory committees focus on compensation of child care businesses and the issues families face in maintaining employment

System Reform

SYSTEMS

System Reform



System Financing



Public-Private Partnerships



STRATEGIES

- Backbone organization addressing business issues holds the responsibility of developing and implementing strategies to support the business side of child care (ex: VECF)
- Governor articulates changes they intend to make and is held accountable by legislators, agencies, and voters
- State-level coordinator oversees financing, systems change, direct service delivery, workforce supports, facilities, and quality assurance and improvement