



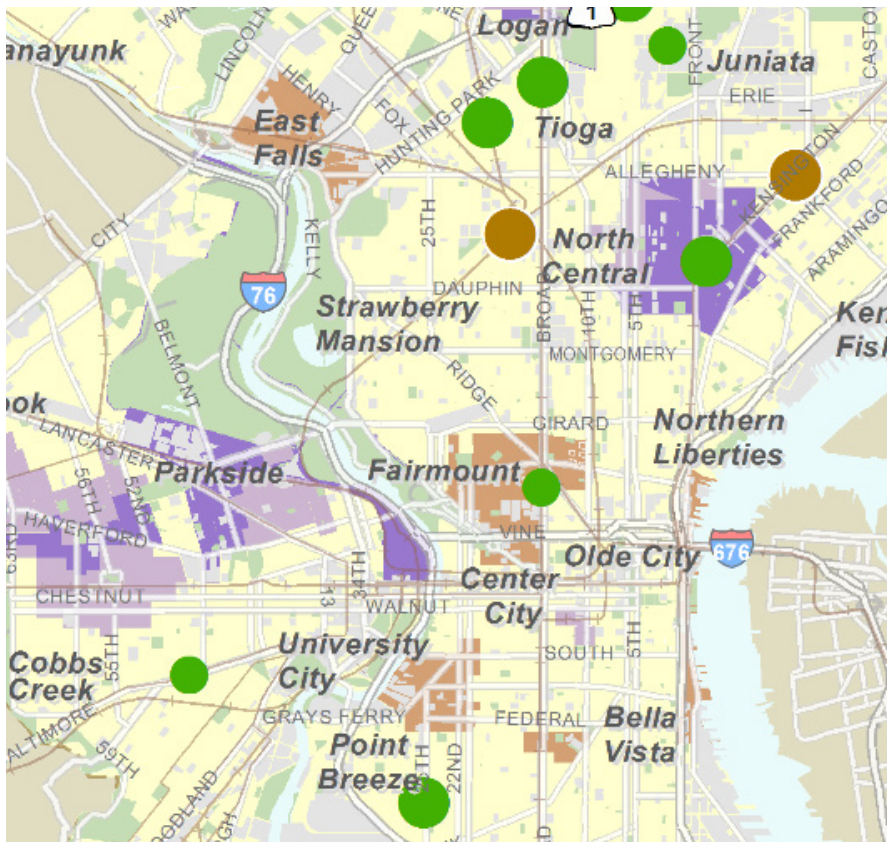
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Documenting the Influence of Fund for Quality Investments on the Supply of and Demand for Child Care in Philadelphia

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Introduction

Fund for Quality (FFQ) helps providers of high-quality early childhood education in Philadelphia reach more families. Beginning in August 2014, an initial round of FFQ funding provided planning supports to 19 childcare centers, 15 of which have gone on to receive capital funding to complete expansions, creating over 780 new childcare seats across Philadelphia. FFQ is a partnership between Reinvestment Fund and Public Health Management Corporation (PHMC).

In 2015, Reinvestment Fund and PHMC created a survey to be administered for each new seat created through FFQ. The survey included two sets of questions, one for the enrolled child's parent or guardian and the other for the childcare provider. Through the survey, we collected information about the child's demographics, the parent/guardian's childcare preferences, the child's previous childcare arrangements, the childcare arrangements for the parent/guardian's other children under age five, and the funding sources supporting the child's enrollment.

This white paper presents preliminary findings related to the increased capacity of FFQ-supported providers, along with select survey responses from parents. These findings provide initial insights into the way FFQ support influences the local supply of high-quality care, the children occupying FFQ-supported seats, parental preferences for care, and the overall demand for child care in the neighborhoods served by FFQ-supported providers.

I. Round 1 FFQ Funding

The results from the 2016 analysis (see "Reports" section at www.childcaremap.org) of the gaps between the estimated supply of and demand for child care suggest that while the overall supply of child care across Philadelphia met 84% of overall demand, ongoing challenges exist for families seeking high-quality child care in a number of neighborhoods and job centers. Changes from 2014 to 2016 point to a citywide increase in the absolute number of high-quality seats, as well as the share of all seats that are high-quality, but these increases were not evenly spread across all neighborhoods. A seat is defined as high-quality if it is at a center with a STAR 3 or STAR 4 Keystone STARS rating.

Round 1 FFQ supported the expansion of existing high-quality childcare centers. Table 1 summarizes the capacity changes in the licensed capacity at selected FFQ sites between the 2014 and 2016 analyses.¹

¹ FFQ site capacity was based on enrollment reported to Pennsylvania's Office of Child Development and Early Learning (OCDEL) for the second quarter of 2013 and the first quarter of 2016. FFQ expansion activities after the first quarter of 2016 are not represented in Table 1 and are not represented throughout the white paper. These expansions include 6 additional new facilities. In addition, OCDEL capacity records represent licensed capacity, i.e. the total number of youth an individual center is licensed to serve, not actual enrollment.

Table 1: Increases in Round 1 FFQ Site Capacity, 2014-2016. Source: OCDEL

<i>Round 1 FFQ Sites</i>	<i>Capacity</i>		<i>Net Change</i>
	<i>2013 Q2</i>	<i>2016 Q1</i>	
Asociación Puertorriqueños En Marcha*	0	78	78
Cookie's Day Care Center*	0	42	42
Creative Learning Environments, Inc.	44	64	20
KenCrest Northeast Philadelphia	83	104	21
KenCrest North Philadelphia	89	108	19
Kinder Academy – Elgin Expansion*	0	166	166
Mercy Neighborhood Ministries of Philadelphia	113	140	27
SPIN - Parkwood NE Philadelphia*	0	133	133
<i>Total Increase in Licensed Seats:</i>			<i>506</i>

**New center since the 2014 analysis*

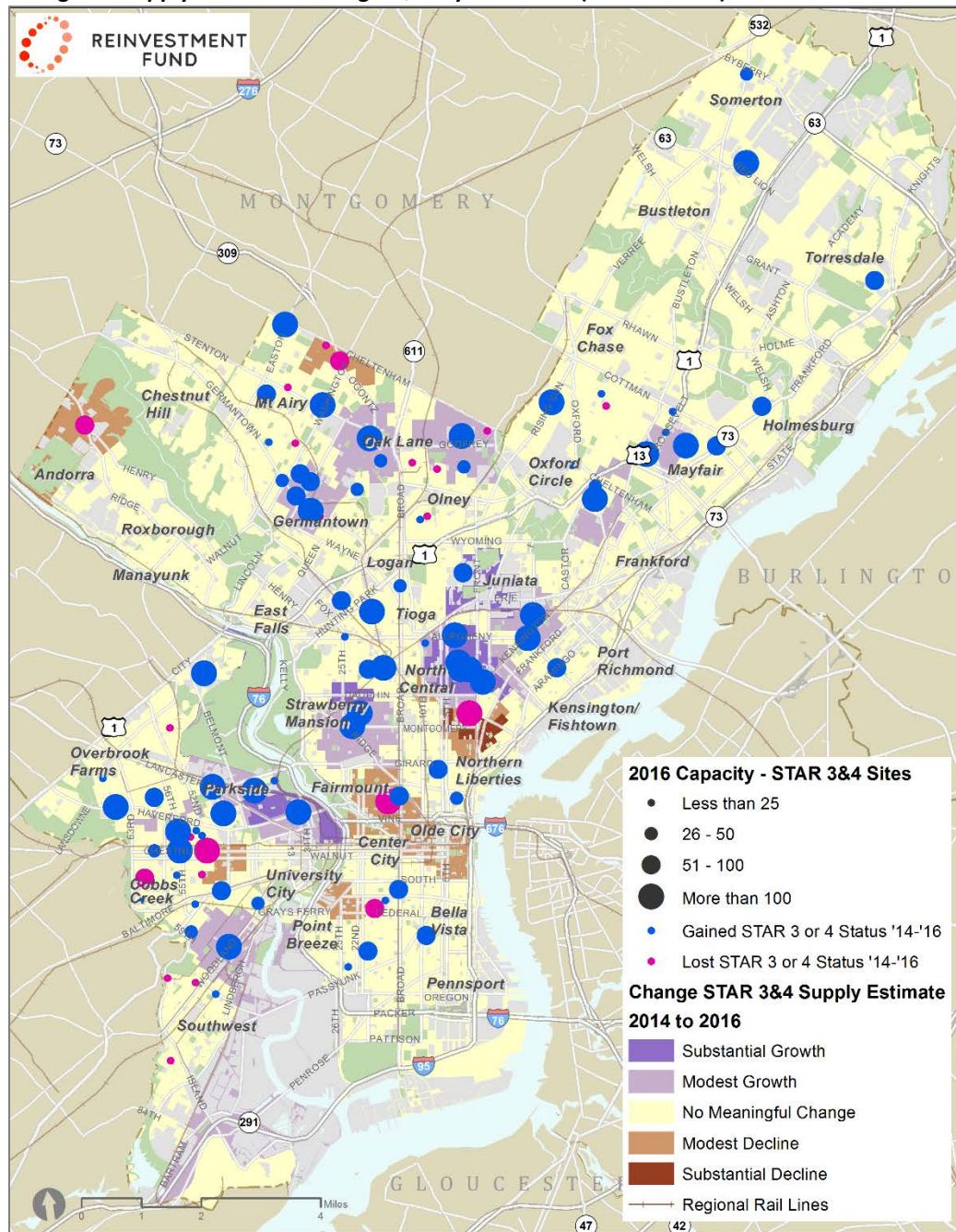
Licensed capacity increased at eight Round 1 FFQ sites, representing an increase of 506 licensed seats. Capacity totals in Table 1 undercount the total number of seats created in the first round of FFQ for two main reasons. First, licensed childcare data was pulled for the 2016 update while FFQ's first round of capital allocation was still underway. Second, increases in operating capacity from FFQ capital funding are not necessarily captured as licensed seats in OCDEL due to time lags in data reporting, and discrepancies in reporting practices at some sites.

Figures 1 and 2, on the following pages, highlight multiple ways in which the supply of high-quality child care changed throughout the city from 2014 to 2016.

In Figure 1:

- Purple areas represent substantial increases in high-quality supply;
- Brown areas represent substantial declines in high-quality supply;
- Blue circles represent childcare centers that transitioned to become high-quality centers from 2014 to 2016; and
- Pink circles represent childcare centers that lost their high-quality status from 2014 to 2016.

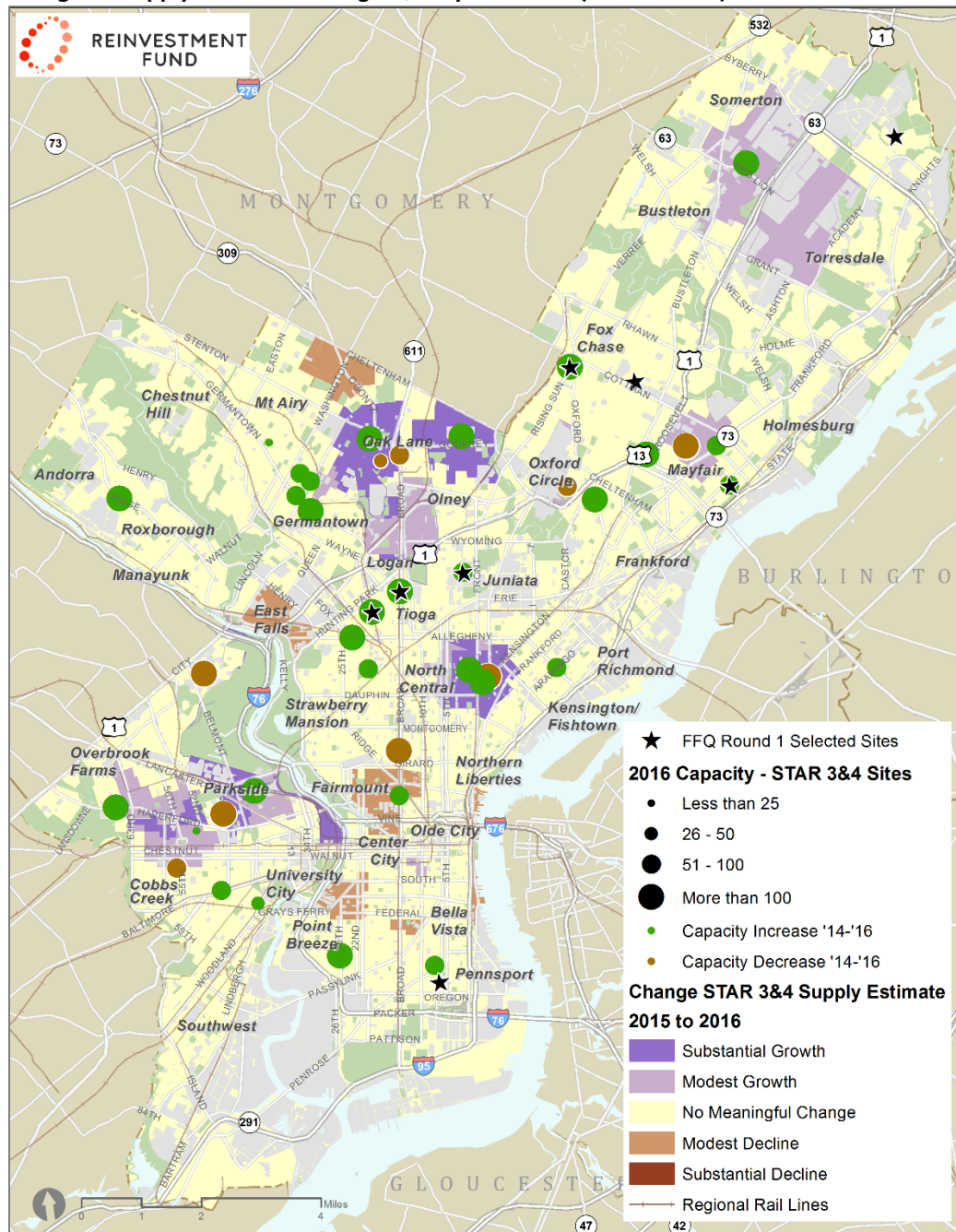
Figure 1: Changes in Childcare Sites' High-Quality Status & Changes in Supply Estimates for High-Quality Child Care (2014 to 2016)



In Figure 2:

- Purple areas represent substantial increases in high-quality supply;
- Brown areas represent substantial declines in high-quality supply;
- Green circles represent high-quality childcare centers that increased their capacity in 2016;
- Brown circles represent high-quality childcare centers whose capacity declined in 2016; and
- Stars represent sites that received FFQ support in 2014-16 to create or expand high-quality seats.

Figure 2: Changes in Capacity at High-Quality Centers & Changes in Supply Estimates for High-Quality Child Care (2014 to 2016)



FFQ capital allocations focused primarily on expanding the capacity of existing centers with high-quality ratings. While these investments increased the overall supply of high-quality seats, increases associated with entire centers moving to a high-quality rating were much larger (For more details, see the 2016 summary report at www.childcaremap.org.)

For this reason, those areas in Figure 2 with the largest gains in the supply of high-quality child care between 2014 and 2016 are not typically neighborhoods where FFQ sites are located. Rather, the largest increases correspond geographically with providers that improved their *rating*, as shown with blue circles in Figure 1.

From 2014 to 2016, 55 of 147 neighborhoods in Philadelphia (37%) experienced an increase in the number of high-quality childcare seats, an overall gain of 8,389 seats. Only 17 neighborhoods (12%) saw a decline in high-quality seats, a decline of 1,063 total seats. The remaining neighborhoods saw less substantial changes.

Table 2 identifies those neighborhoods with the greatest increases and reductions in the supply of high-quality childcare seats between 2014 and 2016. Notably, eight of the ten neighborhoods with the greatest gains are located in North or West Philadelphia.

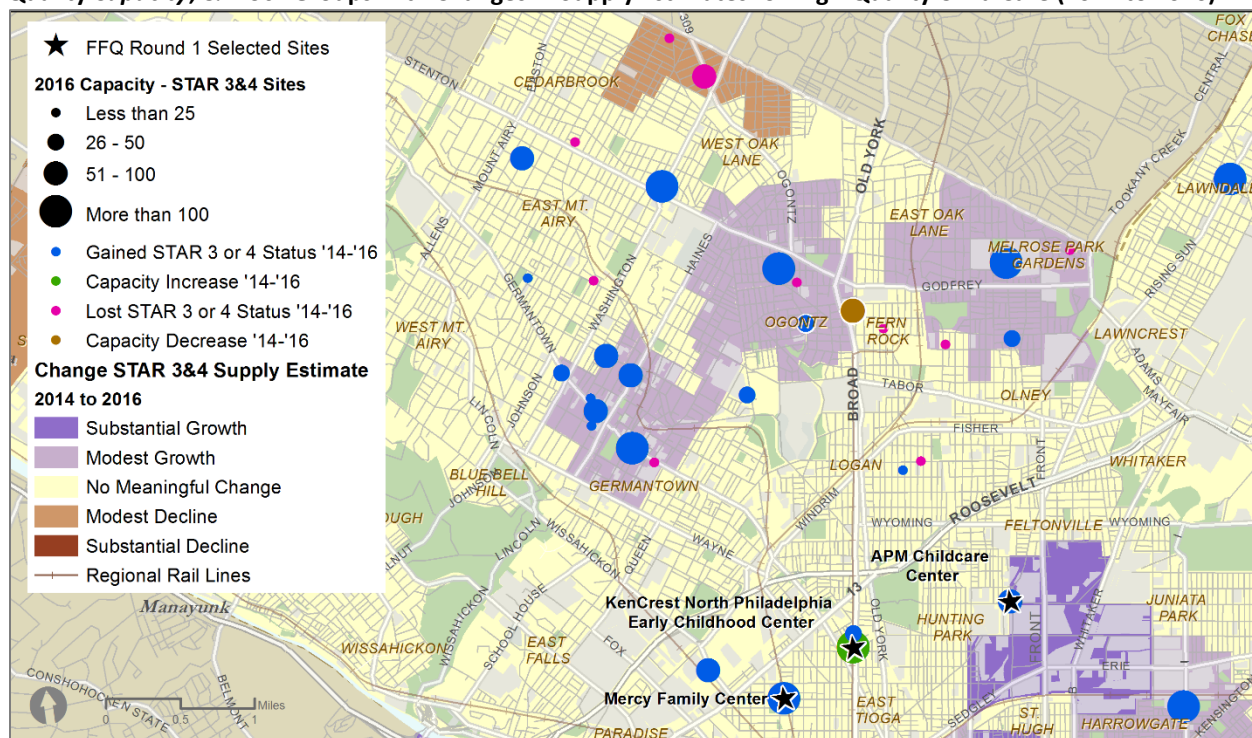
Table 2: Neighborhoods with the Top Ten Gains and Declines in High-Quality Seats, 2014-2016

Greatest Gains in High-Quality Childcare Seats		Greatest Declines in High-Quality Childcare Seats	
• West Kensington	• Kingsessing	• Norris Square	• Point Breeze
• St. Hugh	• Mantua	• Walnut Hill	• Old City
• Ogontz	• Germantown	• West Fairhill	• Juniata Park
• Mayfair	• North Central	• Logan Square	• Southwest
• East Oak Lane	• Fairhill	• Shawmont Valley	• Eastwick

The following pages present three close-in looks at changes in the supply of high-quality child care in the following areas: Upper North Philadelphia (Logan/East Oak Lane/West Oak Lane); South Philadelphia (Point Breeze); and Lower Northeast Philadelphia (Mayfair/Summerdale).

Upper North Philadelphia (Logan/East Oak Lane/West Oak Lane)

Figure 3: Upper North Philadelphia Centers with Changes in High-Quality *Rating*, Centers with Changes in High-Quality *Capacity*, & Block Groups with Changes in Supply Estimates for High-Quality Child Care (2014 to 2016)



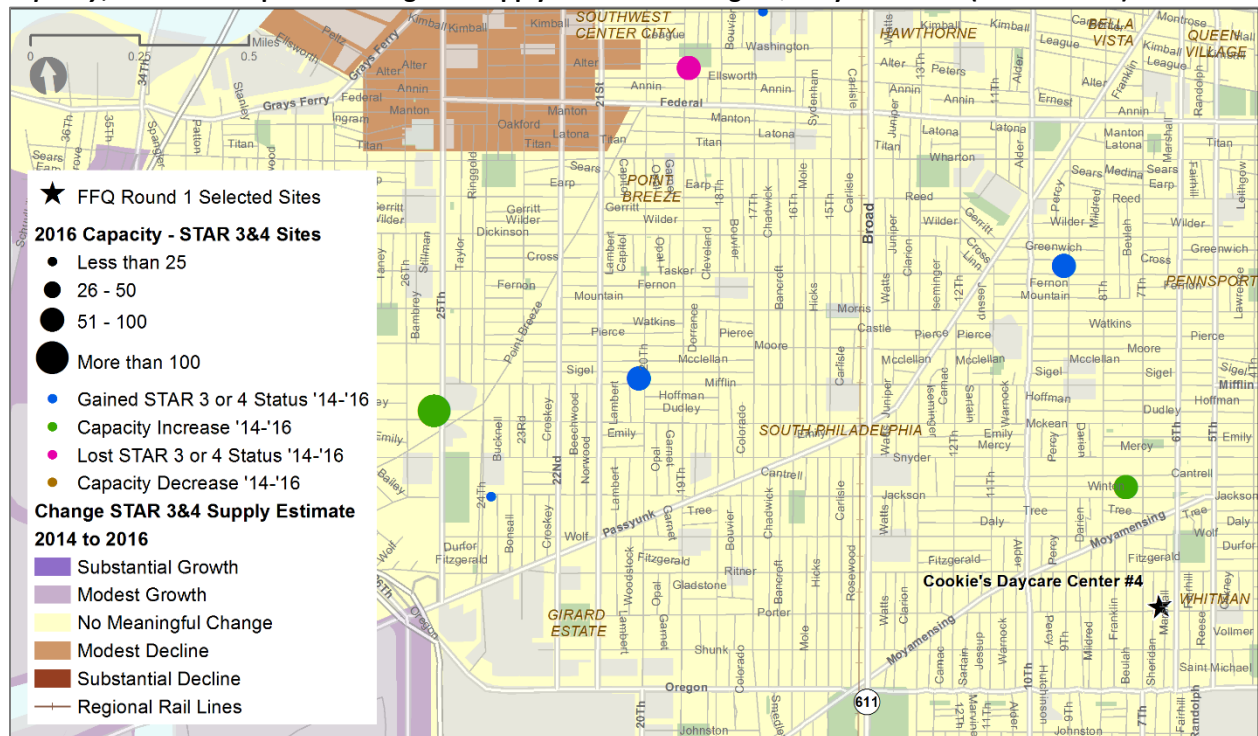
Upper North Philadelphia is home to three FFQ-supported facilities: APM Community Child Care Center in Hunting Park, KenCrest North Philadelphia Early Childhood Center in East Tioga, and Mercy Family Center in the Tioga neighborhood. Overall, these sites added 124 high-quality seats during Round 1 of FFQ implementation.

Notwithstanding the 124 seats created by FFQ, the biggest driver of area-wide change in the supply of high-quality child care in Upper North Philadelphia was the improvement in quality *ratings* at several existing large facilities, which added more high-quality seats than FFQ-supported sites.

The most substantial gains in Upper North Philadelphia neighborhoods were observed to the north of Roosevelt Blvd (US-1) and near Junata Park. Neighborhoods that experienced modest to substantial growth in high-quality supply include East Oak Lane, Ogontz, and East Germantown. Notably, West Oak Lane experienced some of the greatest declines in high-quality seats in the city, due to the loss of high-quality *ratings* at two centers in the neighborhood.

South Philadelphia (Point Breeze)

Figure 4: South Philadelphia Centers with Changes in High-Quality *Rating*, Centers with Changes in High-Quality *Capacity*, & Block Groups with Changes in Supply Estimates for High-Quality Child Care (2014 to 2016)



South Philadelphia is home to one FFQ-supported facility: Cookie's Day Care Center located near the Whitman neighborhood. Cookie's Day Care Center is a new site that added 42 high-quality seats to the neighborhood in 2016.

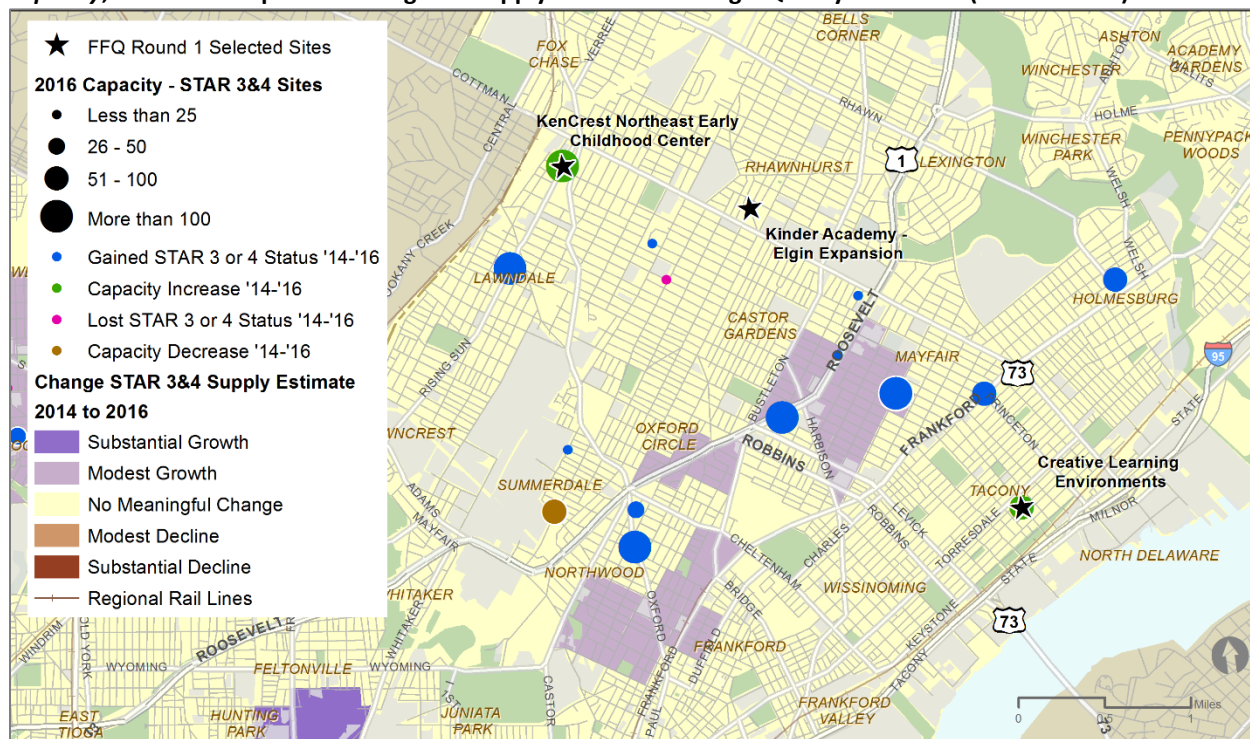
In South Philadelphia, the supply of high-quality childcare seats was relatively stable from 2014 to 2016, represented by the vast majority of 'yellow' neighborhoods in Figure 4.

One notable exception is the northwest corner of Point Breeze and into Graduate Hospital/Southwest Center City. This area experienced a modest decline in the supply of high-quality child care, due to a center that lost their high-quality *rating* (pink circle).

While there were fewer changes in South Philadelphia compared to North Philadelphia, the observed changes also appear to be driven by sites with changes in their quality *rating* rather than sites with changes in their *capacity*, including FFQ sites.

Lower Northeast (Mayfair/Summerdale)

Figure 5: Lower Northeast Centers with Changes in High-Quality *Rating*, Centers with Changes in High-Quality *Capacity*, & Block Groups with Changes in Supply Estimates for High-Quality Child Care (2014 to 2016)



The Lower Northeast is home to three FFQ-supported facilities: KenCrest Northeast Early Childhood Center in the Burholme neighborhood, Kinder Academy – Elgin Expansion in Rhawnhurst, and Creative Learning Environments in Tacony.

In the Lower Northeast, the supply of high-quality child care was relatively stable from 2014 to 2016, represented by the vast majority of ‘yellow’ neighborhoods in Figure 5. Notable exceptions include modest increases in the supply of high-quality child care in both Mayfair and Frankford (shown in light purple in Figure 5). As with other Philadelphia neighborhoods, this growth was largely driven by existing centers that earned a high-quality *rating* between 2014 and 2016 (represented by blue circles).

Summary

FFQ funding in Round 1 included allocations for planning and implementation. At the end of the first quarter of 2016, OCDEL captured capacity increases at eight Round 1 FFQ sites. Additional high-quality seats came online at FFQ-supported facilities throughout 2016, with more anticipated in 2017. Subsequent updates to the Philadelphia childcare analysis will continue to document the expanding capacity of FFQ-supported sites along with the impact of FFQ capital investments.

The following section provides preliminary findings regarding children occupying FFQ-supported seats—including parents’ childcare preferences, their past childcare arrangements, and their current childcare arrangements for their other children—to better understand parents’ childcare decisions and the scope of unmet demand for child care among parents at FFQ-supported facilities.

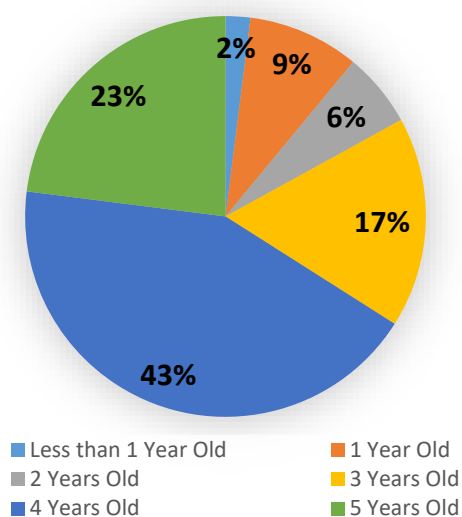
II. Feedback from FFQ Parents & Providers

Since FFQ's inception in 2014, Reinvestment Fund and PHMC have administered a parent/provider survey for each new seat created with FFQ support—by the end of 2016, 10 facilities had submitted completed surveys for newly created FFQ seats. The survey collected information from parents/guardians and providers about the child's demographics, the parent/guardian's childcare preferences, the child's previous childcare arrangements, childcare arrangements for other children under five, and the funding streams that support each child's enrollment. This section presents select findings from the first round of the parent/provider survey to highlight relevant insights into the population served by FFQ funding. These findings also provide insight into the process for estimating the supply of and demand for high-quality child care.

Child Demographics

Figure 6 presents the age distribution of children enrolled in FFQ-supported seats at all FFQ sites.

Figure 6. Age of Children in FFQ Seats (n = 350)

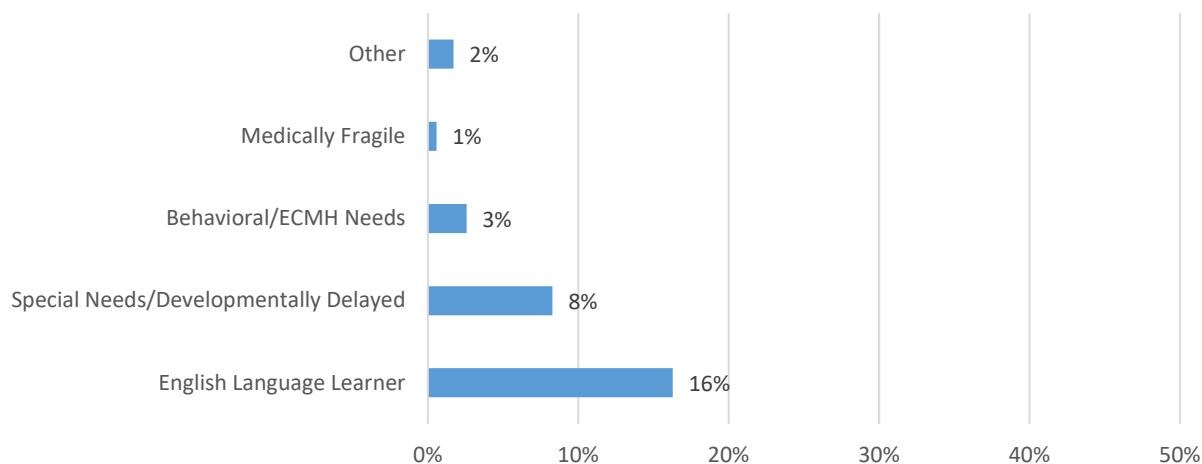


As seen in Figure 6, 43% of children across all 10 facilities that returned completed surveys (the 8 listed in Table 1 plus Dixon Learning Academy and KenCrest – West Philadelphia) were four years old at the time of the survey. Another 23% were five years old, 17% were three years old, and 17% were two years old or younger. Only 2% of all children in FFQ-supported seats were less than a year old.

As part of the survey, providers were asked to identify children belonging to one or more vulnerable populations, including children who were medically fragile, children who had special needs or were developmentally delayed, children who were learning English as a second language, children who had behavioral or early childhood mental health (ECMH) needs, and children belonging to other vulnerable populations. Figure 7 presents the distribution of the 100 FFQ children (27% of all children served) with vulnerabilities by type of vulnerability across all facilities.²

² The Round 1 survey did not include a response category for children without vulnerabilities. When this question was left unanswered it was assumed the child did not belong to any vulnerable population. This question has been updated for the Round 2 survey.

Figure 7. Characteristics of FFQ Children with Vulnerabilities Across All Facilities (n = 350)

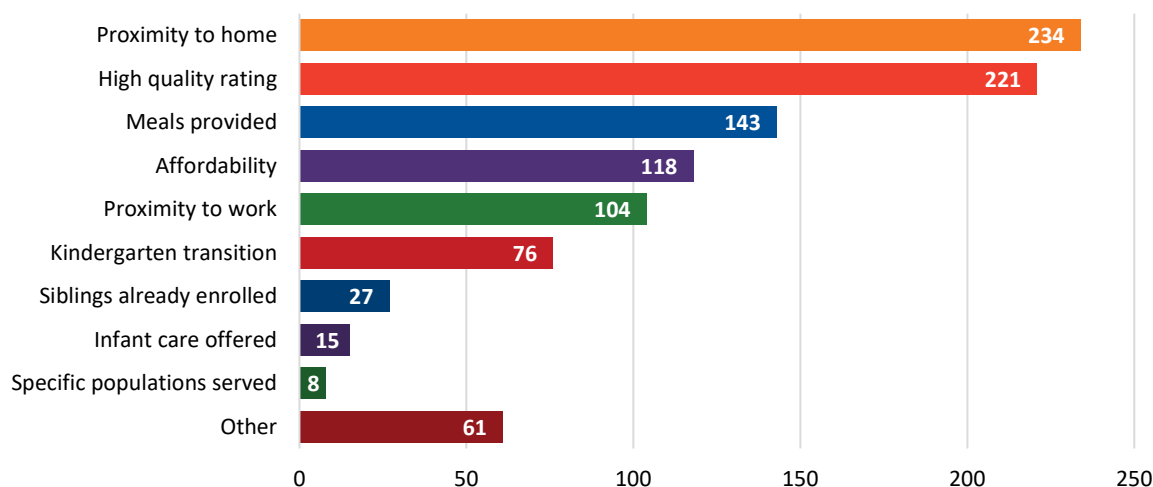


As seen in Figure 7, the greatest share of children identified as vulnerable were English language learners (16% of all children in FFQ seats). The second largest group, special needs and/or developmentally delayed children, accounted for 8% of all FFQ children.

Childcare Preferences

Parents/guardians were asked to indicate all the reasons they enrolled their child at their chosen facility.³ Figure 8 presents the childcare preferences of parents/guardians who enrolled their children in FFQ-supported facilities.

Figure 8. Childcare Preferences Across All Facilities (n = 365)



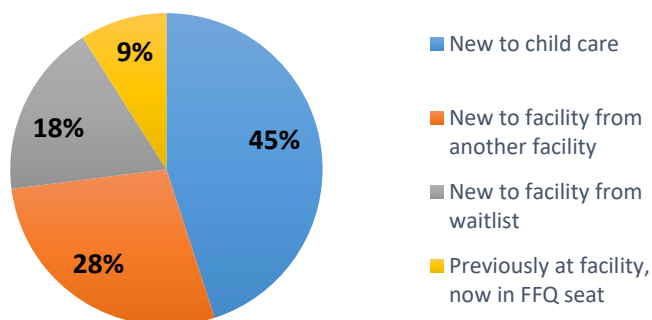
The two most commonly selected reasons were a facility's "proximity to home" (234 responses) and "high-quality rating" (221 responses). Other common responses were "meals provided" (143 responses), "affordability" (118 responses), "proximity to work" (104 responses), and "kindergarten transition" (76 responses).

³ Because parents could (and frequently did) select multiple reasons that they preferred the FFQ site, the number of responses adds to more than the number of respondents.

Previous Childcare Arrangements

Providers were asked about previous childcare arrangements made for children enrolled in FFQ-supported seats. Figure 9 presents responses for all FFQ-supported facilities.

Figure 9. Previous Childcare Arrangements by Facility (n=341)

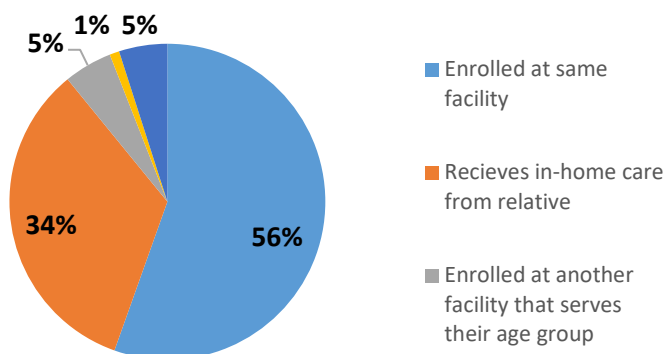


Nearly half of children served (45%) were new to formal, center-based child care. Another 28% were new to their FFQ-supported facility. Almost one-fifth of children (18%) were previously on a wait list for their FFQ-supported facility. Overall, 91% of children were new to their childcare facility. The remaining 9% of children were previously enrolled at their current center and now occupy a seat supported by FFQ expansion.⁴

Childcare Arrangements for Other Children Under Five Years Old

The survey also asked parents and guardians about the childcare arrangements made for their other children under age five.⁵ Figure 10 presents responses for all FFQ-supported facilities.⁶

Figure 10. Childcare Arrangements for Other Children Under 5 (n=153)



⁴ For example, consider a child who attended a center with 50 slots in the year prior to FFQ. In Year I of FFQ, this child remained in the center, which now supported 75 seats, 25 created with FFQ support. This child was previously enrolled at the facility and occupied an FFQ seat in Year I of FFQ.

⁵ Only 41% of surveys had valid responses to this question, presumably because most parents and guardians did not have other children under age five.

⁶ Percentages in Figure 10 exceed 100% due to rounding.

More than half (56%) of parents/guardians with additional children under five years old indicated that their other children under five were enrolled at the same facility. Approximately one-third (34%) of these children received in-home care from a relative; 5% were enrolled at another facility because the FFQ-supported facility did not care for children that young; 1% were enrolled at other facilities because the FFQ-supported facility had a wait list; and 5% were enrolled at other facilities for other reasons.

Summary

The preliminary results from the first round of the FFQ parent/provider survey suggest that FFQ-supported seats are largely occupied by three- to five-year-olds and that about a third of all children in FFQ-supported seats belong to at least one vulnerable population group. In addition, parents' decisions about child care are largely informed by how close options are to home and whether they are high-quality. The responses to the parent/provider survey do not provide insight into how parents themselves assess the quality of their childcare options, i.e. using the Keystone STARS ratings, referrals, or some other means—but these responses suggest that quality is an important factor for the vast majority of parents.

Just under half of all children in FFQ seats were not in center-based care prior to enrolling, and among those parents with additional children under five, roughly a third receive in-home care. Understanding the degree to which these responses are more broadly representative of family childcare decisions and how these preferences influence city-wide and neighborhood-specific demand for center-based child care can provide insights critical to refining the supply and demand estimations, in addition to ongoing investments made through FFQ in the years ahead.

An enhanced and improved parent/provider survey is currently being administered for seats created with Round 2 FFQ funding. Ongoing data collection with parents and providers will provide even more valuable insights into parents' decision making for child care as well as into the unmet demand for high-quality care in neighborhoods throughout the city.

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