

Fiscal Committee

Childcare Pilot Program Presentation September 16, 2019

Presenters:

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Through a public/private partnership, the Greater Dubuque region developed an innovative approach to grow the region's workforce and create additional childcare options for students training for in-demand employment positions.

Agenda

- ❖ National Childcare Issues
- ❖ Dubuque Childcare Issues
- ❖ Goals of Pilot
- ❖ Childcare Pilot
- ❖ Funding
- ❖ Outcomes

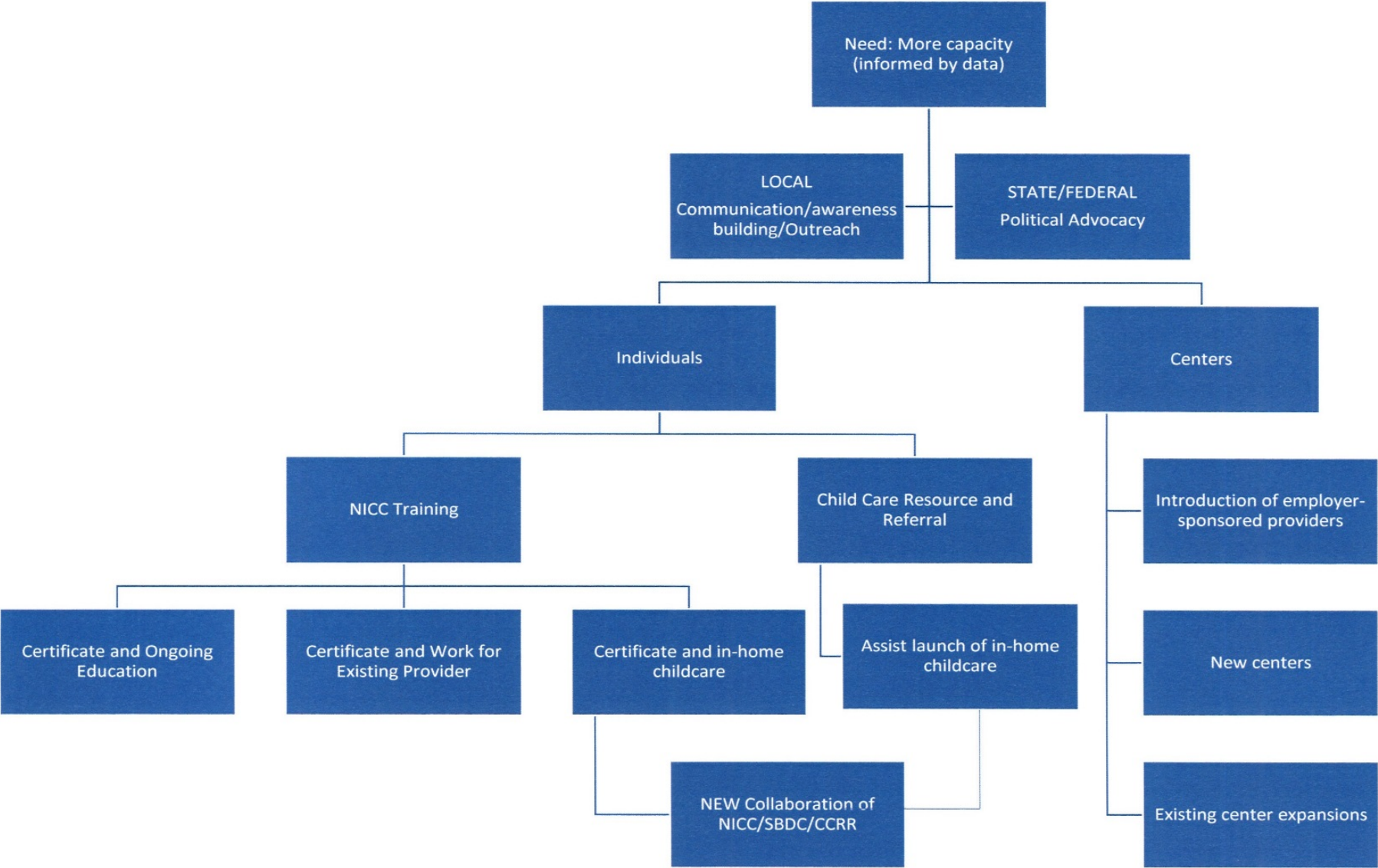
Nationally – What's Happening with Childcare?

- ❖ Women are the majority of full-time workers whose earnings leave them trying to support a family with near poverty level incomes (Hegewisch, Bendick, Gault, & Hartman, 2016).
- ❖ It is estimated that 30% of single mothers are living in poverty, while 17% of single fathers are living at poverty level (PEW, 2017).
- ❖ The lack of time that a single mother has to focus on her education is compounded by the high cost of daycare.
- ❖ On a national level, infant care costs an average \$9,238 a year or \$770 a month
- ❖ Nearly 30% of the median family income goes to daycare.
- ❖ To be affordable, it should **not exceed 7%** of family income, says Zane Makhiber, a data analyst at the Economic Policy Institute.

Dubuque

- ◆ Nearly 40 percent of local employers report that they struggle to hire the employees necessary to grow their business.
- ◆ Dubuque Workforce at an all-time high of 61,700 employees.
- ◆ Opportunity Dubuque coaches, employed by NICC, also identified a significant barrier for students who want to enroll in training to advance their skills: accessible and affordable child care.
- ◆ 30 percent of companies surveyed through Greater Dubuque Development's HR action program identified childcare as a barrier for their workforce.
- ◆ Cost of childcare for **one child** estimated at \$7,028 (**14% of income**) – needing a wage of \$48,704 or \$23.41 per hour. Current average wage is \$21.71 per hour.
- ◆ Parents, especially single parents in the Dubuque area, say they are not able to enroll in training for these careers because they cannot find sufficient and affordable childcare.
- ◆ Cliff Effect faced by parents who lose benefits at 145% of the poverty rate (\$11.15/hr for single parent of one)

Childcare Capacity Strategy



Goals of Dubuque Childcare Pilot

- ❖ The goal is to “upskill” under-employed and unemployed individuals through short-term training programs.
- ❖ Use our existing Opportunity Dubuque programs to train individuals to enter high-demand, well-paying, local careers or ladder into traditional education programs. Tuition often is free for qualifying students to participate through state and local funding.
- ❖ Fund childcare while in Opportunity Dubuque certificate training program.
- ❖ Eligible full-time employed graduates of these certificate programs may qualify for additional childcare support for up to 12 months.
- ❖ The Marita Theisen Childcare Center at Steeple Square in Dubuque will host the child care while students are in training through Opportunity Dubuque. Parents will be able to choose their licensed or registered childcare provider upon graduation and employment to continue receiving childcare assistance.

❖ **Goals/Targets**

1. Recruit 50 parents into Opportunity Dubuque over 18 months by providing childcare services for their children while in school and for up to 12 months after graduated and employed as payer of last resort.
2. Attain 90% graduation and employment rate.
3. Attain 90% employment retention and/or promotion in 12 months of employment.

Childcare Pilot

Objective: Increase high-skilled, in-demand workforce through childcare support for Opportunity Dubuque students and graduates.

Opportunity Dubuque has trained 640 people in advanced manufacturing, health care, transportation, construction and other careers, with an employment rate of roughly 95 percent.

Opportunity Dubuque:

Opportunity Dubuque is a short-term certification program through Northeast Iowa Community College in a variety of high-demand certificates, including:

- Construction Building/ Heavy equipment
- Certified Nurse Aide
- CNC
- Restoration
- Class A CDL/ Semi Truck
- Industrial Sewing
- Phlebotomy
- Welding
- EMT
- Health Support Professional
- Auto Mechanic-Entry Level
- Pharmacy Technician
- Industrial Maintenance
- NEW: Customer Service Professional
- NEW: Child Development Associate
- NEW: IT Web-Based Boot Camp

*Funded through public/private dollars through FACE, GAP, state appropriations, and GDDC. Students are not eligible for federal financial aid.

Success Model

All students in the Success Model are assigned a success coach to help them navigate barriers, access academic resources and connect with referral for appropriate services to help increase the likelihood of success in their program of choice.

Elements of the Success Model include:

- ◆ Recruitment and Intake
- ◆ Assessment
- ◆ Education and Training
- ◆ Job Placement or Continuing Education.

Career clusters include health science; manufacturing; information technology; business, management and administration; transportation, distribution and logistics; and architecture and construction.

- ◆ 77% of noncredit students are female
- ◆ 36.9% of noncredit students continue into credit programs
- ◆ 95.1% of noncredit students are employed in the first year following graduation
- ◆ Example earnings include: welding \$48,400; computer sciences \$67,268; CNC operations \$40,688

Public/Private Partners

- ◆ Northeast Iowa Community College, in partnership with
- ◆ Greater Dubuque Development Corporation,
- ◆ Child Care Resource and Referral,
- ◆ The Community Foundation of Greater Dubuque,
- ◆ The City of Dubuque,
- ◆ Dubuque County, and
- ◆ The Dubuque Community YMCA/YWCA

Opportunity Dubuque Childcare Funding

Budget (Timeline: January 2019-June 2021)

\$32,000	Estimated childcare costs from local provider for 100 children during training (approx. \$4/hour)
\$310,500	Estimated cost of subsidized childcare for 12 months for approximately 100 children of Opportunity Dubuque graduates
\$342,500	TOTAL ESTIMATE

Funding:

- \$80,000 from Dubuque County
- \$80,000 from the City of Dubuque
- \$30,000 committed from the Community Foundation
- \$152,500 from Greater Dubuque Development (source: Dubuque Works reserves)

ROI:

- Estimated \$1.35m. in wages to employed graduates
- Reduced taxpayer burden
- Improved early childhood care for children

Childcare Pilot Outcomes

- ❖ Where we are at, thus far, with pilot numbers
 - Phlebotomy = 6 students, 2 parents with children
 - Childcare = 10 students, 7 parents with children
 - Customer Service = 6 registered students, 4 parents with children
 - Industrial Sewing = 4 students
 - 16 total children in the daycare while parents in class
 - 18 business sponsors agreed to hire or do earn/learn
- ❖ Develop Policies and Procedures for Implementation
 - Developed and implemented policies and procedures
 - In development – business planning/training program for students who want to start their own childcare business.
- ❖ Started with 4 programs due to need for pop-up childcare services onsite
- ❖ Now all Opportunity Dubuque's 20+ programs with over 80+ business sponsors are eligible for the childcare pilot.

Other Childcare Collaborations

Collaborating with partners to:

- Increase registered, successful in-home childcare businesses
- Streamline licensing and business planning for providers
- Connect interested employers with third-party childcare providers or existing local providers
- Increase slots provided by current providers through expansions
- Develop a clearinghouse/technology for finding childcare
- Advocate for childcare subsidiary and funding source after pilot completed.

Childcare Pilot Video



Legislative Impact Areas

- ❖ Incentivize new child care, expansions, and businesses who invest in childcare
- ❖ Ability to fund childcare for students through existing funding streams; incenting parents to train and work
- ❖ Cliff Effect
 - ❖ Graduated system to incent parents to work, train, and advance in a career
- ❖ Childcare Industry
 - ❖ Regulatory Issues
 - ❖ Insurance
 - ❖ Incentives to expand
 - ❖ Incentives to train
- ❖ Insurance costs for childcare providers

Questions?

Thank you!

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