

# Memorandum



CITY OF DALLAS

DATE December 6, 2024

TO Honorable Chair and Members of the Workforce, Education, and Equity Committee

SUBJECT **Upcoming Office of Community Care and Empowerment Agenda Item and Response to Questions from WEE Briefing Regarding Early Childhood and Out of School Time Programs**

This memo provides information on an upcoming Office of Community Care and Empowerment agenda item, and a response to questions posed by Committee members during a November 2024 briefing. On December 11, 2024, the following Office of Community Care and Empowerment item will be considered by City Council:

**Item #50:** Authorize (1) the implementation of the Drivers of Poverty Program (Childcare) that targets residents of the City of Dallas who are low-to-moderate income needing childcare assistance and meets two of the nine Drivers of Poverty, as outlined in the Mayor's Taskforce on Poverty, approved in the City's FY2024-FY2029 Five-Year Consolidated Plan Budget, and as described in Exhibit A; and (2) the execution of contracts with fully-licensed childcare providers selected by eligible parents (that meet the eligibility criteria outlined in Exhibit A), and any and all documents required by the contract and to provide subsidy payments to these fully-licensed childcare providers; for the period of January 1, 2025 through September 30, 2025 - Not to exceed \$618,565.00 - Financing: 2024-25 Community Development Block Grant Fund

## **Background**

This Agenda Item authorizes a Program Statement for the Drivers of Poverty – Childcare Program, to be funded using FY25 Community Development Block Grant (CDBG) Public Services funding.

On June 12, 2024, City Council authorized the five-year Housing and Urban Development (HUD) Consolidated Plan, inclusive of a Drivers of Poverty program. The Community Development Committee recommended this priority for Council adoption, and in doing so also included "Childcare" in the Drivers of Poverty programming.

On June 12, 2024, City Council adopted the annual Consolidated Plan budget for FY25, including \$1,388,301 (\$738,301 PKR Out-of-School Time Program + \$650,000 OCCE ECOSTS Program) for childcare, and an additional \$618,565 for Drivers of Poverty – Childcare program. In order to advance this Drivers of Poverty – Childcare program, staff developed the recommended program statement to prioritize use of funding from this portion of the budget on clients that meet certain Drivers of Poverty criteria, including (1) high poverty rates for single female headed households and (2) neighborhoods of highly concentrated poverty.

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In support of this focus, data shows that Dallas has some of the highest poverty rates in the United States, with 48% of single mothers living in poverty. These families face generational cycles of poverty, leading to more children living in poverty. Programs that focus on family support, such as childcare programming and those that provide financial and employment assistance, can be critical for these households. Additionally, neighborhoods with high concentrations of poverty refers to a geographic area where significantly large portion of residents live below the federal poverty line. Specifically, these are defined by the U.S. Census as areas where 40% of the census tract population lives below the federal poverty threshold. The City of Dallas' poverty rate is currently 17.5%. This year's Drivers of Poverty programming will target the City's top 20 zip codes of highest poverty rates.

### **Follow Up to WEE Briefing**

On November 5, 2024, Office of Community Care and Empowerment staff, alongside of staff from Dallas Afterschool, a local nonprofit organization focused on strengthening the local out of school time landscape and supporting providers, [briefed](#) the WEE Committee on the landscape and City programs for early childhood care and out of school time services, collectively referred to as Early Childhood and Out of School Time or ECOST programming. Several questions were posed by members during the meeting and this portion of the memo serves to provide a response to these questions.

- 1) What are the budgets for these organizations [those that received grants through the City's ECOST Provider Support program administered by Dallas Afterschool] that impact kids?
  - a. The annual budget for Out of School Time (OST) grantees ranges from roughly \$400,000.00 to \$4,000,000.00. Based on a sample requested from Educational First Steps (EFS), a partner of Dallas Afterschool, who implemented the City's ARPA ECOSTS program, the annual budget for early childhood care providers for 10 centers within their service area, the average monthly center budget ranges from \$12,000- \$95,000, which is an average of \$49,500 monthly. This makes the annual budget range from \$144,000- \$1,140,000, with an annual average budget of \$594,000. This is comparison data for annual budgets that operate childcare centers who serve similar children and families.
  
- 2) What are the costs associated with early childhood and afterschool programs, particularly, in different locations?
  - a. Dallas Afterschool partners with OST programs that are free or low-cost for students. Tuition at these programs ranges from \$0 per week up to \$65 per week. Based on the national average, tuition for early childhood programs is \$11,582 per child, annually. However, the costs associated with ECE programs depend on the age of the child. i.e., infants, toddlers, and preschoolers, and there are ratio rates, which makes childcare for infants

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more expensive. In addition, childcare programs vary depending on location, with childcare centers located in the northern sector typically more expensive than those in the southern sector.

- 3) How long will the American Rescue Plan Act (ARPA) money last, and what is the impact of these programs when it goes away?
  - a. The subrecipient agreement between the City and Dallas Afterschool to administer support services and grants to community based ECOSTS providers is in place through May 2025. It is anticipated that all funding will be distributed by then. Like Dallas Afterschool, most OST partner providers rely on grants and donations to exist. When the ARPA funding is no longer available, organizations must find ways to make up the funding.
  
- 4) How many families are impacted by both [early childhood and out of school time] programs and how does that fit into the overall need?
  - a. The 12 OST grantees serve roughly 75 students each, which translates to 900 students and families that have benefited from the ARPA funding (we do not track sibling participation). EFS serves 135 Home-based Care and Childcare centers in 6 counties. Specifically in Dallas proper, there are 28 centers as partners with 2,654 seats. The recipients of the OST grant are 43% of EFS centers and 34% of EFS students are receiving the benefits of OST within Dallas proper. For Dallas County as a whole, EFS partners are in 42 centers, serving a total of 3,963 students, which means the OST grantees make up only 29% of EFS centers and 23% of the students that EFS serves. Other families impacted include the staff at the programs themselves, many of whom were able to retain their jobs due to the extra funding.

Nonprofit Children at Risk published a Child Care Deserts Map, an interactive tool for viewing childcare availability statewide. This tool visualized the ratio available childcare slots for children ages 0-5 with the number of children of working parents. It can be viewed here: <https://childrenatrisk.org/childcaredesertmap>

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### Summary for **Dallas**

View metrics for specific provider type

Total  Subsidy  TRS

**15,014**

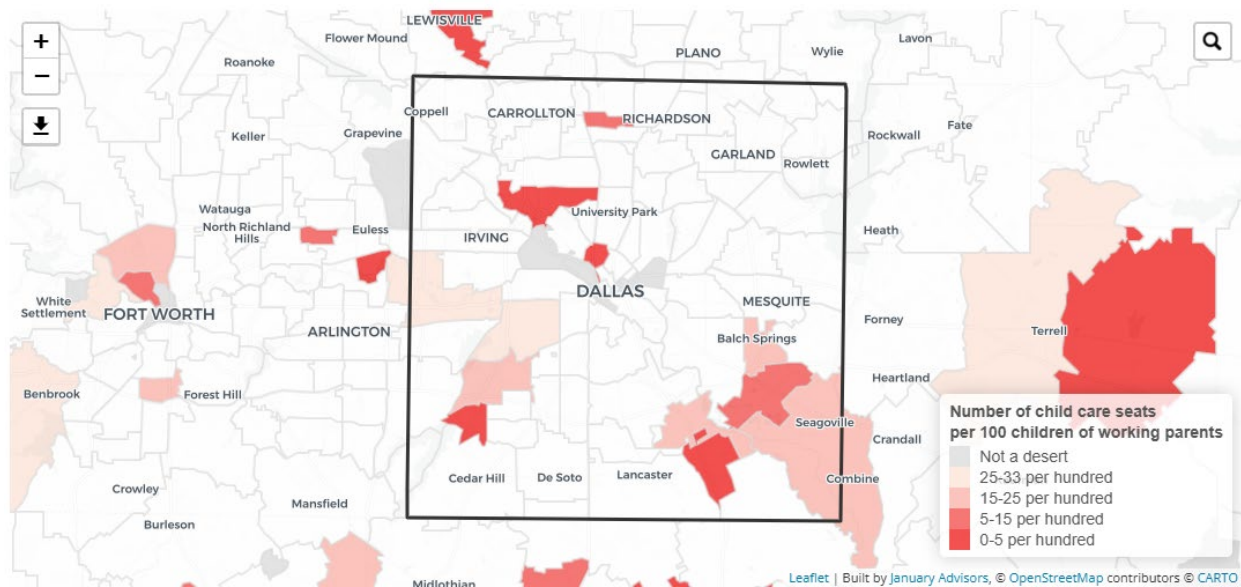
Total Number of Seats

**19.4**

Subsidy Child Care Seats per 100 Children of Working Parents (<200% of Poverty Line)

**58**

Total Number of Desert Zip Codes



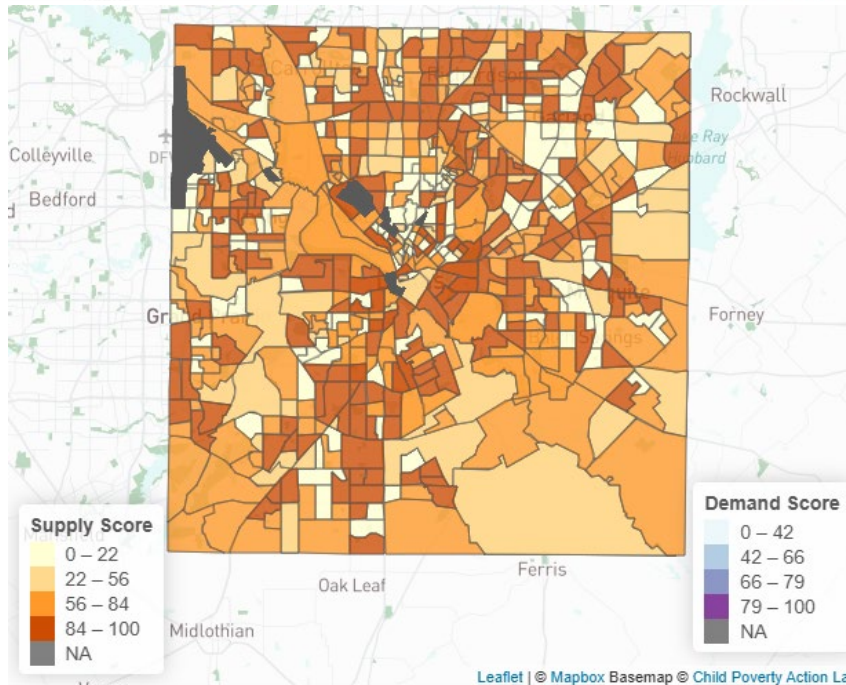
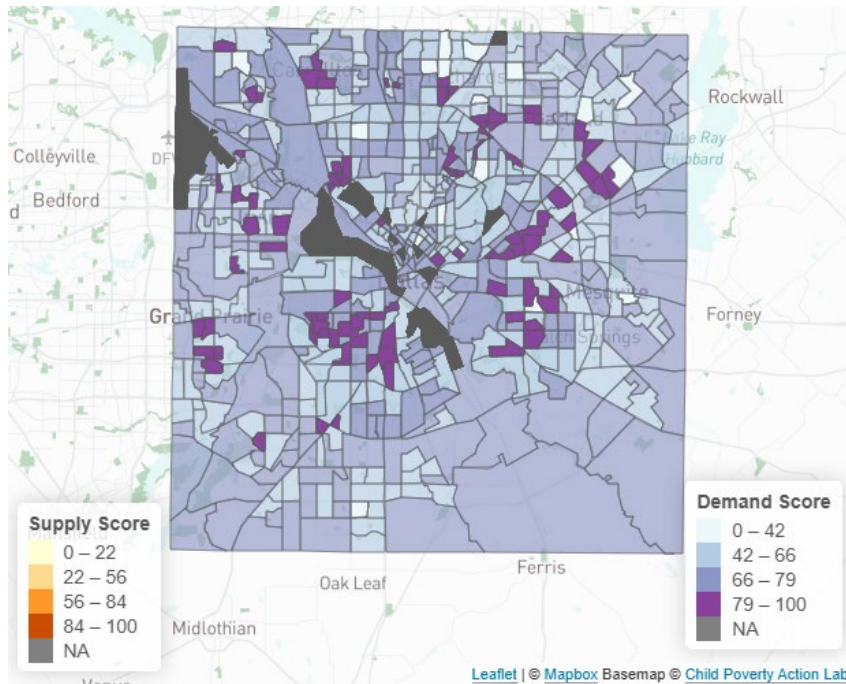
5) What is the universe of after-school programs in the city, and how many kids need after-school care?

- a. There are roughly 100,000 kids in Dallas who would enroll in an afterschool program if one were available. Dallas Afterschool partnered with the Child Poverty Action Lab (CPAL) to create an Afterschool Landscape Map, which maps the city by supply and demand, which can be explored here: <https://childpovertyactionlab.github.io/dallas-afterschool/supply-demand.html>

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- 6) Is any of the data collected disaggregated by ZIP code, Council District, or race?
  - a. All client data collected by the City for most City-funded contracts is reported in this way. Additionally, Dallas Afterschool has created a set of City Council District Profiles which are attached to this memo.

- 7) How are these programs ensuring accessibility for Spanish-speaking families?

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- a. Dallas Afterschool translates all materials and resources for partners into Spanish. Similarly, the City also translates outreach materials into Spanish and has staffed our ECOSTS program with bilingual staff to work with parents and families.
- 8) What outreach and partnership do we have with Chambers of Commerce and businesses regarding childcare?
- a. The City partners with Dallas Regional Chamber in several initiatives and staff from the City regularly participate in community meetings and coalitions focused on ECOSTS programming. Dallas Afterschool is actively seeking partnerships with the business community, including the Texas Workforce Commission.

Should you have any questions or need any additional information, please contact myself or Jessica Galleshaw, Director of Office of Community Care, at 214-670-5113 or [Jessica.Galleshaw@dallas.gov](mailto:Jessica.Galleshaw@dallas.gov).



**M. Elizabeth (Liz) Cedillo-Pereira**  
Assistant City Manager

c: Kimberly Bizzor Tolbert, Interim City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billieae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Dev Rastogi, Assistant City Manager

Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors

Attachment below

## **Drivers of Poverty Program (Childcare) Program Statement**

### **Introduction – Statistical Data:**

The Texas Legislative Study Group posted on August 13, 2024, the following statistical data regarding the need for affordable childcare for working families in Texas.

“Child care programs provide children safe, nurturing environments to learn and grow, enabling parents to work to support their families and the state’s economy.

Recent reports show Texas is home to about 2.3 million children under six, with 68% having two parents working.”

“ The shortage of affordable child care is not just a family issue, it’s a statewide economic problem. Working parents who struggle to find quality, affordable care may arrive late, leave early, miss promotions, delay professional development, or even leave the workforce altogether. A U.S. Chamber of Commerce Foundation report estimated that Texas loses \$9.39 billion annually from its economy due to insufficient childcare.”

“For many working parents, the critical need for child care comes with a significant financial burden. Approximately 85% of the child care industry is privately funded, with some federal support available for eligible families. On average, American families with a child under five spends about \$10,000 annually on child care, which is about 13% of their income. In Texas, the average annual cost of infant care is \$9,324, which is higher than the average in-state college tuition, according to the latest data from the Economy Policy Institute. The financial strain is a stark reality for many families, making quality child care a luxury rather than a necessity.”

In conclusion, “Childcare is essential for economic productivity and child development, but the current system fails to meet the needs of families and provides. Public funding and policy changes are crucial to addressing these issues to create a more sustainable childcare system that benefits children, families, and the state.”

### **Program Description – Drivers of Poverty Program (Childcare)**

The Drivers of Poverty Program as approved in the City’s FY2024-2029 Five-Year Consolidated Plan Budget, under childcare targets residents of the City of Dallas who are low income needing childcare assistance and meet two of the nine Drivers of Poverty, as outlined in the Mayor’s Taskforce on Poverty.

### **Nine Drivers of Poverty:**

1. Sharp decline in median income and the declining share of middle-income households/Increasing Numbers of “Have” and “Have-Nots” Neighborhoods;
2. Lack of affordable transportation;
3. Lack of Home Ownership/High Rental Percentage/Single Family Rentals;

4. Neighborhoods of Concentrated Poverty (which are increasing);
5. High Number of Households with Children Living in Poverty;
6. Lack of educational attainment;
7. High percentage of limited English-proficiency residents;
8. High teen birth rates; and
9. High Poverty Rates for Single Women Heads of Households with Children.

**Two Drivers Chosen for the Childcare Program:**

- High Poverty Rates for Single Women Heads of Households with Children
- Neighborhoods of Concentrated Poverty

**Census Data:**

According to the 2022 U.S. Census Bureau, 5-year-estimate census tables. The total Female Head of Households in the City of Dallas is 84,657. The following 20 zip codes listed in the chart below, represent the top neighborhoods of concentrated poverty and will be the targeted for this program. The chart also shows the number of children living in those zip codes, by age groups.

Targeted Zip Codes	Female Head of Household	Children under 3 years	Children 3 and 4 years old	Children 5 years old	Children 6 to 11 years old
75203	1,768	262	122	80	689
75210	816	110	225	29	264
75211	5,978	592	674	461	1,610
75212	1,068	389	485	463	681
75215	1,967	236	126	73	695
75216	6,758	802	719	341	1,605
75217	7,250	523	747	361	2,904
75220	2,998	505	182	238	1,075
75226	88	0	0	0	20
75228	4,983	946	676	420	1,829
75232	1,877	281	123	167	618
75233	2,142	311	134	75	673
75236	2,582	503	9	170	907
75237	3,572	316	503	265	1,165
75240	2,037	284	324	68	564
75241	3,930	452	145	101	1,659
75243	3,876	725	602	261	1,066
75246	113	46	0	0	67
75247	0	0	0	0	0
75253	2,154	202	209	132	991

This program will provide subsidy payments to childcare providers chosen by the eligible parents for childcare assistance. The above two Drivers of Poverty were chosen based on community feedback and the need to bridge disparities among the most vulnerable residents and advancing equity. The goal is to reducing/eliminating barriers to work and provide access to affordable childcare.



**Eligible Participants:**

- 1.) Residents of the City of Dallas;
- 2.) Parents who choose a childcare provider in the City of Dallas;
- 3.) Proof of guardianship of enrolled child;
- 4.) High Poverty Rates for Single Women Heads of Households with Children or lives in Neighborhoods of Concentrated Poverty (see Attachment A for list of qualifying zip codes);
- 5.) 80% or below Area Median Family Income (AMFI), as defined by HUD (see Attachment B); and
- 6.) Active on the Child Care Group/CCMS waiting list.

Subsidy assistance provided to an eligible enrolled child should not be duplicative of any other federally funded childcare assistance program, for the same time period.

Participants must complete an application for assistance, including household composition, and provide proof of income per the HUD's AMFI Guidelines. Participants must reside in the City of Dallas (proof of residency must be provided).

**Ineligible Participants:**

1. Families who are receiving assistance from other federally funded subsidy program
2. Non-City of Dallas residents
3. Do not meet one of the two drivers of poverty, as outlined in the Mayor Taskforce on Poverty
4. Unemployed

**Eligible Uses:**

Assistance must be used for subsidy payments, salary and benefits for one FTE, and can be used for marketing materials for the program.

The Drivers of Poverty Program will continue to focus, address, and support the demands and contributing factors of poverty.

**Funding:**

The program will utilize Community Development Block Grant (CDBG) funds.

Each individual contract with a fully-licensed childcare provider (Drivers of Poverty-Childcare) may exceed \$50,000.00, but at no point shall the total amount of the contracts in aggregate exceed \$618,565.00.

This program statement may be amended by the City Manager or designee to include amendments as appropriate to meet funding requirements or guidance from HUD. When necessary, the City Manager or designee is authorized to execute change orders or amendments to the subrecipient agreements, in excess of 25% and/or \$50,000.00 (subject to compliance), to commit and expend funds timely to meet federal and/or state requirements.

