

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 spend 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.