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City of Merced Housing Program
678 W. 18th Street
Merced, CA 95340

Dear City of Merced Housing Program,

Thank you for reviewing WeeCare's proposal for CDBG funding in PY 2023-24. We are submitting a request to fund our community program, BOOST.

WeeCare is a network of licensed child care providers, and our mission is to make affordable, quality child care accessible to all families. One way we do this is by equipping child care providers to operate sustainable businesses with technology-based tools. Although we are a for-profit company, our community program, BOOST provides its services to child care providers for free and does not generate any revenue.

BOOST's activities are public-service oriented, but the activity itself qualifies as economic development for microenterprises and does not need to be funded from the 15% reserve restricted for Public Service. Please see Attachment A for details on HUD's Code of Federal Regulations 24 CFR 570.201(o) on eligible activities. Therefore, per the City of Merced's Consolidated Plan, Public Services & Quality of Life Improvements is a form of public service that can provide supportive services for LMI households and special needs populations. These activities that benefit LMI microenterprises can be funded by non-public service CDBG dollars.

With this in mind, WeeCare is requesting \$84,000 in CDBG funding to pay for program expenses to run BOOST for one year. WeeCare has identified 14 daycares within the City of Merced's limits, and although more may exist, to curate an effective program, the scope of this proposal will be based on those 14. This program will be made available to *all* licensed daycares in Merced and applicants will be prioritized based on their level of need and risk. The program can easily be scaled up or down to according to Merced's needs.

If funded, WeeCare commits to providing a \$1 for \$1 match, doubling the investment in the local community to \$168,000. This will benefit 14 LMI daycare owners, potentially create 4 new LMI jobs from hiring teaching assistants, and can benefit up to 196 LMI households who use the child care services.

If you would like any additional information beyond what is included in this application, I'm happy to provide more details.

Thank you for your consideration,



Jessa Santangelo
VP of Business Development





Code of Federal Regulations

A point in time eCFR system



Title 24

Subpart C - Eligible Activities

§ 570.201 Basic eligible activities.

CDBG funds may be used for the following activities:

- (a) **Acquisition.** (Condensed to save space.)
- (b) **Disposition.**
- (c) **Public facilities and improvements.**
- (d) **Clearance and remediation activities.**

(e) **Public services.** Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with **employment**, crime prevention, **child care**, health, drug abuse, **education**, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under [§ 570.207\(b\)\(4\)](#)), homebuyer down payment assistance, or recreational needs. If housing counseling, as defined in [24 CFR 5.100](#), is provided, it must be carried out in accordance with [24 CFR 5.111](#). To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed [paragraphs \(e\) \(1\) or \(2\)](#) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under [subpart D of this part](#), nonentitlement CDBG grants in Hawaii, and for recipients of insular area funds under section 106 of the Act, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in [§ 570.500\(a\)](#). For entitlement grants under [subpart D of this part](#), nonentitlement CDBG grants in Hawaii, and for recipients of insular area funds under section 106 of the Act, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from origin year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under [paragraph \(e\)\(1\)](#) of this section, so long as the total amount obligated in any program year does not exceed:

- (i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus

WeeCare Code of Federal Regulations

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

- (A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;
- (B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;
- (C) The amount of funds it obligated for public services in the 1982 program year; or,
- (D) The amount of funds it obligated for public services in the 1983 program year.

(f) ***Interim assistance.***

(g) ***Payment of non-Federal share.***

(h) ***Urban renewal completion.***

(i) ***Relocation.***

(j) ***Loss of rental income.***

(k) ***Housing services.***

(l) ***Privately owned utilities.***

(m) ***Construction of housing.***

(n) ***Homeownership assistance.***

(o)

(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided this [paragraph \(o\)](#) shall not be subject to the restrictions on public services contained in [paragraph \(e\)](#) of this section.

(3) For purposes of this [paragraph \(o\)](#), "persons developing microenterprises" means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(4) Assistance under this [paragraph \(o\)](#) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this [paragraph \(o\)](#).

Appendix A: Narrative of Project

There are approximately 6,091 children under six years old in the City of Merced and about 81,306 households that make up the community that raises them (U.S. Census, 2020). That means there are 81,306 households across Merced that potentially need full or part-time child care to support their family's well-being. Whether it is to enrich the growing child or to provide supervision so parents can work, child care is an essential service that touches thousands of Merced residents.

WeeCare proposes CDBG funds be allocated to benefit child care providers throughout the City of Merced. The program, BOOST (Business Operation & Optimization Support Tools), provides specialized technical assistance and business support for these microenterprises, known locally as daycares. They serve children ages 0-5 (and up to age 13 with before/after school care). The BOOST program will expand economic opportunities for daycare providers in the City of Merced by training them to use essential tools that will make their operations more efficient. This program will empower them to reach their full revenue potential and stabilize their jobs in the child care industry.

Through BOOST, the daycare providers located in various places within the City of Merced get individual business coaching and learn best practices to grow and sustain their business. Their child care businesses support many Low-to-Moderate Income (LMI) families who depend significantly on their services. WeeCare is designed to serve daycare providers and families 24 hours a day, every day of the year. BOOST participants will receive the same access to its services year-round.

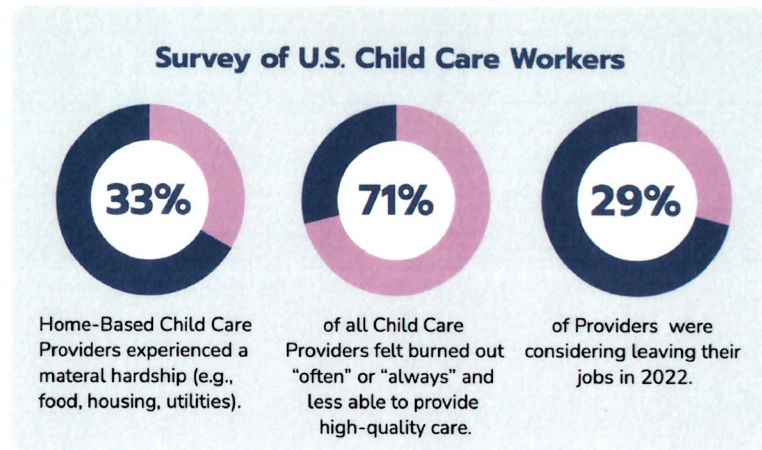
WeeCare has identified 14 daycares within the City of Merced's limits. Although more may exist, to curate an effective program, the scope of this proposal will be based on those 14. This program will be made available to **all** licensed daycares in the City of Merced, and applicants will be prioritized based on their level of risk and need.

The Problem

Child care is a much-needed service, but paradoxically an under-resourced industry. The cost of caring for young children exceeds what many families can afford to pay. Child care workers are left to bear the brunt of the disparity and frequently cover the cost of the difference with their salary. In California, 98% of daycare providers are women, 71% are people of color, and 60% are between the ages of 40 to 59 years old (Center for the Study of Child Care Employment, 2020). The average earning of a child care worker in Merced is \$17.88 an hour (Zippia, 2022), or about \$37,190.00 a year, qualifying them as LMI persons. They are greatly underpaid compared to their counterparts in elementary schools. California early educators with a bachelor's degree who work in preschools are paid 37.8% less than their colleagues in the K-8 school system. The poverty rate for preschool educators is 17%, much higher than for California workers in general (8.7%) and 6.7 times as high as for K-8 teachers (2.5%). (Center for the Study of Child Care Employment, 2020)

The child care workforce has been steadily declining for years due in part to these low wages and financial challenges. The COVID-19 Pandemic hit the child care sector particularly hard and further exacerbated the problem. With school closures and fears of health risks, child care enrollment numbers dropped too drastically for many programs to stay afloat. The already decreasing child care workforce only made matters worse. Unlike other sectors that could raise wages to attract talent, the child care industry was left with no incentives to attract or retain its employees.

Appendix A: Narrative of Project



(RAPID ,2022)

This is because daycares typically serve a vulnerable, low-income earning pool of customers. Therefore, they are at a disadvantage because when their own costs go up, they cannot rely on raising prices on their families. If they charge too much, the families will take their business elsewhere, but if they charge too little, they will not be able to cover their expenses. Because of this, they must rely on other methods to operate soundly.

Impact

The ailing child care sector received much needed financial assistance from the federal government in response to the COVID-19 crisis. USA Today reported that the American Rescue Plan Act (ARPA) made an unprecedented effort to include the child care industry to keep it from collapsing. But the effects of the one-time funding are starting to wear off. The temporary fix was only meant to stabilize the industry and get parents back into the labor market. Many acknowledge that more long-term strategies are needed to keep the child care industry from crumbling once again (2022).

The strategy behind BOOST applies that knowledge - that government funding is a transitional aid, not the solution itself. Therefore, BOOST is designed to only operate with each daycare cohort for one year. It uses that time to teach daycare owners how to improve their microenterprise with best practices while also providing enrollment assistance by matching local families who need child care.

BOOST individually coaches the daycare provider throughout the 12 months and supplies customer (family) leads so they can experience business growth while they have access to WeeCare's professional guidance. By the end of the program, daycare providers experience a year of using the right tools for free and learn valuable lessons by "doing," not just observing. At the close of the BOOST program, daycare providers can continue with WeeCare's management software or adopt a different software program of their choosing. The child care industry is one that has many symbiotic relationships between providers, children, families, and employers, thus the goal of the BOOST program is to strengthen the child care ecosystem as a whole. When child care is strong, everyone benefits.

WeeCare List Of Services

- [24/7 Support](#)
- [Anonymous Reporting and Ongoing Feedback](#)
- [Background Check Technology](#)
- [Capacity & Scheduling System](#)
- [Care Coaches for Providers](#)
- [Care Managers for Families](#)
- [Community Support Forums](#)
- [Curriculum Provided Weekly](#)
- [Drop In Scheduling](#)
- [Enrollment Automation and Support](#)
- [Finance Management](#)
- [License and Citation Monitoring](#)
- [Licensing Support](#)
- [Location Performance Metrics](#)
- [Matchmaking Algorithm](#)
- [Milestone Tracking](#)
- [Photo And Video Updates \(Moments\)](#)
- [Professional Development and Continuing Education](#)
- [Regulations & Information Confirmation System](#)
- [Resource Center](#)
- [Staff Recruitment](#)
- [Timestamped Verification & Attendance System](#)
- [Tour Scheduling](#)
- [Tuition Collection](#)
- [Waitlist System](#)

24/7 Support

Parents and providers can use the app to communicate with one another and with the WeeCare support team. Support for both parents and providers is available in over 30 languages. We can communicate directly with our entire network and confirm that the messages have been read. If a provider has not read the information, we're able to send reminders until they do.

Anonymous Reporting and Ongoing Parent and Community Feedback

Instead of conducting one-time spot visits, WeeCare obtains real-time feedback after every step from a tour through enrollment and un-enrollment—this allows WeeCare to continually ensure that all providers are meeting its high safety standards and allows for WeeCare to provide actionable feedback to providers.

Background Check Technology

Safety is a top priority. All FCC participants go through a rigorous background check process to ensure the safety and quality of each location. In addition, all our network locations are licensed by the state and undergo additional background check and health and safety screenings before being admitted as a WeeCare Network Provider.

WeeCare's admin system runs nightly licensing and inspection reports and immediately alerts Care Manager if any Network Provider status changes or receives a new infraction. In addition, all site managers, family members, and staff background checks are also run nightly to identify any changes that could be missed or delayed in reporting to licensing.

Capacity & Scheduling System

Real-time information on each facility's current and future available capacity down to each hour and age group providing the most accurate picture of each location and aiding in the inputs for our customized matchmaking. Providers also benefit from this system because they can maximize the spaces that they have open when other children are out sick or on vacation, or open available seats thereby maximizing their income.

Care Coaches for Providers

Care Coaches oversee the success of their assigned FCC Providers. Care Coaches focus on quality improvement and real-time support. They closely monitor quality and safety, developmentally appropriate activities, and assist with career-enhancing resources. Care Coaches work to improve the quality of child care given and support efforts to expand FCC's licensed capacity and can provide support in English or Spanish.

Care Managers for Families

Care Managers assist with every step of enrollment and address any questions or concerns the families may have. They bridge the gap between families and FCC providers to support at critical junctures such as enrollment, recertification, family meetings and transitions. They encourage family involvement and provide resources and referrals for additional services based on families' needs, such as access to food or parenting resources. They can provide support in English or Spanish.

Community Support Forums

WeeCare provides community support forums for parents and providers to connect with each other on many different topics including behavior and development, child care, learning and education, parent hacks, pregnancy and childbirth, tough topics, and more. The community forum is beneficial for parents and providers to connect with each other and give advice or just relate to one another in a non-professional setting. For example, parents and providers have posted about ideas for social distancing, tips, and tricks for picky eaters, and dealing with separation anxiety. A community forum is a place for knowledge sharing and support rather than a formal educational resource, so parents and providers feel supported and empowered.

Curriculum Provided Weekly

WeeCare offers an in-house curriculum that's accessible to every provider. These lesson plans are designed to be easy to follow and enriching for children of all ages. Providers can access the curriculum directly in the app for free. WeeCare also works with educational institutions so providers have access to the statewide curriculum and can track developmental milestones. This can later be used when children reach kindergarten age and can provide a retroactive look into that child's developmental milestones.

Drop-In Scheduling

Our technology allows for providers to accept drop-in care, where parents can find locations that meet their flexible one-off requests. This is especially important for tourism, the restaurant industry and gig workers, and any parents that have fluctuating schedules, or when schools shut down and parents need to find emergency backup care. These parents can immediately find quality care at the nearest location whenever they need it. Providers also benefit from this system because they can maximize the spaces that they have open when other children are out sick or on vacation, or open available seats thereby maximizing their income.

Enrollment Automation and Support

WeeCare simplifies the enrollment process by modernizing and supporting the very first step after a family secures a spot at a child care location - the paperwork. Immediately after enrollment is confirmed via the WeeCare app, the family is emailed a copy of their provider's WeeCare enrollment packet.

Providers enjoy the assurance that comes with letting go of the administrative work - putting together a new packet, ensuring the new family receives it and communicating that it is due on the first day of care. All mandatory licensing documentation, for example, requests for immunization records, are included. WeeCare enrollment packets are automatically updated upon any changes to state licensing so that providers never have to worry about potential licensing citations for outdated or missing paperwork. Finally, as our database records verify when the enrollment packet was received by the family, we can mediate both parties if a dispute ever occurs. All in all, an automated and digitized enrollment process is the key to a successful start to care.

Finance Management

WeeCare's technology can assist with record keeping for billing, tracking expenses, end of year tax documents, FSA Dependent Care Reimbursement, and required paperwork for subsidy reimbursement.

License and Citation Monitoring

Safety is a top priority for WeeCare. WeeCare providers must go through a rigorous background check process to ensure the safety of each location. All of WeeCare's providers are licensed and background-checked before being onboarded to the platform. WeeCare has technology that also continually monitors the provider's licenses and background checks nightly. We are automatically notified of any new infractions which ensures that all locations continue to meet our standards.

Licensing Support

There has been a decline in providers moving from a small FCC to a large FCC or a corporate center for several reasons. First, it's difficult to spread awareness of who can expand their license and the necessary steps to do so. For providers wishing to expand to a corporate center, there is a lot of hesitation around the potential financial burden and having to deal with other entities such as insurance companies and the fire department to ensure their center is up to code. WeeCare can identify providers who are ready and willing to expand their licenses and we have a dedicated support team to walk them through the entire process, helping to ease any doubts or fears they have about moving their license. WeeCare's support team is well-versed in licensing requirements and can make suggestions for further resources and next steps.

Location Performance Metrics

WeeCare can track how each FCC location is performing to find areas to focus on professional development. We can look at things such as enrollment, children's milestones, achievements, and safety ratings to determine how each location is performing. From there, we can tailor the location's development specifically to its needs and offer suggestions for professional development.

Matchmaking Algorithm

WeeCare's system has the capability of matching families with child care providers with current capacity openings in real-time. Typically, parents will have to spend time calling multiple child care providers (sometimes from outdated resources) to determine which provider has the capacity and maybe a good fit for their child. This leads to wasted time and energy on behalf of both the parents and providers as the providers are likely fielding inquiries while simultaneously watching over children. WeeCare accomplishes this matching in seconds and with the most up-to-date and accurate information. This virtually eliminates the need for parents to spend days searching for child care that meets their needs.

Our matching algorithm matches parents from as much information that is available and can be up to 22 different points with even customized prioritization of criteria, so we are able to ensure the highest quality provider family matches. For example, we can take the parent's individual criteria such as budget and schedule to search across multiple Geographic Location(s) desired to find the best match for the parent that may perfectly fit in along the parent's commute.

Currently, with many childcare matching databases, parents can't search based on their unique needs. WeeCare allows parents to filter their childcare search by different needs so they're able to find the perfect fit for their family including primary language spoken at daycare, or whether the provider has experience with special needs or developmental delays.

Milestone Tracking

Our AI technology recommends curriculum based on developmental milestones and individual child profiles. When a child enters WeeCare, we can get a baseline on them to see where they're at developmentally and where they need to be. The curriculum can then be tailored to fit specific needs. Parents also have access to curriculum to follow along at home and so they know what they're learning throughout the day and can continue the learning at home.

Payment to Providers

WeeCare pays child care providers quickly and provides the first payment to providers within 2-5 days. If needed, WeeCare could also pay providers upfront to further streamline the process and be

reimbursed later. The same methods can create a bridge program while providers wait for government subsidy payments.

Photo And Video Updates for Families (Moments)

One of the most common requests by parents is for their provider to send photo and video updates of their child throughout the day. The WeeCare app makes it easy for parents to feel connected and at ease by allowing providers to securely send *Moments* directly in-app to a parent. Moreover, the Moments feature enables providers to link the specific curriculum or activity they are doing in the photo or video, so parents can have the full experience.

Professional Development and Continuing Education

WeeCare can provide safety education and training including 1 on 1 and monthly in-service training webinars. The community forum also encourages community engagement. WeeCare has a designated training section and is easily able to push out regulation changes so providers are aware of them. Providers can also connect with the community and parents on relevant topics, including a searchable database for providers to use. WeeCare is also able to work with accredited institutions and connect their trainings and content so that all available professional development is easily accessible and centralized to providers with search and filter functionality.

Regulations & Information Confirmation System

The lack of access to mandatory licensing information is easily addressable by utilizing WeeCare's in-app licensing checklist and push notification system. There are multiple methods we can use to verify that a provider successfully received and confirmed that they read the latest licensing information, which should be standardized across FCCs.

Resource Center

WeeCare acts as a centralized source of information and offers support to who want to apply for assistance paying for child care. If parents are denied or unable to pay for child care, we have resources to point them in the right direction and can help figure out the next.

Staff Recruitment

WeeCare can connect providers to licensed and background-checked teaching assistants by serving as a place where assistants can apply to be placed at a WeeCare location in their area. Similar to how we

match parents and providers, we match assistants to the best WeeCare employer. When a provider has more staff, it means they can accommodate more enrollments and give more kids access to quality care. WeeCare can do all the work to identify, recruit, and vet individuals to serve as teaching assistants for providers including detailed background checks.

In addition to matching teaching assistants with providers, WeeCare can facilitate a substitute teaching pool to give providers a backup if they ever need to take a day off due to illness or emergencies. This substitute pool would also consist of individuals that have been vetted and checked by WeeCare's thorough process.

Timestamped Verification and Attendance System

WeeCare offers accuracy in variable schedule payments. WeeCare can verify when children are dropped off and picked up from child care providers due to a location enabling timestamp, along with real-time photo verification. This technology leaves less room for error and leads to major cost savings.

WeeCare also has a contactless attendance system that providers and families use to mark when a child arrives and when they depart. This eliminates the need for pen and paper sign outs, which is a system plagued by human error. The use of WeeCare's contactless attendance system also helps to store that data in one place rather than scattered across other forms and pieces of paper. If providers need access to that attendance data for reporting reasons, they're able to access it directly.

The contactless attendance system can also be useful in contact tracing if there is ever a COVID-19 case at a location. Providers can see who was there on a certain day to determine if anyone needs to quarantine.

Tour Scheduling

WeeCare built a tool in the app that allows for virtual tours to eliminate unnecessary contact. During the pandemic, touring facilities in person is not possible for most people and is not the safest method. Now, parents can tour facilities remotely and leave feedback after each tour. This feedback is used to assess WeeCare providers and address any concerns that might come up

Tuition Collection

Parents can easily pay their tuition in the app. Tuition payments are charged 1 week in advance of care that is given. This gives room to ensure providers are paid upfront and on time, as well as guaranteeing a child care spot for the parent.

If there are any financial situations that arise, WeeCare works with the parent directly and develops a plan with the parent directly while covering the costs with no interruption of payment to the provider to help avoid any uncomfortable conversations or friction between parent and provider, preserving a healthy relationship, and saving everyone time and financial stress.

Waitlist System

Parents can be on multiple WeeCare location waitlists and will receive automatic updates on their status and spot, rather than them having to call the provider directly. As real-time information comes in about changes in capacity, we inform the waitlisted parents every step of the way with automatic notifications via text message, email, and/or in-app notifications, and parents are also able to see at any time their real-time place and status on each waiting list.