



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: First 5 Santa Barbara
County Children and
Families Commission
Department No.: 994
For Agenda Of: May 3, 2022
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: Yes
If Yes, date from: October 19, 2021
Vote Required: Yes

TO: Board of Supervisors

FROM: Department
Director(s)

Wendy Sims-Moten, Executive Director
First 5 Santa Barbara County Children and Families Commission

Contact Info: 805-884-8085

SUBJECT: Child Care Sector Survey Results and Recommendations – American Rescue
Plan Act (ARPA) Discussion

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

- a) Receive and file information and a presentation from First 5 Santa Barbara County Children and Families Commission (First 5 SBC) regarding data requested for child care sector relief and recovery;
- b) Provide comments and/or direction to staff regarding participation in the development of a countywide strategy as listed in Options 1 or 2 in the background section to address such child care sector needs,
- c) Provide comments and direction regarding the development of a Request for Proposal (RFP) to allocate funding or provide other direction as appropriate, and;
- d) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended

actions consist of organization, administrative, or fiscal activities of government that will not result in direct or indirect changes to the environment.

Summary Text:

On October 19, 2021 the Board of Supervisors was asked to consider the allocation of \$2,000,000 in ARPA funds for the childcare sector, to provide immediate relief and continue to develop a recovery plan for crisis management. From that meeting, First 5 Santa Barbara County agreed to provide additional data for consideration during the 2022-2023 budget workshops in April 2022. That data request is being presented to the Board today in preparation for the 2022-2023 budget adoption in June 2022.

With this report, the Board of Supervisors is asked to consider the following in their budget discussions:

- **Relief:** Allocate a percentage of dollars to provide direct relief grants for families through established scholarship programming to relieve some of the financial burden of childcare as parents return to work.
- **Recovery:** Allocate a percentage of dollars to develop a business support initiative that will provide technical assistance and financial support to the private child care sector in order to establish and plan for sustainable operations, track the impact of funding and program capacities to meet supply and demand, and increase the number of infant-toddler childcare slots in Santa Barbara County.

Background:

On June 1, 2021, the Board of Supervisors heard from County staff information on the eligibility requirements and possible uses of \$43.3 million in American Rescue Plan Act (ARPA) funds included in the FY 2021-22 Budget. The types of funds presented were both “restricted” to COVID response and recovery activities, to be used in compliance with the U.S. Treasury Department rules; and “discretionary,” which has greater flexibility and is equal to the amount of revenue losses incurred. Staff presented various potential uses of both restricted and discretionary uses of ARPA funding, where a potential use of restricted funding was in response to the public health emergency and related economic impacts, and asked your Board for direction on potential ways to allocate funds. During the June 1 meeting, the Board directed staff to return with more information regarding a few focus areas, one of the areas being child care.

On October 19, 2021, the Board of Supervisors was asked to consider the allocation of \$2,000,000 in ARPA funds for the Emergency Child Care Initiative (ECCI) as led by the Santa Barbara Foundation, to provide immediate relief to the child care sector and continue to develop a recovery plan for crisis management. From that meeting, First 5 Santa Barbara County agreed to provide additional data for consideration during the 2022-2023 budget workshops in April 2022. The consideration of the childcare sector would fall under the “discretionary” category of ARPA funding.

The Board of Supervisors is asked to consider and discuss the following options and next steps for the use of ARPA funds towards supporting the childcare sector in Santa Barbara County.

1. *Option 1:* Direct Services to Families/Parental Support would be eligible under the category of **Assistance to Households**. Treasury recognizes certain enumerated projects as eligible to respond to impacts of the pandemic on households and communities, including childcare and

early learning services, home visiting programs, services for child welfare-involved families and foster youth, and childcare facilities.

2. *Option 2:* Infrastructure to Childcare Sector/Sector Support would be eligible under the categories of **Assistance to Small Businesses** and **Aid to Impacted Industries**. Recipients should first designate an impacted industry and then provide aid to address the impacted industry's negative economic impact.
3. *Option 3:* **Development of a comprehensive RFP** to allocate funding identified to maximize impact on the areas of need identified and further consider data gathered by various agencies.

Recommended Next Steps:

In addition to the Child Care Sector Survey Results and Recommendations Report, in recent months a variety of information has been provided regarding child care needs within Santa Barbara County. Given the diversity of needs identified through the efforts of First 5 and other agencies it is now recommended that an RFP, facilitated by First 5, with the support of the County Executive Office, be prepared to ensure that all information available is evaluated and a comprehensive plan be set forth to address the range of direct services and infrastructure needs identified and maximize impact of the funding identified. Possible strategies for consideration in the RFP may include but are not limited to:

1. Percentage (%) of allocation towards options presented or combine with other options
2. Full allocation towards one option or the other or another option not presented,
3. Allocate \$400,000 per Supervisorial District to be determined at discretion of regional teams,
4. Conduct an extended facilities study in each District to look at potential properties for new or expanded childcare spaces,
5. Identify childcare deserts in the County of Santa Barbara. and strategies to address
6. Assess county owned properties that could house childcare programs at no cost or low-cost rents (e.g. Calle Real Property redesign),
7. Partner with Low Income Investment Fund and local Philanthropy to design capital projects and see where dollars can be leveraged (e.g. 60/40 matches),

Key outcomes of performance measures associated with the RFP may include but are not limited to:

PM #1 – Increase the affordability of infant-toddler care in Santa Barbara County by expanding scholarships for families who do not qualify for full subsidy, thus relieving some of the financial burden of returning to work.

PM #2 - Create a coordinated system of business support for the child care sector that braids various funding stream, thus helping providers recover from economic gaps due to loss of revenue during the pandemic.

PM #3 - Create an enhanced infrastructure initiative to support the childcare sector in meeting the need for infant-toddler spaces in the County of Santa Barbara, thus helping the childcare sector meet the supply and demand challenge for parents returning to work.

PM #4 - Increase the available infant-toddler spaces by a minimum of 10% to address the challenge.

Fiscal Analysis:

ARPA funding for the allocation of \$2,000,000 is asked to be considered with this Board Letter. Items discussed above for consideration are eligible for ARPA uses within the \$2,000,000 set aside.

Key Contract Risks:

If the request is approved, assigned department can act as the grantor of the funds and will follow all state and county contract compliance protocols which currently exist. This would include a request of the grantee's annual audit and set invoicing and evaluation reporting protocols, as well as adherence to reporting and compliance requirements as set forth by the U.S. Treasury for use of ARPA funding.

Staffing Impacts:

Special Instructions:

The Board of Supervisors and County Executive Office staff will decide upon a fiscal and programmatic agent (s) through a competitive Request for Proposal (RFP) process as required by ARPA regulations.

Attachments:

- Attachment 1 – Child Care Sector Survey Results and Recommendations Report
- Attachment 2 – Child Care Sector Survey Results and Recommendations Report Power Point

Authored by:

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