FIRST 5 LA

SUBJECT:
1. Approve Strategic Partnership with the California Community Foundation in the Amount of $777,000 for the period of 11 months to address COVID-19 impacts on the early learning sector and support access to quality early learning services for the most vulnerable children birth to age five and
2. Authorize First 5 LA Staff to Execute an Agreement for an amount not to exceed $777,000 with an anticipated contract period of July 17, 2020 to June 30, 2021. (Fund Balance Category: Assigned)

RECOMMENDATION (PROVIDED FOR ACTION):
This memo is provided for action for the Board’s consideration at the July 9, 2020 Board of Commissioners Meeting. At today’s July 9, 2020 Commission meeting, First 5 LA staff recommends that the Board approve the establishment of a Strategic Partnership with the California Community Foundation for an amount not to exceed $777,000 for the period of 11 months and authorize staff to execute a contract from July 17, 2020 to June 30, 2021. Funds for FY 2020-21 were made available from First 5 California following the development of the FY 2020-21 budget. As such, proposed expenditures are not yet included in the FY 2020-21 program budget, however, funding for this partnership will be drawn down following approval from the Board at today’s Commission meeting. The corresponding expenditures will be included within the FY 2020-21 First 5 LA Programmatic Budget under Quality Improvement Systems: Impact 2020 at mid-year as part of the annual mid-year adjustment process which is our opportunity to update and align the proposed budget with actual anticipated costs for the year grounded in actual expenditure data and updated information. Board approval of the mid-year adjustments is scheduled for February 2021.

BACKGROUND:
To address the ongoing child care crisis highlighted by COVID-19, First 5 LA through the ECE department is partnering with the Los Angeles County Office of Education (LACOE) and the County Office for the Advancement of Early Care and Education (OAEC) to convene the L.A. County Early Childhood Education COVID-19 Response Team (Response Team) which includes, among other partners, the Los Angeles Unified School District (LAUSD), Child Care Alliance of Los Angeles, Greater Los Angeles Education Foundation, Office of LA City Mayor Eric Garcetti, Child 360, and the County’s Center for Strategic Public Private Partnerships. The Response Team continues to host information sessions for providers, support data integration for more seamless referral services, and coordinate funding opportunities to support the county’s ECE system.

First 5 LA was awarded, on behalf of the Quality Start Los Angeles (QSLA) consortium, $777,000 in Improve and Maximize Programs so All Children Thrive (IMPACT) incentive layer funding as it exceeded its programmatic targets in the previous fiscal year. In contrast to previous incentive layer funds, in order to access the $777,000 in incentive layer funding, the funding must be used in response to the COVID-19 pandemic. Incentive Layer awards are provided through a cost-reimbursement contract. Funding that is not regranted by September 30 to address the COVID-19 impacts to Los Angeles county early learning providers will not be eligible for reimbursement. First 5 LA staff recommend that this funding be used to strengthen the ECE system for the most vulnerable communities by contributing to the California Community Foundation (CCF) COVID-19 LA County Response Fund.

Project Overview
In partnership with OAECE, the Center for Strategic Public Private Partnerships, LACOE, and the LA Partnership for Early Childhood Investment (PECI), First 5 LA convened a funder briefing on April 17, 2020. Partners shared priority needs for the ECE system and coordinated a response to stabilize and strengthen the system by setting an initial $1 million fundraising goal and directing these funds to the CCF COVID-19 LA County Response Fund.
The CCF COVID-19 LA County Response Fund is a pooled fund that addresses the immediate and mid-to long-term needs of the region’s most vulnerable residents. This fund supports community needs identified by partners in health, housing, education and immigration. As of May 4, this fund has granted $11,922,500 million in total to address the immediate needs of the most vulnerable. Within this fund, philanthropic organizations have contributed $550,000 to stop gap funding for voucher stipends for low-income workers who need subsidized care, Resource & Referral technology needs, and supplies for ECE providers to date. The original fundraising goal included estimates for 1,000 short-term vouchers to help families access care before state emergency funds materialized, however, the revised need for these funds is to support longer-term family needs that are not eligible for state funding, such as in-home care or care for older children.

Based on our continued engagement with county and philanthropic partners, staff proposes that First 5 LA regrant the IMPACT incentive layer funding of $777,000 to the CCF COVID-19 LA County Response Fund. CCF will make grants through the pooled fund to meet the following near term and long-term needs to strengthen the early learning system, including:

1. Increasing the supply distribution and strengthening the supply chain to child care sites to ensure healthy and nurturing care in the context of the Covid-19 health and educational environment.
2. Developing and disseminating ECE provider training materials outlining new and evolving COVID-19 health guidelines (videos, one-pagers, vignettes, etc.) and management of a centralized data dashboard to guide the countywide response. The dashboard is a centralized database housing information regarding open and closed early learning providers by Resource and Referral agency, the number of enhanced referrals and requests for financial assistance (including vouchers provided), communications data (e.g., community call attendance, visits to lacoe.edu/childcare), and funding and supplies disseminated to providers. The data will be used to identify gaps in the response and guide investments to strengthen the ECE system for the most vulnerable communities.
3. Supporting changes to ECE facilities to accommodate social distancing and other public health guidelines. Examples may include furniture, removable wall dividers, etc.
4. Funding for temporary vouchers that fill identified gaps in child care options to meet the needs of low-income families seeking subsidized services.

Funding in each of the four areas will follow the guidelines from First 5 CA.

The CCF COVID-19 LA County Response Fund, has been identified as the administrator and collaborative decisionmaker for how the pooled resources supporting early learning providers will be regranted. First 5 LA will maintain the role of strategy partner, build connections to support the pooled fund, and assist in tracking the impact of the evolving environment. The First 5 LA ECE team will review potential funding applicants and offer input prior to re-granting funds.

Pursuant to the Procurement Policy, Strategic Partners of $75,000 or more in a fiscal year must be presented to the Board for approval. Staff is requesting an establishment of a Strategic Partnership for an amount not to exceed $777,000 to comply with this policy. Section IV.5 of the Procurement Policy also states that contracts of $75,000 or more requires Board approval prior to execution. Staff is seeking approval to execute a contract for the period of July 17, 2020 to June 30, 2021 for $777,000.

GOVERNANCE GUIDELINES #5 AND #6 (SUSTAINABILITY AND LEVERAGING):
Sustainability: First 5 LA’s contribution to the pooled fund supports ECE providers that have remained open and those that plan to reopen; only 59% of family child care and 25% of center-based providers have remained open during the pandemic in LA County. The pandemic has dramatically increased the need to expedite the provision of supplies and technical assistance to implement cleaning, sanitation, and social distancing protocols. Additionally, existing facilities in the network are limited to providing early care and education to stable groups of 10 or fewer, whereas previously, some preschools provided services to up to 24 young children. Working closely with county partners, First 5 LA is coordinating the advocacy and philanthropic response to build the system capacity to be responsive to health guidelines while maintaining access to quality early learning services for the most vulnerable children birth to age five.
Additionally, the proposed funding will strengthen the supply chain and distribution network which will have lasting impact and increases the number of providers able to safely serve children throughout the County. Investments in data coordination will also help to ensure that the ongoing response is effective and targeted towards vulnerable populations.

**Leveraging:** The effort leverages $550,000 in philanthropic funding focused on the Los Angeles County ECE system, including contributions from the Parsons Foundation, the Carl & Roberta Deutsch Foundation, Amgen, the Mayor’s Fund for Los Angeles, Gene & Mindy Stein Foundation, and an anonymous donor.

**JUSTIFICATION:**

This Strategic Partnership meets the criteria below:

- The Strategic Partnership can provide specific resources needed by First 5 LA to implement an approved program or initiative in a manner or on a scale that makes the Strategic Partnership more cost effective than resources provided through a competitive solicitation; or

- The Strategic Partnership can implement an approved program or initiative more expeditiously than resources provided through a competitive solicitation; or

- The Strategic Partnership can provide a demonstrated level of ability or expertise that is only available in the community through the proposed Strategic Partnership; or

- The Strategic Partnership provides an opportunity to leverage First 5 LA funds to produce additional funding for the program or initiative or service.

**AND**

- The proposed Strategic Partnership is aligned with the adopted Strategic Plan.

**Strategic Partnership provides an opportunity to leverage First 5 LA funds to produce additional funding for the program or initiative or service:**

The Strategic Partnership provides an opportunity to leverage First 5 LA funds to produce additional philanthropic and public funding to address the child care crisis heightened by the pandemic. First 5 LA’s proposed contribution of $777,000 will leverage $550,000 in philanthropic funds, bringing the total funding to strengthen the ECE system to $1,327,000.

Governor Newsom temporarily expanded access to ECE services with a one-time infusion of funding as part of the state’s response to COVID-19, but also proposed significant cuts to ECE services in his revised budget proposal for FY 2021. First 5 LA has joined the state ECE Coalition’s push to maintain and expand access to ECE services as a critical component of the state’s economic recovery in addition to its ongoing response to COVID-19.

First 5 LA will continue to work with the Center for Strategic Public Private Partnerships, supporting cross-sector collaborations that transform County systems, to secure additional philanthropic funding to address the evolving needs of the ECE system.

**The proposed Strategic Partnership is aligned with the adopted Strategic Plan:**

- **Strategic Priority 1: Strengthen Public and Community Systems**
  1.3 Advocate for policy change in the early learning reimbursement rate structure to incentivize quality and competitively compensate the early childhood workforce.
- **Strategic Priority 2: Advance and Build on Community Experience**
2.2 Pilot strategies to strengthen the delivery of Family Child Care and Family, Friends, and Neighbor.

A First 5 LA contribution to the CCF COVID-19 LA County Response Fund presents an opportunity to preserve the ECE infrastructure until state dollars flow to LA County based on the advocacy efforts underway. At the same time, the support for strengthening the supply chain and data infrastructure will support the overall ECE system in the long term. This funding is also testing new strategies for strengthening the early learning delivery system by providing technical assistance and guidance on how to continue or how to reopen and operate during the pandemic. Current data shows that a majority of available child care spaces are in Family Child Care homes, so interventions will necessarily address strategies to support these providers.

**NEXT STEPS:**
First 5 LA staff will execute a contract with California Community Foundation for the period July 17, 2020 to June 30, 2021 for $777,000 upon Board Approval of the receipt of funds and establishment of the Strategic Partnership with the California Community Foundation at this July 9, 2020 Board meeting.