



CITY OF OAKLAND

# AGENDA REPORT

**TO:** Steven Falk  
Interim City Administrator

**FROM:** Sara Bedford  
Director, Human Services

**SUBJECT:** Oakland Head Start as Sub-Contractor with Oakland Unified School District

**DATE:** April 15, 2020

City Administrator Approval

Date:

4-28-2020

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Authorizing:**

- 1) The City To Enter Into A Sub-Contract With Oakland Unified School District For The City To Receive State Funding In An Estimated Amount of \$231,250 To Provide Child Care Services To Eligible Children, Ages Birth To Three Years Old, From July 1, 2020 Through June 30, 2021; And**
- 2) Acceptance And Appropriation of Additional State Funding That Becomes Available From The Same Sources For The Same Purposes During The Same Sub-Contract Term, And Amendment Of The Sub-Contract Without Returning To Council; And**
- 3) The General Purpose Fund Contribution Included In The City's FY 2020-21 Proposed Budget In The Amount of \$34,873 To Cover Central Service Overhead Costs.**

## EXECUTIVE SUMMARY

The Local Education Agency (LEA), Oakland Unified School District (District), accepted funding from the California Department of Education for the District's Early Childhood Education programs for the 2020-21 fiscal year, and is interested in partnering with the City of Oakland (City) Early Head Start program to provide support for Oakland's neediest families.

The City of Oakland has many years of experience in providing quality and comprehensive child care and early childhood education; including experience in administering subcontracts with Local Education Agencies, such as the District; and has no audit, performance or fiscal exceptions that would prohibit subcontracting with the District.

In response to the opportunity, the Oakland Early Head Start program has identified eligible children age birth to three years old, currently enrolled in Early Head Start sites (Lion Creek; Broadway; West Grand; Arroyo; and San Antonio Park). Additionally, eligible families enrolled in Early Head Start will also be able to be enrolled in the General Child Care (CCTR) grant.

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May 5, 2020

This leveraging supports the program in meeting the new duration requirements which are 1,380 annual planned hours of operation at Early Head Start center-based sites, for a minimum of 6.5 hours per day, 12 months per year..

## **BACKGROUND / LEGISLATIVE HISTORY**

The City of Oakland has been a grantee of the Head Start Program since January 1971 serving Head Start eligible families with children ages three to five years old. In 1988, the City entered into a grantee-delegate relationship with the Unity Council to serve additional Head Start eligible families and children in the Fruitvale District of Oakland.

In 2009, the City of Oakland became a direct grantee of the Early Head Start Program, through the American Recovery and Reinvestment Act (ARRA) and United States Department of Health and Human Services, Administration for Children and Families, making it possible to serve additional Early Head Start eligible families and children in Oakland.

In program year 2016-17, the City successfully entered into a contract with Oakland Unified School District for CCTR program funds to extend Early Head Start services.

## **ANALYSIS AND POLICY ALTERNATIVES**

As Federal Head Start funding has been relatively flat for many years, the Federal government acknowledges that agencies need to blend State investment with their programs to meet quality pre-school standards. Due to changing Head Start standards requiring full day, full year programming and an expansion of Early Head Start, a more expensive model with blended funding is critical to sustaining high quality programs.

The City of Oakland's investment in the growing partnership with Oakland Unified School District's Early Childhood Education Program, along with the current subcontracting opportunity presented, will be a further investment in supporting the Mayor's cradle-to-career community initiative, The Oakland Promise. At the present time, there are no policy alternatives that will bring about a similar return on investment, while also successfully providing comprehensive services that support school readiness and family self-sufficiency that are designed to assist Oakland's most vulnerable families with children, age birth through five years old. Accepting these funds will help ensure high quality programming and a balanced budget for the Early Head Start program. Electing not to enter into this funding agreement would result in a program deficit for Early Head Start as a result of increasing salary costs.

## **FISCAL IMPACT**

The City will receive an estimated net contract of \$231,250 with the potential for additional funds, if available, from July 1, 2020 through June 30, 2021, from the District. The District, as subcontractor, will contract \$250,000 to the City and retain a 7.5 percent administrative contract management fee under State regulations, which is equivalent to \$18,750, for a net contract amount of \$231,250.

Approval of the proposed resolution will 1) authorize the City Administrator to enter into a sub-contract with Oakland Unified School District to provide California General Child Care Services, and receive an estimated amount of \$231,250 for fiscal year (FY) 2020-2021; and 2) appropriate funds in the estimated amount of \$231,250. The appropriation is included in the FY 2020-21 Proposed Budget contingent upon City Council adoption, and budgeted to the California Department of Education Fund (2138), HS Classroom and Seasonal Org (78231), Early Head Start FY20-21 CCTR Project (1004516), Strengthening Children, Youth & Families Program (YS13). The proposed resolution also authorizes the City Administrator to accept and appropriate additional funds if available from Oakland Unified School District within the grant term (July 1, 2020– June 30, 2021), and amend the subcontract to increase the amount with Oakland Unified School District without returning to City Council.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

- \$264,920 for program year 2020-21
- Total project cost/agreement/contract - \$264,920

2. SOURCE OF FUNDING:

The estimated net sum of \$231,250 together with offsetting revenue, shall be appropriated to the California Department of Education Fund (2138), HS Classroom and Seasonal Org (78231), Early Head Start FY20-21 CCTR Project (1004516), Strengthening Children, Youth & Families Program (YS13), as included in the FY 2020-21 Proposed Budget contingent upon City Council adoption.

In addition, due to administrative cost limitations, a contribution from the General Purpose Fund is required to cover central service overhead costs in an estimated amount of \$34,873, as included in the FY 2020-21 Proposed Budget.

It is anticipated that there will be options to renew this funding in future years with the Oakland Unified School District. This renewal will be negotiated in the early fall of next year pending the availability of funds.

**PUBLIC OUTREACH / INTEREST**

This item did not require any additional public outreach other than the required posting on the City's website.

**COORDINATION**

The Office of the City Attorney and the Budget Bureau were consulted in preparation of this report and resolution.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The Head Start program creates more than 100 jobs, including people directly employed in centers, plus an unknown number of jobs through its economic multiplier effect. Most of these jobs are held by Oakland residents. In addition, Head Start and Early Head Start buys most of its goods and services from Oakland firms or individuals to support its programs.

***Environmental:*** There are currently no direct environmental benefits or impacts from the Head Start and Early Head Start program to the City of Oakland. The program uses recyclable paper products.

***Race & Equity:*** The Oakland Head Start and Early Head Start Program delivers comprehensive, high-quality services to children and families in the City of Oakland. These services are designed to foster healthy development in low-income children, ages birth through five. Head Start and Early Head Start provide a range of individualized services in the areas of education and early childhood development, medical, dental, and mental health services, nutrition, and parent involvement. The range of services is responsive and appropriate to each child and family's developmental, ethnic, cultural, and linguistic heritage and experience. Recent scientific research has verified what early childhood educators have known for years: that how children are nurtured and educated in their youngest years has a significant impact on later growth and development.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing: 1) The City To Enter Into A Sub-Contract With Oakland Unified School District For The City To Receive State Funding In An Estimated Amount of \$231,250 To Provide Child Care Services To Eligible Children, Ages Birth To Three Years Old, From July 1, 2020 Through June 30, 2021; And 2) Acceptance and Appropriation of Additional State Funding That Becomes Available From The Same Sources For The Same Purposes During The Same Sub-Contract Term, And Amendment Of The Sub-Contract Without Returning To Council; And 3) The General Purpose Fund Contribution Included In The FY 2020-21 Proposed Budget In The Amount of \$34,873 To Cover Central Service Overhead Costs.

For questions regarding this report, please contact Diveena Cooppan, HSD Manager (Interim), Early Childhood and Family Services Division, at (510) 238-7186.

Respectfully submitted,



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