



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Estelle Clemons
Interim Director, Human
Services

SUBJECT: FY22-23 Oakland Head Start General
Child Care and Development Program
(CCTR) Contract Award

DATE: September 13, 2022

City Administrator Approval 

Date: Sep 15, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1. Authorizing The City Administrator To Enter Into An Agreement With The California Department Of Social Services (CDSS) Child Care And Development Division (CCDD) And Accept And Appropriate State Reimbursement Funding In An Amount Not To Exceed \$3,315,326 To Provide California General Child Care Program (CCTR) Services To Eligible Participants, Ages Birth To Three Years Old, Effective July 1, 2022 Through June 30, 2023; And**
- 2. Approve A Contribution From The General Purpose Fund In An Amount Of \$42,482 Equivalent To The Associated Central Services Overhead Costs Estimated; And**
- 3. Accept And Appropriate Additional California General Child Care Program Reimbursement Funding For FY2022-23 That Becomes Available For The Same Purposes Stated, During The Grant Term, And To Amend The Agreement.**

EXECUTIVE SUMMARY

The following report seeks authorization to accept and appropriate a reimbursement contract that supports, enhances, and enriches the delivery of the City of Oakland Early Head Start Program's comprehensive early care, education, and family services to Oakland families with young children ages birth to three.

Adoption of the proposed resolution will allow the City Administrator to accept the General Child Care and Development Program (CCTR) contract from the California Department of Social Services (CDSS) in the amount not to exceed \$3,315,326, to be eligible for reimbursement from the CDSS. The terms of this contract will allow for Center-based contractors to be paid 100% of the contract maximum reimbursable amount of \$3,315,326 or net reimbursable costs, whichever is less. If approved, the Human Services Department (HSD) will continue to provide a comprehensive school readiness and early childhood education program, enhanced with family

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literacy and parenting education services for eligible birth to three-year-old Early Head Start children and their families.

The City of Oakland has provided quality school readiness, and education services for children from birth to three years of age and their families with CCTR funding through a sub-contract with the Oakland Unified School District (OUSD) beginning in FY 2016-2017 to the present. There are no audit, performance or fiscal exceptions that would make it ineligible to implement a contract independently.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland's Head Start/Early Head Start Program

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 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 a sub-contract with OUSD for CCTR program funds to extend Early Head Start services. In Fiscal Year 2021-2022, the Head Start Program served 21 children through this sub-contract with OUSD with a reimbursable amount of up to \$185,000. In approving a direct contract between the City of Oakland and CDSS, the Program will now serve an additional 69 children, for a total of 94 children, with a maximum reimbursable amount of \$3,315,326.

The California Department of Social Services

The Early Childhood Development Act of 2020 (Senate Bill (SB) 98, Chapter 24, Statutes of 2020) authorized the transfer of childcare and development programs administered by the California Department of Education to the California Department of Social Services (CDSS) effective July 1, 2021.

The General Child Care and Development Program

The General Child Care and Development Program (CCTR) is administered by the CDSS and provides full-day, full-year funds for General Child Care and Development services statewide. Awards are made by county allocation, and within each county by Local Planning Council priority area.

The CCTR program is designed to support the economic and educational attainment of low- and moderate-income parents with children ages birth to three. Thus, in addition to assessing a child's eligibility for the program based on family income, child welfare status, or homeless status, the program also requires CCTR contractors to justify a caregiver's need for childcare.

This differs from the Head Start Program, which does not have a caregiver need requirement for children to receive services. The CCTR program also requires that contractors maintain a Quality Rating and Improvement System (QRIS) rating of at least 4 out of 5. This rating is provided every 5 years, and currently, all City of Oakland centers have a QRIS rating of 4 and above.

Similar to the California State Pre-School Program (CSPP), CCTR contractors are required to complete an annual Program Self Evaluation (PSE), which includes a parent survey and an overview of the programs Desired Ratings Developmental Profile (DRDP) assessments. The City of Oakland Head Start/Early Head Start Program already completes a PSE for the CSPP contract, which has prepared staff to administer the CCTR PSE as well.

The CCTR program is a reimbursement-based contract, and not a lump sum allocation or grant. The City of Oakland Head Start/Early Head Start Program will be reimbursed for 100% of the contract maximum reimbursable amount of \$3,315,326, or net reimbursable costs, whichever is less following comprehensive monthly reporting on factors such as attendance and eligible expenditures.

ANALYSIS AND POLICY ALTERNATIVES

Due to the impact of the COVID-19 pandemic on early child education, as well as the relatively flat Federal Head Start funding of recent years, the Federal government acknowledges that agencies need to blend State investment with their programs to meet quality pre-school standards. Given changing Head Start standards requiring full day, full year programming and an expansion of Early Head Start, a more expensive model, blended funding through multiple grants and contracts is critical to sustain and further enhance quality programs.

Citywide Priority: Holistic Community Safety

The CCTR contract will be a further investment in supporting and deepening the impact of the cradle-to-career community initiative, *The Oakland Promise*, and is in line with the goals of Measure AA (the Oakland Children's Fund Initiative) to expand access to early childhood services. The Program will be reimbursed for services for a total of 94 children, with a maximum reimbursable amount of \$3,315,326 at City of Oakland grantee sites only. Once fully operational, a direct CCTR contract will allow the expansion of hours of service from 8 hours to 10 hours daily and from 180 days to 240 days annually. This expansion will require increased staffing to meet the programmatic, and administrative requirements of the contract. The award allows for a start-up period to work with CDSS specialists and develop an implementation plan to meet the terms of the contract.

In the coming FY 2022-2023, the CCTR contract will be provided at up to six (6) locations throughout Oakland. **Table 1** below includes the specific number of children eligible per site and classroom providing CCTR services:

Table 1: Number of Slots and Funding Per Site and Classroom

Site Name	Total Certified Children Per Day Per Site	Total Funds Awarded Per Site
San Antonio Park Early Head Start	18	\$617,337
West Grand Early Head Start	22	\$754,523
Broadway Early Head Start, Classroom 1	12	\$411,558
Broadway Early Head Start, Classroom 2	10	\$464,908
Lion Creek Early Head Start	6	\$205,779
Arroyo Viejo Early Head Start	10	\$312,477
85th Avenue Early Head Start	16	\$548,744
Total	94	\$3,315,326

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 designed to assist Oakland's most vulnerable families with children ages birth through five-years-old. This contract does not allow for any changes to the amount of CCTR funds allocated to each site listed above. However, the contract funds can be blended with other funding sources, including Office of Head Start funding.

Detailed above in Table 1 is the exact fund allocation for each site, for which the City of Oakland will not be eligible for reimbursement in any amount over what has been contracted.

FISCAL IMPACT

During the midcycle budget process, the Human Services Department budgeted \$200,000 for the CCTR passthrough grant previously awarded through OUSD. This was budgeted to the California Department of Education Fund (2138), HS Classroom and Seasonal Org (78231), Early Head Start FY22-23 CCTR Project (1005588), Strengthening Children, and Youth & Families Program (YS13).

After the budget was passed, HSD received notice of award from CDSS, which means the City will now receive an estimated potential net contract of an amount not to exceed \$3,315,326 from July 1, 2022 through June 30, 2023. The increased appropriation of funds in the estimated amount of up to \$3,315,326 is not included in the FY 2022-23 Adopted MidCycle Budget. Based on an estimated reimbursement rate, the contract funding will subsequently be included in the FY23-25 budget cycle. For this current fiscal year, funding received will be allocated to the California Department of Education Fund (2138), HS Classroom and Seasonal Org (78231), Early Head Start FY22-23 CCTR Project (1005588), Strengthening Children, and Youth & Families Program (YS13).

As a part of adopting the FY 2022-23 MidCycle Budget, this grant program was subsidized in two ways from the General Purpose Fund: 1) to cover the costs of central service overhead (CSO) due to administrative cost limitations within the grant and 2) to cover the operating deficit between the grant revenue of \$200,000 and anticipated costs. Given the previous grant amount from prior years, City Council authorized and allocated a total of \$42,482 in the General Purpose Fund to cover the estimated CSO costs. This CSO request was based on prior staffing estimates but may be revisited in a future report once additional staffing needs are identified by the division. In addition, City Council authorized and allocated an additional \$20,871 to subsidize the operating deficit between anticipated program costs and the grant revenue the City received. With the additional \$3,315,326 in grant revenue, staff will evaluate and determine if an operating subsidy is still needed.

The maximum reimbursable funding is allocated per site and by classroom. The numbers of slots and funding approved are not interchangeable and requires a formal application to receive approval for any program changes. These changes could influence the total amount of reimbursement captured by the City.

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.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The City of Oakland has sub-contracted with OUSD for CCTR contract funding since program year 2016-17. Since then, the City of Oakland has met all program and reporting requirements to remain compliant with CCTR terms and conditions. This includes strict monitoring of program finances, attendance, and enrollment, in addition to maintaining programmatic and personnel requirements as part of CCTR. In FY 2022-2023, the program had a 77% attendance rate by June 2022. Reimbursement from the CCTR sub-contract with OUSD was in the amount of \$185,000 and claimed for 21 children.

A direct contract with CDSS will require additional reporting, evaluation, and assessments. These new evaluations align with existing Office of Head Start evaluations as well as other state grants and contracts to ensure that the City of Oakland Head Start Program maintains high standards of comprehensive early care, education, and family services.

Existing evaluation requirements include Quality Counts California, which evaluates early learning and care experiences in recognition that those experiences build the foundation for

skills children need in school, work, and life. All City of Oakland Centers have received a 4 or above on the California Quality Rating and Improvement System (QRIS).

The Desired Results Developmental Profile (DRDP) is an assessment instrument designed for teachers to observe, document, and reflect on the learning, development, and progress of children, birth through 12 years of age, who are enrolled in early care and education programs and before-and after-school programs.

Table 2: Program Performance Indicators for PY2021-2022

Percentage Completed	Early Head Start
Developmental Screening (ASQ)	98%
<i>Concerns Identified following ASQ Screening</i>	33%
Behavioral Screening – (ASQ-SE)	97%
<i>Concern Identified following ASQ-SE Screening</i>	17%
1 st Individualized Curriculum (DRDP)	96%
2 nd Individualized Curriculum (DRDP)	99%
3 rd Individualized Curriculum (DRDP)	98%
Initial Parent/Teacher Conference (IDP)	99%
Second Parent/Teacher Conference (IDP)	96%

These evaluation processes have ensured that the City of Oakland Head Start Program maintains high standards of early care, education, and family services for Oakland families with children birth to five. These processes and evaluations align with the requirements of CCTR and moving forward we continue to meet the highest standards as set by the terms of the direct contract with CDSS.

SUSTAINABLE OPPORTUNITIES

Economic: There are economic benefits to the City from the funding received through the California General Child Care and Development Program (CCTR) funding. The CCTR contract is designed to fund programs that support families as they pursue economic development opportunities through employment or education. By providing crucial school readiness and childcare for families with young children, the City of Oakland Head Start Program enables caregivers and parents to pursue educational and economic opportunities that can have long-term positive economic impacts.

The contract, along with funding from the Head Start grant, provides free comprehensive child development services to low income and families considered at risk. The program helps families with educational and work resources. Collectively with the Head Start grants, the program directly creates and sustains jobs in Head Start, including people directly employed in centers, plus an unknown number of jobs through its economic multiplier effect. Most of these jobs are held by residents of Oakland.

In addition, the program will buy goods and services to support its program, and most of these will be purchased from Oakland firms or individuals.

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 designed to foster healthy development in low-income children ages birth through five. The Oakland Head Start and Early Head Start program delivers comprehensive and high-quality services for over 600 children and families. Approximately 73% are Black, Indigenous, and People of Color (BIPOC), of which approximately 25% are African American and 48% are Hispanic or Latino. Sixty-six percent (66%) of families speak a primary language other than English. During Program Year 2021-22, roughly 40% of families received benefits through the Supplemental Nutrition Assistance Program (SNAP) and 22% experienced homelessness. Improving educational and family outcomes and eliminating racial and economic disparities are explicit goals of the program. To support these families, the program provides 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:

1. Authorizing The City Administrator To Enter Into An Agreement With The California Department Of Social Services (CDSS) Child Care And Development Division (CCDD) And Accept And Appropriate State Reimbursement Funding In An Amount Not To Exceed \$3,315,326 To Provide California General Child Care Program (CCTR) Services To Eligible Participants, Ages Birth To Three Years Old, Effective July 1, 2022 Through June 30, 2023; And
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For questions regarding this report, please contact Diveena Cooppan, HSD Manager, Early Childhood and Family Services Division, at (510) 238-7186.

Respectfully submitted,



ESTELLE CLEMONS

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