



AGENDA REPORT

TO: Edward D, Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: SUPPLEMENTAL - Budget
Amendment to the Head Start
Program

DATE: August 26, 2021

City Administrator Approval 

Date: Aug 30, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 88717 C.M.S., Which Adopted The City Of Oakland Biennial Budget For Fiscal Years 2021-23, To Allocate \$1.836 Million From The General Purpose Fund To The Head Start Program As Set Forth In Exhibit 1 To This Resolution And To Direct The City Administrator To Include Relevant Enhancements To The Lincoln Square Recreation Center Renovation Capital Improvement Fund In The Fiscal Year 2022-23 Midcycle Budget Adjustment.

REASON FOR SUPPLEMENTAL

This supplemental report and resolution provide enabling legislation for the City of Oakland, Human Services Department, to enhance the Head Start program with \$1,836,000 to ensure three (3) licensed Head Start Centers can remain open to serve approximately 52 children and their families with comprehensive early childhood education, health, nutrition, and family support services. The specific centers to remain open center are Arroyo Viejo Early Head Start, Tassafaronga Head Start and Franklin Head Start for FY 2021-22.

The resolution also includes direction to the City Administrator to include relevant enhancements to the Lincoln Square Recreation Center Renovation Capital Improvement Fund to include Early Head Start and Head Start classrooms to serve the Downtown/Chinatown community which has high levels of unmet need.

The proposed range of slots for participants is in addition to the 622 slots funded by the U.S. Department of Health and Human Services, Administration for Children and Families (DHHS/ACF) Office of Head Start grant for \$12,252,694, as of July 1, 2021 and authorized by City Council Resolution No. 88763 C.M.S. to serve pregnant women and low income children, ages 0-5, and their families throughout the City of Oakland, for a five-year period, FY 2021-2026, renewable annually. (See **Attachments A, B** and **C**: July 26, 2021 City Council report and resolution, and July 1, 2021 Information Memo)

The three (3) sites to receive this funding were identified for closure due to the reduction in the Office of Head Start Grant to the City of Oakland Head Start by over \$5,000,000. Arroyo Viejo,

City Council
September 1, 2021

Tassafaronga and Franklin Head Start Centers have been serving children and families for over 20 years. The funding outlined in this report will ensure that the Oakland Head Start Program can continue to provide full-day center-based program options at these sites along with the nine (9) federally funded, licensed centers and 2 home based program locations. The additional funding of \$1,836,000 will keep 12 existing locations as licensed centers, as well as provide a location for the home-based program to serve families across Oakland.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland has been a grantee of the Head Start Program since January 1971. In 2007, Congress enacted legislation that required greater competition within communities for Head Start funding. This legislation ensures that Federal Head Start funding is directed to the organizations most capable of delivering high-quality early education that puts children on a pathway to improved outcomes, school success, and opportunity.

In Fall of 2020, Office of Head Start issued a Request for Proposals under a competitive process to serve the City of Oakland for a total of \$17.8 million with a notice that indicated up to three (3) agencies could be funded. Grant applicants were strongly encouraged to bring new and innovative evidence-based or evidence-informed ideas to maximize the extent to which Early Head Start and Head Start, in collaboration with other partners and early childhood education providers, can prepare children and their families for school. The City applied for the full amount available that would have included keeping all Centers operational. On June 30, 2021, the City of Oakland received a notice of award for a grant of \$12,252,694 to serve 622 children and pregnant women in specific program options. The Unity Council, formerly a delegate agency of the City of Oakland, received the balance of the award to serve 368 children and families.

Program Services in FY 2021-22

In FY 2021-22, the Oakland Head Start/Early Head Start program proposes to operate the following program options:

- a) **Full-day, Center-Based** Head Start and Early Head Start services, operated by the City of Oakland - the Grantee and Partner Agencies.
- b) **Home-Based** Head Start and Early Head Start services operated by the Grantee and Partner Agency providing education, developmental and family services at homes.
- c) **Pregnant Women's Program** that offers health and nutrition, in addition to pre/postnatal and early parenting classes, newborn home visits and transition of infant to the Early Head Start Program by the Grantee and Partner Agency.
- d) **Family Child Care Partnership (FCC) Program** in partnership with BANANAS, Inc. Resource and Referral Agency, Oakland Head Start will work with licensed family childcare providers throughout the City. This strategy supports small, often BIPOC, woman owned agencies and can provide Head Start services in areas of the City that do not have center based options.

e) **Mobile Classroom Program** that offers early learning education, child development, and family services in a mobile vehicle classroom setting at family shelters and other locations where unhoused families can be served.

Children enrolled in the center-based program option will continue to receive full-day services from 8:30 to 4:30pm, five days per week. All children enrolled in a center-based program option will receive two educational home visits per year conducted by the teaching staff and two parent-teacher conferences per year. Each center will have a designated Center Manager that manages center operations, provide additional support to staff, monitor for safety and supervision, as well as for curriculum fidelity.

Building on Community Resilience to Address Needs

Housing insecurity and homelessness requires unique and expanded service models to address the rising challenges for families in the community. Similarly, COVID-19 has disproportionately affected Head Start families who are more likely to be or have a family member who is an essential worker, live in crowded conditions, and/or to have been impacted economically by reduced hours or job loss. The funding will expand on family support in the areas of job skills and income growth through the support of career ladders, as well as continuing its work on supporting the basic needs of families and children, including food security and health services, including mental health supports.

The Oakland Head Start program will also continue its support of families and teachers in ensuring trauma-informed and healing-centered practices are infused and supported, both in the program's curriculum and in its ongoing wellness training and workshop opportunities for teaching staff, as well as families.

ANALYSIS AND POLICY ALTERNATIVES

The City's Head Start program provides comprehensive early education services to low-income children and families, to help ensure children starting school are ready to succeed. Positive learning environments help guide social and emotional development. Oakland Head Start also supports families with their child's physical health and development, approaches toward learning, communication, language, literacy, and cognition. Head Start and Early Head Start teachers are required to have Bachelor and Associate degrees with specific training in early child development and infant/toddler coursework.

The Oakland Head Start/Early Head Start program is evidence-based, data driven, and designed to provide high-quality comprehensive, coordinated services that include child development & education, health, nutrition, disabilities, and family services support.

Family goals, both related to economic well-being and education, are critical components of the partnership agreement with all families. The needs of families served by the City of Oakland Head Start program are varied, based on the specific communities in which they live.

Access to quality and affordable early care and education opportunities are important for healthy development and kindergarten readiness for children but also for a healthy economy. According

to the Alameda County Early Care and Education program, more than 115,000 Alameda County children lack access to formal child care and early education. Only 31 percent of Alameda County children with working parents have a licensed child care and early education space available to them. Full-time child care or preschool in Alameda County costs an estimated average of \$23,000 per year. In Oakland, only 23 percent of families eligible for subsidized child care are receiving a subsidy. The COVID-19 crisis has taken a toll on child care in Oakland and Alameda County.

Table 1 shows the child care capacity as of October 2020. Both family child care sites and centers are at half the capacity as pre-COVID. The impact of the COVID-19 crisis on child care is predicted to be long lasting and could impact the cost of child care if centers and providers are in higher demand.

Table 1: Child Care Capacity in Oakland and Alameda County

Location	No. Family Child Care Sites	No. Child Care Centers	No. Currently Closed Family Child Care Sites	No. Currently Closed Child Care Centers	Pre-COVID Capacity for Children 0-5	Current Capacity of Children 0-5	Percent of Current Capacity Compared to Pre-COVID Capacity
Oakland	314	159	161	110	9,664	5,732	59 percent
Alameda County	1,429	694	774	448	40,588	22,569	56 percent

Research has shown that inequality starts at birth, and the negative impacts can last a lifetime, unless children have access to quality early childhood programs that can change the trajectory of their life. With this as a foundation, Oakland HS believes that every young child must have the opportunity to learn, explore and develop to their full potential, irrespective of where they live and their background. To accomplish this, Oakland HS works closely with parents and families to empower and promote them as the first and primary teacher of their children.

All services are inclusive of all children and pregnant women, including children with disabilities, respectful of differences in gender, culture, language, ethnicity, immigration status/citizenship and family composition, and are welcoming to parents. The core beliefs of the program are integrated as follows:

- Oakland HS teaching staff recognize that children grow and develop in the context of relationships.
- Learning environments include developmentally appropriate learning centers full of interesting, open-ended materials that provide opportunities for children to explore, create and problem-solve.
- Children have a right to equitable education practices and staff are supported in understanding implicit biases that may impact practice.
- Family engagement is recognized as critical to assist children in sustaining school readiness gains and is embedded throughout services to promote healthy development of children.

At the present time, there are no policy alternatives that will bring about a similar return on investment, while also successfully providing comprehensive, coordinated services that support school readiness and family self-sufficiency and that are designed to assist Oakland's most vulnerable families with children, ages birth through five years old.

The following table (**Table 2**) presents the overall program enrollment that is proposed for the City of Oakland directly operated sites, to provide comprehensive, coordinated, evidence-based center-based, home-based, and family child care Early Head Start/Head Start services in FY 2021-22.

Table 2: Proposed Program Enrollment for City of Oakland Operated Sites

Directly Operated Sites	Head Start	Early Head Start
85 th Avenue	16	18
Brookfield (City)	32	0
Lion Creek Crossing (HS)	16	8
New Home Based Site/s	0	69
Manzanita	16	0
San Antonio CDC	24	0
Sungate	24	0
Mobile Classroom (Homeless Program)	16	8
Broadway	0	24
West Grand	0	24
San Antonio Park	0	18
Arroyo Viejo (Restored Site)	0	12
Tassafaronga (Restored Site)	24	0
Franklin (Restored Site)	16	0
Total	184	181

The City of Oakland will directly serve 365 children, pregnant women and families with the restoration of these three sites and will fund an additional 14.0 FTE to provide comprehensive services to children and families enrolled at the three sites.

The enhancements to the Lincoln Square Recreation Center Renovation Capital Improvement Fund to include Early Head Start and Head Start Classrooms to serve the Downtown/Chinatown community impacted by the Frank G. Mar Head Start site closure would provide Head Start services to approximately 24 to 34 children (0 to 5 years old) and their families in an area that has always had a high demand and need for Head Start programming. The Frank G. Mar Head Start site is no longer a viable option as the center has undergone renovation by the owners and the program no longer has access to an outdoor area that is required for the center to be a licensed facility. The Lincoln Recreation Center has included the addition of an early head start and head start classrooms in the project design and requires funding to renovate the center to meet the requirements for a licensed center. Once complete, the Downtown/Chinatown families will have a high quality and welcoming center for children and families.

FISCAL IMPACT

The funding of \$1,836,000 will provide 52 children and families with comprehensive early childhood services at three sites with 14 FTE staff. The additional \$1,000,000 will be allocated towards future enhancements to the Lincoln Square Recreation Center Renovation Capital Improvement Fund to include Early Head Start and Head Start Classrooms.

Funds will be budgeted to provide all required comprehensive services in a high-quality, cost-effective manner.

The funding request represents a total average cost per child of \$35,308. The budget will go towards personnel required to manage the sites, as well as contractual and operating costs. The cost per child represents full-day services for a minimum of 180 days in classrooms and comprehensive support services including healthcare, mental health and parent engagement. Full-day, full-year services for all children allows Oakland to address the unmet demand for quality, center-based early care and education services for working families or those pursuing educational and career training goals. **Table 3** below details the proposed budget allocations for this programing.

Table 3: Proposed Budget Allocations

Cost Category	Budget
Personnel & Fringe	\$ 1,397,000
Contracts	\$ 110,000
O&M	\$ 304,000
ISF	\$ 25,000
TOTAL	\$ 1,836,000

Cost Summary/Implications

The funding for this \$1.836 million restoration has been achieved through one-time General Purpose Fund (1010) reallocations. The FY 2021-23 Biennial Budget, in Resolution 88717 C.M.S., has been amended as set forth in Exhibit 1 to reallocate existing funding to the Head Start Program. This funding was realized through salary savings from vacancies and longer hiring timelines and through additional savings using state funds for homelessness programs. See Exhibit 1 attached to this report for a detailed list of the savings used for this budget reallocation.

A. Cost of Head Start Program for FY 2021-2022: \$19,922,145.

Table 4: Head Start Budget with Updated Award Amounts and Budget Restoration

FY 21-22 Head Start Budget Changes	Adopted Budget	Updated Budget	Variance
Revenue Sources	Amount	Amount	Amount
Federal Grant	\$17,179,680	\$12,252,694	\$4,926,986
GPF Contribution (including ISF)	\$3,237,575	\$3,237,575	\$0

FY 21-22 Head Start Budget Changes	Adopted Budget	Updated Budget	Variance
Full CSO Waiver (estimated amount)	\$2,595,876	\$2,595,876	\$0
Total Revenue Amount	\$23,013,131	\$18,086,145	\$4,926,986
Budget Restoration with GPF reallocations		\$1,836,000	
Total Budgeted Expenditures*	\$22,653,029	\$19,922,145	\$2,730,884

*The difference between revenue and expenditures in the Adopted Budget is due in part to the COLA increase added during the Errata, which was balanced across the overall fund but not at the programmatic level.

With this action, the program's total adjusted budget will become an estimated \$19,922,145. The federal grant of \$12, 252,694 will cover 105.5 FTEs and the City will cover an additional 14 FTEs, which will increase total FTEs to 119.5 FTEs for FY 2021-22.

The reduction of \$4,926,986 in grant revenue identified in the staff report in July 20, 2021, has been addressed in part through this budget restoration. The remaining operating shortfall of \$2,730,884 for FY 2021-22 will be reduced through a combination of changes in program options and some corresponding staffing impacts.

Fiscal impact: This \$1,836,000 million budget restoration is a one-time use of General Purpose Fund that is in addition to the federal grant of \$12,252,694 million that the City received through Resolution 88763 C.M.S. This additional funding will increase the City's contribution to the Head Start program from \$5,833,451 to \$7,669,451 for FY 2021-22. This restoration of services is happening in tandem with the City continuing to meet federal requirements for the Head Start grant, including undertaking a restructuring of staffing and program delivery. The long-term operations of the City's Head Start program and its fiscal impact will depend on the upcoming federal grant cycle and the City's ongoing budgetary process.

PUBLIC OUTREACH / INTEREST

Given timing of the report, the item did not have additional public outreach other than the required posting on the City's website. However, the Head Start program has a Parent Policy Council and Advisory Board that play governing roles over the program and they will be notified of this agenda item and will convene with appropriate notice at a later date to review the augmentation.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: The funding creates 14 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.

Race & Equity: The Oakland Head Start and Early Head Start program will deliver comprehensive and high-quality services to an additional 52 children and families through FY 2021-2026. Approximately 37 percent of families served at these three sites were Black, 24 percent Asian and 26 percent Hispanic children. Staff at these three sites closely reflect the demographic make-up of the families served. In FY20-21 about 45 percent of staff were black, 27 percent Asian and 27 percent Hispanic.

Improving educational and family outcomes and eliminating racial disparities for this community is an explicit goal of the program. The range of services is responsive and appropriate to each child and family's developmental, ethnic, cultural, and linguistic heritage and experience. Designed to foster healthy cognitive, physical and social-emotional development, individualized services in the areas of education and early childhood development, medical, dental, and mental health services, as well as nutrition, parent involvement/engagement, and family literacy, will be provided for each child and their family.

Recent scientific research has verified what early childhood educators have known for years, which is that how children are nurtured and educated in their youngest years has a significant impact on development, growth, ongoing academic performance and later academic and life success.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending Resolution 88717 C.M.S., Which Adopted The City Of Oakland Biennial Budget For Fiscal Years 2021-23, To Allocate \$1.836 Million From The General Purpose Fund To The Head Start Program As Set Forth In Exhibit 1 To This Resolution And To Direct The City Administrator To Include Relevant Enhancements To The Lincoln Square Recreation Center Renovation Capital Improvement Fund In The Fiscal Year 2022-23 Midcycle Budget Adjustment.

For questions regarding this report, please contact Diveena Cooppan, Human Services Division Manager, Early Childhood and Family Services, at 510-238-3165.

Respectfully submitted,



SARA BEDFORD
Director, Human Services Department

Reviewed by:
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Human Services Department

Attachments (3)

- A: Head Start Grant Award Info Memo 7.1.2021
- B: Head Start FY 21 – 26 Grant Application Report to Council July 20, 2021
- C: Resolution N0. 88763 CMS

