

RESOLUTION NO.

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION: A) ALLOCATING \$4,100,000 IN AMERICAN RECUE PLAN ACT FUNDS FOR THE 2022 CHILDCARE GRANT PROGRAM TO PROVIDE GRANTS TO SAN MATEO COUNTY CHILDCARE CENTERS AND FAMILY DAYCARE HOMES THAT HAVE BEEN DIRECTLY AND ADVERSELY IMPACTED BY COVID-19 PUBLIC HEALTH EMERGENCY; AND B) AUTHORIZING THE COUNTY EXECUTIVE, OR DESIGNEE, TO ENTER INTO AN AGREEMENT WITH THE SMCU COMMUNITY FUND FOR THE DISTRIBUTION OF FUNDS FOR THE 2022 CHILDCARE GRANT PROGRAM, IN AN AMOUNT NOT TO EXCEED \$100,000 FOR A TERM ENDING NOVEMBER 30, 2022

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, since its emergence in early 2020, the COVID-19 pandemic has negatively impacted public health and the economy on a global scale, in the country and in San Mateo County; and

WHEREAS, the COVID-19 public health emergency has both caused and magnified negative impacts on residents of San Mateo County, including with regard to public health; mental health and emotional development; food and housing insecurity; economic dislocation and small business viability; and childcare, among other areas; and

WHEREAS, the County has taken extensive steps to prevent the spread of the pandemic and to mitigate its impact, including funding, supporting, and coordinating testing, contact tracing, isolation, quarantine and treatment for infected individuals, public health and safety communications and interventions, issuance and enforcement of health orders, health system response and vaccination programs; and

WHEREAS, the state and local health orders taken to respond to the pandemic and to prevent and mitigate its spread also restricted certain types of economic activity which impacted the economy in the County, with revenue losses hitting small

businesses and certain economic sectors and demographic groups particularly hard;
and

WHEREAS, the pandemic continues to pose risks to public health and continues to cause negative impacts for our communities and there remains the need to respond to those risks and impacts and to undertake measure to assist in recovery from the negative public health and economic impacts of the pandemic continues; and

WHEREAS, the childcare industry has been among the hardest hit during the pandemic and providers experienced increased operating costs, with data from the Bureau of Labor Statistics showing that employment in the childcare sector in California declined by more than 20% from February 2020 to October 2021 (See <https://cscce.berkeley.edu/publications/brief/child-care-sector-jobs-bls-analysis/>); and

WHEREAS, child care providers also were impacted by the pandemic in that they had to reduce class sizes to meet public health requirements and received reduced revenue due to fewer parents seeking out-of-home care while a COVID-19 vaccine was not available for the youngest children; and

WHEREAS, these negative impacts on childcare were in addition to and exacerbated pre-pandemic staffing challenges and the long-term insufficient supply of childcare in many communities, especially in lower-income neighborhoods; and

WHEREAS, to assist childcare providers, on July 21, 2020, this Board approved a \$2,000,000 allocation of CARES Act funds for a Childcare Relief Grant Program which provided grants to local childcare centers and family daycare centers equal to one month of operating expenses, with a not to exceed grant limit of \$55,000 for childcare centers and \$10,000 for family childcare homes; and

WHEREAS, to qualify for a grant under the Childcare Relief Grant Program, the applicant had to establish they were located in San Mateo County, were adversely

impacted by COVID-19, and were appropriately licensed by the State of California or exempt from such licensing requirements; and

WHEREAS, the Childcare Relief Grant Program gave priority to childcare centers and family daycare centers that served the County's most vulnerable residents, had demonstrated fiscal sustainability, and had participated in other existing County initiatives, such as the Big Lift and Quality Counts; and

WHEREAS, under the Childcare Relief Grant Program, the County received 354 applications requesting \$6,824,000 in grant funds and awarded 102 grants, with 29 grants to childcare centers and 73 grants to family daycare centers; and

WHEREAS, to assist more providers, childcare advocates in San Mateo County raised \$483,500 in donations and, on November 10, 2020, the Board allocated an additional \$2,000,000 in CARES Act funds, which allowed a total of 287 providers serving 8,183 children to receive grants; and

WHEREAS, in February 2022, the Board provided additional support to family daycare providers through an allocation of \$870,000 in American Rescue Plan Act (ARPA) funds to fully fund a \$10,000 grant program established by the 4Cs of San Mateo County that, together with \$100,000 raised by the 4Cs, provided grants to 97 family daycare providers; and

WHEREAS, while the Board has generously supported childcare centers and family daycare providers throughout the pandemic, providers are still facing challenges because many centers are still not operating at full capacity, and, while their operating costs remain high, both revenues and childcare employment continue to lag below pre-pandemic levels; and

WHEREAS, to ensure that childcare, an essential sector of our local economy, recovers from the impacts of the pandemic and to mitigate financial hardship for

providers, an ARPA allocation of \$4,100,000 for the 2022 Childcare Grant Program is proposed; and

WHEREAS, the 2022 Childcare Grant Program would, subject to funding limits, be available to licensed childcare providers within the childcare industry in San Mateo County that were operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic; and

WHEREAS, the 2022 Childcare Grant Program would disburse 175 grants to childcare centers and family daycare centers to address the economic harm resulting from or exacerbated by the pandemic, based on the number of children served by the childcare program as follows (subject to reallocation between the grant categories depending on the eligible applicant pool):

- 85 grants of \$10,000 for facilities with up to 10 children: \$850,000
- 50 grants of \$25,000 for facilities serving 11 to 30 children: \$1,250,000
- 20 grants of \$40,000 for facilities serving 31 to 60 children: \$800,000
- 20 grants of \$55,000 for facilities with over 60 children: \$1,100,000; and

WHEREAS, applicants who received a grant from any County-sponsored childcare support program within the past 12 months will be eligible to apply but will be given lower priority than programs that have not received a grant from the County within the past 12 months; and

WHEREAS, staff will provide a summary report to the Board after all the grants are distributed; and

WHEREAS, in accordance with applicable procurement requirements under ARPA, staff employed informal procurement methods to solicit a number of potential providers to assist with administration of the program and selected SMCU Community Fund as the responsible provider available to meet the County's requirements; and

WHEREAS, staff has recommended that the Board authorize the County Executive, or designee, to contract with the SMCU Community Fund in an amount not to exceed \$100,000 to administer distribution of the funds for the 2022 Childcare Grant Program for a term ending November 30, 2022.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that \$4,100,000 in ARPA funds is allocated for the establishment of the 2022 Childcare Grant Program in accordance with the Board's findings and intent set forth in this resolution and which Program shall consist of \$4,000,000 in grants and \$100,000 in administrative expenses.

IT IS FURTHER DETERMINED AND ORDERED that the County Executive, or designee(s), is authorized to enter into an agreement with SMCU Community Fund for an amount not to exceed \$100,000 to administer the 2022 Childcare Grant Program, with a term ending November 30, 2022, in accordance with the Board's findings and intent reflected in this resolution.

BE IT FURTHER RESOLVED that the County Executive, or designee(s), is authorized to execute amendments to the agreement with SMCU Community Fund which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BE IT FURTHER RESOLVED that the County Executive, or designee(s), is authorized to apply any state and/or federal funds, to include those ARPA funds appropriated by the Board in this resolution, that may be made available for all or a portion of the monies expended on the agreement with SMCU Community Fund.

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