



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 22-170

Board Meeting Date: 3/8/2022

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, County Manager  
Peggy Jensen, Assistant County Manager  
**Subject:** San Mateo County Recovery Initiative Funding

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with the Child Care Coordinating Council of San Mateo County for a term of March 8, 2022 through June 30, 2023 in an amount not to exceed \$870,000 of American Rescue Plan Act funds to fund 87 grants under the Family Child Care Infant & Toddler Expansion Grant Program.

**BACKGROUND:**

San Mateo County has been allocated \$148,050,000 in Federal American Rescue Plan Act (ARPA) funds. The first tranche of ARPA funds, \$74,025,000, was received by the County in May of 2021. The Board set aside \$10,000,000 of the first tranche funds for ARPA-eligible community initiatives.

On February 8, 2022, a proposed allocation plan for the \$10,000,000 set aside for community initiatives was presented to the Board of Supervisors. The allocation plan was based on extensive community input, data analysis and work with community partners, subject matter experts and strategic consultants to identify ARPA-eligible initiatives. The plan presented to the Board included an allocation of \$870,000 to the Child Care Coordinating Council (4Cs) of San Mateo County. This allocation would support the 4Cs Family Child Care Infant and Toddler Expansion Grant ("Family ChildCare Grant") program which is overseen by the Build Up, the childcare facility expansion initiative housed within the 4Cs.

Supporting this 4Cs grant program is a high community priority because there is a shortage of affordable childcare in San Mateo County, particularly care for infants and toddlers who are most often cared for in family daycare homes, and this shortage has been exacerbated by the COVID-19 pandemic. A 2017 study commissioned by the San Mateo County Human Services Agency, First 5, and the Child Care Partnership Council, revealed that San Mateo County would need 14,000 new infant and toddler spaces to meet demand by 2025 (Brion Economics, February 2017). Meeting that need is even harder now because the San Mateo County Child Care Partnership Council reports that

at least 29 childcare centers and 38 licensed family childcare homes in San Mateo County have closed since the early days of the pandemic, in March 2020. The ongoing shortage and closures are emblematic of the widespread challenges accessing or affording childcare during the pandemic.

Meeting the demand for licensed childcare benefits children, families and our local economy because a lack of accessible licensed childcare impacts parents' ability to participate in the workforce. It also limits the exposure the youngest children have to social-emotional and early learning enrichment, which can widen the opportunity gap and increase inequities among students. Further, providing and expanding access to childcare is responsive to the negative economic impacts of the pandemic.

### **DISCUSSION:**

In November 2021, Build Up opened the Family Childcare Grant program offering \$10,000 grants to help providers sustain their businesses and build capacity to serve more infants and toddlers. Build Up received 150 applications for these grants with 85% of the applicants serving families with subsidies for childcare.

Build Up raised \$100,000 in funding from Gilead Sciences and the Silicon Valley Community Foundation for grants under the Family Child Care grant Program, which would permit only 10 of the 150 grants to be funded. Through the allocation of \$870,000 in ARPA funding, the County is proposing to fund 87 grants (in the amount of \$10,000 each) to be administered and distributed by Build Up under the Family Child Care Grant program. Build Up is exploring additional funding sources to cover all remaining, eligible applicants.

As the grant applications have already been submitted and initially reviewed by Build Up, these funds can be obligated and distributed quickly to support existing providers and childcare expansion. If this agreement with 4Cs is approved by the Board of Supervisors, Build Up will convene an Application Review Committee the week of March 14, 2022 and aims to have funding distributed to grantees by April 30, 2022.

To document the impact of this \$870,000 contribution of County ARPA funds, Build Up will survey all grant applicants one year after the funds are disbursed to confirm: 1) how the funds were spent; and 2) how they were used to expand infant toddler care capacity in the family childcare facility.

An agreement with 4Cs for a term of March 8, 2022 through June 30, 2023 in an amount not to exceed \$870,000 of ARPA monies to fund 87 grants under the Family Child Care Grant program has been reviewed by County Counsel and is presented to this Board for approval.

### **FISCAL IMPACT:**

The allocation of \$870,000 ARPA funds is included within the \$10,000,000 of first tranche ARPA funding that was accounted for in the FY 2021-22 budget, and approved by this Board. There is no further impact on the County General Fund associated with approving this agreement and ARPA expenditure.