



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 22-662

Board Meeting Date: 9/13/2022

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

**To:** Honorable Board of Supervisors

**From:** Michael Callagy, County Executive  
Peggy Jensen, Assistant County Executive

**Subject:** Amendment of the 2022-2023 Out-of-School Care Grant Program to Support Impacted Nonprofit and For-profit Providers of Out-of-School Programs

**RECOMMENDATION:**

Adopt a resolution amending the 2022-23 Out-of-School Care Grant Program to authorize grants to otherwise qualifying nonprofit and for-profit organizations operating out-of-school programs in San Mateo County that have also been directly and negatively impacted by the COVID-19 pandemic.

**BACKGROUND:**

On July 26, 2022, the Board approved an allocation of \$2,562,500 in American Rescue Plan Act (ARPA) funds for the 2022-2023 Out-of-School Care Grant Program to increase the availability of before and after school and school vacation programs for socioeconomically disadvantaged (SED) students in San Mateo County. The Program, as approved by the Board, focused on addressing access challenges the pandemic created and/or exacerbated for SED students in need of out-of-school care. Thus, the Board allocated \$2,500,000 for grants to local out-of-school providers-nonprofits, for-profits, and public entities such as cities and school districts-so they could expand the number of available out-of-school program slots for SED students and \$62,500 to administrative fees for the SMCU Community Fund to help administer the Program.

But, like others in the child care industry, many local nonprofit and small business providers of out-of-school care programs have themselves suffered negative impacts as a result of the pandemic. When schools were closed or only partially open, these out-of-school care providers were also forced to close or operate at reduced capacity. Although many programs have now reopened, the return to pre-pandemic enrollment and staffing levels has been slow. Many providers have suffered decreased revenue, financial insecurity, increased costs due to compliance with public health requirements, reduced capacity to weather financial hardship, and challenges covering payroll, rent or mortgage, and other operating costs.

**DISCUSSION:**

ARPA funds may be used to respond to the COVID-19 public health emergency and its negative economic consequences, including by providing direct assistance to impacted nonprofit and small business organizations to mitigate their financial hardship. Accordingly, staff recommends that the \$2,500,000 in ARPA funds previously allocated by the Board for grants under the 2022-2023 Out-of-School Care Grant Program also be made available for grants to local nonprofit organizations (meaning those that are 501(c)(3) or 501(c)(19) tax exempt organizations) and local for-profit small businesses (meaning those with 25 or fewer full-time employees) that would otherwise qualify under the 2022-2023 Out-of-School Care Grant Program and that have themselves experienced negative economic impacts of the pandemic. Eligible impacted nonprofits and small businesses can be selected from existing applicant pool for the Out-of-School Care Grant Program generated through the initial application period.

All grants to impacted organizations would be subject to the overall fiscal limits and geographic funding requirements of the 2022-2023 Out-of-School Care Grant Program. Further, as provided in the 2022-2023 Out-of-School Care Grant Program, grant amounts for qualifying impacted organizations (nonprofits and small businesses) will be \$50,000 for programs serving or having the capacity to serve 100 students or less and \$75,000 for programs serving or having the capacity to serve 101 students or more.

Grants would remain available to qualifying public entities, such as cities and school districts, under the terms of the original Out-of-School Care Grant Program, though the distribution of grants between impacted organizations (nonprofits and small businesses) and public entity providers will vary depending on the pool of qualified, eligible applicants. Providing direct assistance to negatively impacted organizations, while continuing to provide grants to qualifying public entities, will serve the Board's interest in increasing out-of-school program slots for SED students.

A resolution amending the 2022-2023 Out-of-School Care Grant Program has been reviewed and approved by the County Attorney.

**FISCAL IMPACT:**

There is no fiscal impact associated with this action, as the Board has already approved by earlier resolution the 2022-2023 Out-of-School Care Grant Program, including \$2,500,000 for grants and \$62,500 for administration fees, which limits are unchanged. The \$2,500,000 previously allocated for grants would also be made available to provide assistance to otherwise qualifying nonprofit and for-profit out-of-school care providers that have been negatively impacted by the pandemic.