



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** BOARD OF SUPERVISORS  
DISTRICT 1  
**File #:** 20-842

Board Meeting Date: 11/10/2020

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

**To:** Honorable Board of Supervisors  
**From:** Supervisor Dave Pine, District 1  
Supervisor Carole Groom, District 2  
**Subject:** Amended Agreement with SMCU Community Fund and Community Equity Collaborative Regarding San Mateo County Child Care Relief Fund

### **RECOMMENDATION:**

Adopt a resolution:

- A) Approving an additional allocation of \$2,000,000 in Coronavirus Aid, Relief, and Economic Security ("CARES") Act funds to the San Mateo County Childcare Relief Fund for grants to San Mateo County Child Care Centers and Family Child Care Homes that have been directly and adversely impacted by COVID-19 public health emergency; and
- B) Authorizing the County Manager, or designee, to amend an agreement with the Community Equity Collaborative and the SMCU Community Fund for the distribution and administration of an additional allocation of \$2,000,000 in CARES Act funds to the San Mateo County Childcare Relief Fund for grants to San Mateo County Child Care Centers and Family Child Care Homes that have been directly and adversely impacted by COVID-19 public health emergency, extending the term through December 30, 2020, increasing the total administration fee to an amount not to exceed \$20,000, and authorizing the County Manager to redirect any undistributed funds to other CARES Act eligible programs established by the County; and
- C) Authorizing the County Manager, or designee, upon determination by the County Manager, to redirect any undistributed amounts of the additional \$2,000,000 allocated to San Mateo County Childcare Relief Fund to another program or programs established by the County for the distribution of CARES Act funds that have been authorized by this Board.

### **BACKGROUND:**

The child care industry has been among the hardest hit, and least supported, during the COVID-19 pandemic. (See, e.g., Center for American Progress, *The True Cost of Providing Safe Child Care*

*During the Coronavirus Pandemic* (Sep. 3, 2020), <https://www.americanprogress.org/issues/early-childhood/reports/2020/09/03/489900/true-cost-providing-safe-child-care-coronavirus-pandemic/>.) According to an analysis by the Center for American Progress, “the cost of center-based child care that meets enhanced health and safety requirements is, on average, 47 percent higher than the cost of meeting pre-pandemic requirements.” (*Id.*) This has resulted in “an insufficient supply of child care in many communities, especially lower-income neighborhoods.” (*Id.*)

Thus, on July 21, 2020, the Board of Supervisors adopted a resolution approving a \$2,000,000 allocation of CARES Act funds for the purposes of seeding the Child Care Relief Fund (“Fund”), a COVID-19 recovery fund to benefit child care programs adversely impacted by COVID-19, and directing the County Manager, or designee, to negotiate an agreement with the Community Equity Collaborative (“Collaborative”) and the SMCU Community Fund (“Community Fund”) to administer and distribute grants from the Fund.

The purpose of the Fund is to ensure the health, welfare, diversity, and long-term sustainability of communities throughout the County by supporting the continued viability and availability of high-quality Child Care Centers and Family Child Care Homes in the County that have been adversely impacted by COVID-19, with a particular focus on those establishments that: (1) provide child care services to the County’s most vulnerable residents; (2) are located in Priority One Zip Codes (i.e., zip codes identified by the San Mateo County Child Care Partnership Council Child Care and Early Learning Needs Assessment as having the highest need for such services); (3) have demonstrated fiscal sustainability; and (4) have participated in other existing County initiatives, such as the Big Lift and Quality Counts (“Fund Purpose”).

To qualify for a grant from the Fund, a Child Care Center or a Family Child Care Home (as those terms are defined by Title 22 of the California Code of Regulations) were required to establish that they have been adversely impacted by COVID-19 and are appropriately licensed by the State of California or exempt from such licensing requirements.

The Board directed that the Fund be disbursed as individual grants to cover one month of operating expenses not to exceed \$55,000 for Child Care Centers and \$10,000 for Family Child Care Homes.

On August 4, 2020, the Board approved an agreement with the Community Fund and the Collaborative to administer and distribute the Fund consistent with the Fund Purpose, eligibility requirements, and grant amounts established by the Board (“Agreement”). Under the Agreement, which expired October 31, 2020, the Community Fund and the Collaborative each received an administrative fee of \$5,000 (\$10,000 combined).

Applications for the Child Care Grant Program opened on August 24, 2020 and closed on September 5, 2020. During that time, a total of 354 applications requesting \$6,824,000 in grant funds were submitted. The Collaborative conducted an initial review of all the grant applications to determine completeness and eligibility and provided an initial rating of the proposals against the grant priority criteria. All eligible grant applications were then reviewed by the Advisory Committee and the Community Fund, which awarded the entire \$2,000,000 Fund through 102 grants, 29 to Child Care Centers and 73 to Family Child Care Homes. Combined, the grant recipients serve 3,345 children in the County.

#### **DISCUSSION:**

The \$2,000,000 in grants disbursed, however, only provided relief to less than one-third of both the

Child Care Grant Program applicants (354) and total grant funds requested (\$6,824,000). To assist more of the eligible applicants, the Collaborative and other child care advocates in the County obtained \$483,500 in additional contributions to the Fund. But even with these additional contributions, there remains a significant amount of unfunded grant requests.

Given both the continuing need to support child care providers in the County during the ongoing COVID-19 public health emergency and the availability of additional CARES Act funds, it is recommended that another \$2,000,000 in CARES Act funds be allocated to the Child Care Grant Program for grants to additional eligible applicants.

The Agreement should be amended to increase the Fund by the additional \$2,000,000 allocation. The term of the Agreement would be extended (retroactively) to December 30, 2020, and, upon request by the County Manager, any undistributed funds would be returned to the County for possible redirection to other CARES Act eligible programs established by the County, as authorized by the Board. Moreover, for the additional work associated with administering the increased Fund amount, the administrative fee for each the Community Fund and the Collaborative would be increased by \$5,000 to \$10,000 (\$20,000 combined). The Fund Purpose, eligibility requirements, and grant amounts established by the Board would remain unchanged.

**FISCAL IMPACT:**

Under the amended Agreement, the County would compensate the Community Fund and the Collaborative a total of \$20,000 in administrative fees, which amount would be fully funded by CARES Act funds. Thus, there is no impact on the General Fund associated with the amended Agreement.