The County of Yuba
County Administrator

TO: Board of Supervisors

FROM: Kevin Mallen, County Administrator
       Ericka Summers, First 5 Yuba
       Kassi Rasmussen, YES Team

SUBJECT: Authorize creation of a Childcare Relief Program, administered by Children's Home Society of California to support and strengthen local childcare providers during the COVID-19 pandemic using a portion of the CARES Act grant monies allocated to Yuba County. (Roll Call Vote) (Five minute estimate)

DATE: August 25, 2020

NUMBER: 437/2020

Recommendation:

It is recommended that the Board take the following actions:

1. Make a finding of a public purpose to establish a Childcare Relief Program in the amount of $250,000 in federal Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) funding to provide funds to qualifying childcare providers who have experienced increased business related costs due to additional operational requirements as a result of COVID-19 in order to assist childcare providers to remain open, reopen or expand services with safe environments to meet the increased demand for childcare for working families and increase provider capacity to assist school age children with distance learning; and

2. Approve and authorize the Chair or Vice-Chair to sign a Resolution making the necessary finding of public purpose and establishing the Childcare Relief Program.

3. Authorize the County Administrator to sign any required documents to enter into an agreement with Children's Home Society of California (CHS) in an amount not to exceed $240,000 (including a 7% administration fee to CHS) in order for CHS to administer the Childcare Relief Program and distribute funds on behalf of the County in substantial conformance with the
The program described herein, subject to disbursement of the CARES Act funds from the State to the County.

**Background:**

On March 19, 2020, Governor Gavin Newsom issued Executive Order N-33-20, directing individuals not working in one of the Essential Services sectors to stay at home to prevent the spread of the COVID-19 virus.

Childcare Providers were deemed an essential sector and therefore were advised to remain open to serve families. However, by mid-March, approximately 25% of providers in Yuba County closed due to COVID-19 and others were on the brink of closure. Many childcare providers experienced and continue to experience a loss in income since the initial shutdown as a result of low enrollment. In addition, many providers have experienced an increase in staffing costs in order to adhere to the state public health orders and operational guidance such as “...remain in groups as small as possible...” and “...keep the same children and teacher or staff with each group and include children from the same family in the same group, to the greatest extent possible.” while ensuring all state licensed mandates like child to adult ratios are upheld. Others have been forced to close their business for safety reasons resulting in an economic hardship for both the providers and the families they serve.

Those that have remained open to serve families have also experienced an increase in expenses for cleaning supplies and protective equipment to meet current federal state and local health and safety requirements. In relation, an increase in staff time has been common to help address needs for enhanced cleaning to maintain safe environments and mandated child supervision.

With the fall 2020 school year now in session, families are struggling with new barriers in accessing care during an even more critical time. The schools in Yuba County must rely upon distance learning, which means children that would have normally been in the school setting are now at home and parents who work in essential businesses must find alternate care for their children. As of August 1, 2020, in Yuba County, only 61 providers of the 114 who were open prior to COVID-19 remain open, creating an additional challenge for working families with school age children who would have traditionally relied on school settings as a dependable source of care.

As recognized by the Governor when issuing Executive Order N-45-20 to expand childcare opportunities to working families, “…child care is essential for working families, and in particular, for low-income and other parents who are considered essential critical infrastructure workers during this emergency, including health care workers; emergency response personnel; key governmental staff; law enforcement; food and agriculture workers, including grocery workers; and education and care providers; and … the COVID-19 emergency has created an increased need for child care for families who may not have previously needed child care, or who may now require additional hours of child care...”
Within an already fragile and volatile sector, childcare providers will now be tasked with taking on additional responsibilities. Childcare providers are experiencing a shift in demand for school age care, as 100% distance learning has become a reality for children and families in Yuba County. For providers, challenges with distance learning may include access to modern technology, internet connectivity and bandwidth, and overall support navigating the digital world. Providers may also experience challenges with adequate classroom setting or space within their homes to facilitate distance learning and one-on-one support.

Investments in our local childcare sector will strengthen providers’ capacity to remain open or reopen to serve working families with young children or school age children affected by school closures.

Discussion:

Yuba County anticipates receiving an allocation of approximately $8,000,000 in federal CARES Act funding through the state that may be used for the County’s emergency response and recovery costs, economic support for businesses and individuals, and measures to reduce the spread of COVID-19 in the homeless community. Funds must be spent between March 1, 2020 and December 30, 2020. The State is still working through how to disperse the CARES Act funds to counties. It is anticipated that the funds will be provided in installments, beginning in August with 1/6 of the total amount, so that the State can monitor County adherence to State orders as the funds are dispersed later this year.

The Office of Child Care of the U.S. Department of Health & Human Services in its summary of the childcare provisions of the CARES Act states that funds:

• May be used to provide continued payments and assistance to childcare providers in the case of decreased enrollment or closures related to coronavirus, and to assure they are able to remain open or to reopen.
• Can be used to provide childcare assistance to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to the coronavirus, without regard to the income eligibility requirements.
• Shall be available to eligible CCDF providers (e.g., meeting health and safety requirements, or eligible relative providers), even if such providers were not receiving CCDF assistance prior to the public health emergency as a result of the coronavirus, for the purposes of cleaning and sanitation, and other activities necessary to maintain or resume the operation of programs.

Guidance provided by the United States Treasury for State, Territorial, Local, and Tribal Governments as updated June 30, 2020 states:

“Eligible expenditures include, but are not limited to, payment for:
Expenses of actions to facilitate compliance with COVID-19–related public health measures, such as:

• Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.”

Based on guidance provided by the state and federal government, The County is granting CARES Act funding to CHS for the purpose of distributing funds to assist local childcare businesses for the increased costs of doing business as the result of the COVID pandemic.

The Childcare Relief Program will help to ensure childcare businesses remain open, re-open or expand services during COVID-19 in order to successfully and safely serve working families with young children and families affected by school closures by increasing their capacity to provide safe, quality and suitable learning environments. Local experts in early care and education agree that investing in a Childcare Relief Program accurately reflects the needs of the local providers.

A County Childcare Relief program, consistent with the guidance, could include the following criteria:

Program Overview:

1. **Grants to existing Childcare providers or reopening childcare providers**
   A projected amount of $174,000 will be used to support this aspect of the County Childcare Relief Program. These grants will be made to existing or reopening childcare providers in order to increase their capacity to:
   
   (a) Maintain safe environments for children with appropriate disinfectant and cleaning supplies, janitorial needs and safety measures to ensure they are following latest CDC, State and local guidelines to mitigate COVID-19.
   
   (b) Provide access to early learning tools, curriculum, and other educational resources.
   
   (c) Create developmentally appropriate environments for successful learning. (tables, chairs, school supplies, printer etc.)
   
   (d) Support distance learners by covering additional staff or para educator salaries.

   Funds will be divided based on number and type of childcare businesses that apply. The minimum amount of funding per site is projected in a range between $500 and $3,500. Depending on the number and type of applicants, allocations may increase.

2. **Grants to reopen or to expand childcare operations**
   A projected amount of $49,200 will be used to support this aspect of the program. These fund will be used to assist childcare providers to reopen or expand their business in order to increase childcare slots by covering costs associated with licensing fees related to reopening or expanding a family childcare business, additional staff salaries and screening fees to hire additional support staff or para educators to support school age children and distance learners. Costs associated with

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reopening or expanding a childcare business will be allocated or reimbursed with proper documentation at a minimum of $600 up to a maximum of $4,320 (Attachment A).

3. Grants to assist with distance learning and special needs
A projected amount of $10,000 will be used to support this aspect of the program. Provide digital tools (e.g., Chromebook) and high-speed internet (e.g., hot spots, increased speed), to childcare providers to increase bandwidth to accommodate distance learning. Providers will also receive support and technical assistance from First 5 Yuba and the Childcare Planning Council Yuba-Sutter to help increase provider capacity to serve children with distance learning, Individual Education Plan (IEP), or special therapies through ongoing training and support.
Costs associated with these needs may include:
   a) Digital materials: Chromebooks $400 each x 10 providers = $4,000
   b) Internet device (hot spot) and access (high speed) $60/mo. x 5 months x 20 providers = $6,000

4. Cost of Administration payable to CHS
A projected amount of $16,800 will be used to compensate CHS for the administration of the grant program. This represents 7% of the anticipated amount of items 1 and 2 of the program totaling $240,000. Item 3 of the program will be administered by the County or its designee and as such CHS will not be taking a 7% administrative fee for that aspect of the program.

Eligibility

1. Interested childcare businesses will submit an application for funding on a form to be developed by Yuba County in coordination with CHS. Applications will be received between September 1, 2020 and September 25, 2020.

2. Eligibility criteria will be consistently applied to the applications. All applications will be considered without attention to race, color, religion, sex, sexual orientation, gender identity, national origin, political affiliation, and veteran or disability status of the owner, employees, or community served.

3. Eligible childcare businesses would need to submit a self-certification and application to CHS in which they will verify that they:
   a. Have a physical location in Yuba County;
   b. Operating with children on site (if reopening children onsite within 1 month);
   c. Hold a current license (issued by California Department of Social Services–Licensing Division) provide childcare through the California Department of Social Services – Licensing Division (unless license exempt); and
   d. Have been, and are, in compliance with all State and Local Orders affecting the operation of their business including Guidance issued by the California Department of Public Health, California Department of Social Services, and the Yuba-Sutter Local Health Officer.
4. Childcare businesses receiving funding would be required to submit a follow up report generated by the County in accordance with CHS that would ensure funds were spent appropriately, with fidelity. Reports must be received no later than December 31, 2020.

Staff is recommending that if the Board wishes to pursue a Childcare Relief Program as outlined above, that the County retain the services of CHS to administer. The County would pay CHS 7% of the total funding amount awarded to administer the program. Administration includes marketing the program to childcare providers, developing and providing access to an online application form, receiving applications and ensuring eligibility based on the agreed upon criteria, notifying the County of proposed applicant, notifying applicants of awards, releasing funds to applicants, and retaining reports and records for audit purposes. The cost of administration would be included in the CARES Act funds but would not affect the number of grants awarded.

Finding of Public Purpose:

The California Constitution Article XVI, section 6 prohibits the making of a gift of any public funds. However, as interpreted by the courts, a gift of public funds does not occur if a public benefit is conferred or obtained by the expenditure of such funds even if private persons or entities receive “incidental” benefits from the expenditure. The determination of what constitutes a public purpose is in the first instance a determination to be made by the Board of Supervisors.

As the California Supreme Court has said, “necessity alone is not the test by which the limits of state authority in this direction are to be defined, but wise statesmanship must look beyond the expenditures which are absolutely needful to the continued existence of organized government, and embrace others which may tend to make that government subservce the general well-being of society, and advance the present and prospective happiness and prosperity of the people.”

It has been further stated by courts that “Courts may infer the public purpose from other legislation or the manner in which legislation enacted.”

This proposed expenditure will assist those childcare businesses that are complying with the Governor’s Executive Order thereby serving the public purpose of decreasing the exposure of children and families to the coronavirus and furthering the public purpose of public health, safety, and welfare. The retention of business has long been recognized as a laudable public purpose and given current conditions is no doubt of immediate concern to local governments and their constituents. This expenditure will advance the public purpose of economic development by sustaining the local childcare sector.

This program will further support the public purpose of economic development by allowing working parents to remain in the workforce thereby contributing to the overall health of the economy.

Additionally, research shows that childcare offers a high return on investment in the future health, social, and economic well-being of our children and families.\(^6\) Parents who have childcare options are better able to work, and to work more hours providing additional income for their families, ultimately benefitting the children. In short - the childcare sector is instrumental to the sustainability of current and future economies.

Finally, the CARES Act itself impliedly recognizes the public purpose to be served by providing funding to the childcare business sector in the time of this pandemic by authorizing the use of the funds for that very purpose.

*Committee Action:*

This item is being presented directly to the full Board due to the urgency of Yuba County’s local childcare business sector needs and the suddenness with which the State has made changes that affect certain business sectors.

*Fiscal Impact:*

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<tr>
<td>General Fund</td>
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<tr>
<td>Non-General Fund</td>
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<tr>
<td>Source of Funds</td>
<td>County of Yuba, federal, CARES Act funding</td>
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*Attachments:*

437/2020 Childcare Relief Program Attachment A - Program Description
437/2020 Resolution- CARES Act Childcare Relief Program

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\(^6\) [https://heckmanequation.org/www/assets/2017/01/w23479.pdf](https://heckmanequation.org/www/assets/2017/01/w23479.pdf)