

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.42
(ID # 17234)**

MEETING DATE:

Tuesday, September 14, 2021

FROM : EXECUTIVE OFFICE AND FIRST 5 RIVERSIDE :

SUBJECT: RIVERSIDE COUNTY EXECUTIVE OFFICE & RIVERSIDE COUNTY CHILDREN & FAMILY COMMISSION, FIRST 5 RIVERSIDE: Establishment of the Early Care & Education (ECE) Recovery Fund to stabilize and expand availability of ECE to support the return of working parents to the workforce. All Districts [\$15,000,000; 100% Federal American Rescue Plan Act Funds].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the allocation of \$15,000,000 in federal funding under the American Rescue Plan Act of 2021 (ARPA) for Early Care & Education Recovery assistance to support COVID-19 response and economic recovery within Riverside County to be administered by First 5;
2. Authorize the Auditor Controller to establish a separate fund within the First 5 budget working with the Executive Office to provide separate tracking of funds;
3. Authorize the Executive Office to allocate the funds and take any action needed to assure proper expenditure, monitoring and reporting of the allocated funds; and
4. Limit eligibility for this round of funds to only licensed centers and family childcare home workforce and providers serving children enrolled in subsidized Early Care and Education programs that are not local education agencies or head start agencies.

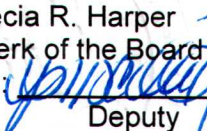
ACTION:Policy

Juan C. Perez, Chief Operating Officer 9/10/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: September 14, 2021
xc: EO, First 5

Kecia R. Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$ 15,000,000 | TBD | \$ 15,000,000 | TBD |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: Federal American Rescue Plan Act (ARPA) Funding | | | Budget Adjustment: Yes | |
| | | | For Fiscal Year: 21/22 | |

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or the American Rescue Plan (ARP), is a \$1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Biden on March 11, 2021 to accelerate the United States' recovery from the economic and health impacts of the COVID-19 pandemic. The American Rescue Plan includes \$350 billion for eligible state, local, territorial, and tribal governments. These funds, known as the Coronavirus State and Local Fiscal Recovery Funds, provide a substantial infusion of resources to help turn the tide of the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Through the ARP Fiscal Recovery Funds, Congress provided state, local, and tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

Riverside County has received a first-year ARP allocation of \$239,937,299.50. An initial recommended allocation plan was provided to the Board for discussion at the April 27, 2021

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Board meeting (Item 3.5), prior to the issuance of the Interim Final Rule. The U.S. Department of the Treasury issued the Interim Final Rule for the expenditure of ARP funds on May 11, 2021. The Treasury has solicited comments from funding recipients and is in the process of reviewing those comments before issuing the Final Rule. Staff is awaiting the publishing, and subsequent staff review, of a Final Rule before returning to the Board with an updated recommended allocation plan for the entire first year of funding, which will be done within 30 days of issuance of the Final Rule.

The Interim Final Rule allows for immediate use of the ARP funds for costs incurred as early as March 3, 2021. Given the desire to start distributing funds to the community as soon as possible to meet critical needs, staff is recommending that the Board allocate the \$15,000,000 to establish the Early Care & Education (ECE) Recovery Fund to stabilize and expand availability of ECE to support the return of working parents to the workforce ahead of adopting the overall updated allocation plan.

Riverside County is home to 434,174 children under 14 years old. Based on the Riverside County Zip Code Priority Report, 43 percent (185,850) of these children are eligible for subsidized childcare, yet only 11 percent are being served. Even if there were enough subsidies for each eligible child, in a county of nearly 2.5 million residents, there are not enough teachers or facilities to meet the growing demand for licensed childcare. The need to expand childcare services has been identified by the County's Economic Recovery Task Force as one of the top issues holding back full recovery of our workforce, and therefore hampering economic recovery.

The need for increased State and Federal funding for childcare is broadly recognized, and there are legislative efforts underway to increase funding at the State and Federal levels. These legislative initiatives are essential to increasing on-going funding streams to be able to expand the workforce in this critical sector. Through the investment plan proposed herein, First Five and the Executive Office are recommending that ARP funds be used to help 'bridge' the divide until additional State and Federal investments are made to provide a sustainable long-term appropriate funding stream. The establishment of the Early Childhood Education Recovery Fund will support the resilience of the overall economy by allowing more parents to access early care and education (childcare) so that they are able to return to work after experiencing the negative impacts of COVID-19 within Riverside County. These funds are intended to leverage federal, state, and municipal investments in ECE to maximize all available resources to begin to mitigate the childcare desert that exists in Riverside County.

The \$15,000,000 ECE Recovery Fund would be distributed as follows:

- \$5,000,000 (\$1,000,000 per Supervisorial district), for licensed childcare facility projects to increase the number of ECE spaces, with priority to projects leveraging municipal and/or state ARPA dollars. This funding will be granted to local childcare centers including non-profits,

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

colleges, school districts, businesses or other qualified entities providing or intending to provide early care and education services for children ages 0-3 through the established county contracting process. This allocation will build on First 5 Riverside County's current \$6,400,000 ECE Infrastructure Investment.

- \$10,000,000 to the ECE workforce and ECE businesses serving or new to serving children supported by the California Alternative Payment Program (CAPP) through one-time payments for: current staff, new staff, and new CAPP providers to maximize state and federal expansion of ECE subsidies to parents or for overall operational support. This funding will be disbursed to the ECE Workforce and ECE businesses directly from First 5 and Riverside County Office of Education using existing payment processing structures.

Impact on Residents and Businesses

Early Childhood Education providers operate as small businesses, therefore this allocation will also support the recovery of the small business sector. These funds will support the urgent need for recruitment and retention of the ECE teachers and providers who contribute to the revitalization of Riverside County's economy. By creating additional ECE capacity, more working parents will be able to return to the workforce, further strengthening the economy.

Additional Fiscal Information

Given the need to immediately allocate these funds in this critical sector, the Executive Office is bringing this recommendation before bringing forward to the Board the overall 1st year ARPA allocation plan. Child Care was not identified as a stand-alone sector in the initial allocation plan that was presented to the Board on April 27, 2021, but it was contemplated to be a critical component of our recovery that would be addressed through the funding allocations for the Economic Recovery and/or Non-profit allocations. This recommended stand-alone allocation of \$15 million will be reflected and addressed through an adjustment in some of the other funding categories, for the Board's consideration and discussion of an overall ARPA allocation plan after the Treasury's Final Rule is issued.

ATTACHMENTS: N/A

From: COB <COB@RIVCO.ORG>
Sent: Monday, September 13, 2021 1:19 PM
To: norcobash@sbcglobal.net
Cc: COB <COB@RIVCO.ORG>
Subject: BOS web comments on 9-14-2021 Item No 3.42 (Kevin Bash and Family)

Good afternoon Mr. Bash,

Your web comment has been received and forwarded to the Board of Supervisors.

Thank you kindly,

Clerk of the Board of Supervisors
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Riverside, CA 92501
(951) 955-1069 Fax (951) 955-1071
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cob@rivco.org
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From: cob@rivco.org <cob@rivco.org>
Sent: Monday, September 13, 2021 12:48 PM
To: COB <COB@RIVCO.ORG>
Subject: BOS web comments

First Name: Kevin

Last Name: Bash

Email: norcobash@sbcglobal.net

Agenda Date: 09/14/2021

Agenda Item #
or Public 3.42

Comment:

State your
position below: Support

Comments: Good afternoon: We fully support the establishment of the Early Care & Education (ECE) Recovery Fund to stabilize and expand availability of ECE to support the return of working parents to the workforce. As an owner and operator of a large family owned early childhood development center, the funding as proposed is critical to the survival of quality childcare throughout the region, keeping quality teachers in place and is a must to assist working parents with pre-schoolers getting back to work.

Thank you for your time, attention and consideration to my request.
Kevin Bash, Betty Bash and Brigitte Bash