

## **Executive Summary for ECE Families in Crisis Procurement February 8, 2012**

### **History/Background:**

In the summer of 2011(May-August), the Commission adopted a revised strategic plan, allocation plan, and specific strategies to provide a framework for the procurement process and development of RFPs.

The Commission approved \$2,000,000 over 4 years for a Comprehensive Early Care Services & Supports to Families in Crisis strategy. This strategy was approved in order to support the provision of high quality early care and education for children 0-5 and comprehensive wrap around services including respite care targeted to:

1. Children living in shelters for the homeless, including displacement due to domestic violence.
2. Grandparents raising grandchildren
3. Pregnant and parenting teenagers
4. Families living in crisis, other than those above

In November 2011, the Commission approved a staff recommendation to delay the issuance of the two ECE RFPs, in order to obtain additional information about the State Commission' Child Signature Program.

### **Current Status:**

Work on the development of the Families in Crisis RFP has taken place. Based on the limited amount of funding available for this strategy (\$500,000), staff believes that provision of a more defined focus will result in a more effective utilization of the available funds.

### **Staff Recommendation:**

As a result of the limited amount of available funds, and broad definition of the Families in Crisis strategy, staff recommends that the application criteria be reduced from the initial four categories to the following two.

1. Children living in shelters for the homeless, including displacement due to domestic violence.
2. Grandparents raising grandchildren

# Early Care & Education

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## Introduction

On May 11, 2011 First 5 Riverside approved their 2011-2016 Strategic Plan with two primary focus areas for investment: Health and Early Care and Education. The Commission has allocated approximately \$30 million dollars for Early Care and Education investments between 2012-2016.

The Early Care and Education recommendations included a new approach than previously utilized, which is designed to meet the Commission's goals of: increasing the quality of childcare/preschool services for children in Riverside County; increasing accessibility to childcare/preschool through the funding of scholarships; linking the compensation level of access to the level of quality as measured by a recognized tool (QRIS); and linking program compensation to utilization/provision of service.

In August of 2011, the Commission adopted an implementation plan that allocated \$17.3 million over four years to a tiered scholarship program utilizing the California Early Learning Quality Improvement System (CAEL-QRIS) to assess program quality. It also approved the allocated \$8 million over four years for early care program quality improvement (including physical settings) utilizing the information obtained through the use of CAEL-QRIS.

## Updates Since the January Commission Meeting

Over the past four months, public member and Commissioner input has refined staff recommendations for the First 5 Riverside Scholarship Program. Commissioners reached a recommendation on the vast majority of policy items at previous meetings (August-December 2011). Some of these items include: the overall model, the rate of scholarship reimbursement, and the overarching guidelines.

During the January Commission meeting, staff identified 6 remaining items for which further input would be sought prior to making a final recommendation to the Commission in February. These 6 items are:

- Rating the site rather than the individual classrooms
- Connecting funding to a child rather than a classroom
- Providing scholarship support to an entire range of income levels
- Permitting staff members' children to access F5 funded scholarships
- Permission of additional fees (material fees, application fees)
- Separate funding for special needs and a broader definition of special needs

An online survey was created and distributed to capture feedback on these six items. Child care providers were able to submit comments anonymously via the online survey link, which was emailed out to family-based and center based providers.

## Survey Results

There were twenty-one early care providers that completed the online survey. The breakdown of respondents is provided below:

- 7 responses from non-profit centers
- 6 responses from for-profit centers
- 5 responses from family child care homes
- 3 responses from public agency centers

The majority of responses came from directors/administrators. While the survey was anonymous, IP addresses were utilized by the survey creator to point out any anomalies. In summary, there were 15 different IP addresses used to submit 21 survey responses. There was one anomaly, which was that there were 5 surveys completed on one day from one IP address, all self-identifying to be a “for-profit center administrator”. Regardless, staff considered all survey responses and the results may be found below.

### *Item 1: Rating of a Site rather than a Classroom*

**Staff Recommendation:** In the case of a site with multiple classrooms participating in the First 5 scholarship program, each participating classroom will be assigned a tier based upon the quality of that particular room such as the ratio of teachers to children as well as educational background of providers. This allows rooms with higher quality components to benefit from higher levels of scholarship reimbursement.

Organizations may choose to apply for scholarships in more than one room; however, staff are recommending that no more than 4 different classrooms per site be evaluated based on the total funding available under this RFP. This would allow a multi-classroom site to have scholarships for different ages of children and compensation that correlates with the children’s ages. In addition to scholarship funding, the Commission has funding to support program quality improvement, which will allow programs to increase tier ratings and will be assessed annually. An organization receiving scholarship dollars will not need to apply for these additional program quality funds, they will be directly negotiated based on the organizations quality needs and available funds.

**Survey Responses:** There was a mixture of support and concern regarding this approach. The concern was predominately centered around a suggestion to have a site wide rating and flexibility to have a scholarship’s recipient in any of the classrooms, and not be limited to 4 specified and rated classrooms.

**Staff Reflection on Survey Responses:** Staff agrees that it would be ideal to allow quality improvement and scholarship support in all classrooms of a center. Staff recommendation creates parameters based on the capacity of ECE staff to provide technical assistance and the funding available for both scholarships and quality enhancement. When looking at the countywide data, the median number of classrooms for a center is 5. Therefore, with the exception of very large centers, this flexibility and site wide improvement is possible.

Please note: of all the six items, this policy item in particular will benefit from an annual review in partnership with entities receiving scholarship support for families. Once the scholarship program is operating, staff is open to exploring if there is a different way of rating classrooms or sites that serves the interests of the Commission, partner agencies, and families.

***Item 2: Connecting Funding to a Child and not to a Classroom***

**Staff Recommendation:** Staff agrees with the public and Commissioner comments that funding should be connected to a child. Applicants may apply for scholarships for more than one classroom per site. This means an applicant may choose to apply for infant, toddler, and preschool aged scholarships all in the same application. A child benefitting from a scholarship in infancy will be able to retain that scholarship as a toddler and a preschooler assuming they continue to meet the eligibility criteria. During the application process, an applicant may choose the ages of children for which it is seeking scholarship support.

**Survey Responses:** Overwhelming support of staff's recommendation above.

**Staff Reflection on Survey Responses:** There were some helpful comments regarding things to think about as children on the scholarship program progress from year one to year two and beyond.

***Item 3: Providing Scholarship Support to a Range of Income Levels***

**Staff Recommendation:** Staff agrees that a wide range of family incomes should be eligible for First 5 Riverside child care scholarship support. The Department of Education, Child Development Division (CDE) sliding scale income eligibility and family fee schedule will be used by all programs to qualify families for scholarships. If a funded provider has difficulty filling scholarship spaces after reasonable outreach, staff is open to the possibility of building upon the existing CDE sliding scale so that it can reach further up the income scale.

**Survey Responses:** Overwhelming support on the current CDE sliding scale with a suggestion to increase income limits if scholarships are not filled.

**Staff Reflection on Survey Responses:** Staff agrees with the survey responses that there should be the ability to reach further up the income level of the CDE scale if an agency is unable to fill the spaces with the CDE limitations. The above staff recommendation has been updated to reflect this. Additionally, staff recommends using the existing 2011 CDE scale not the newly proposed scale with greatly decreased income limits.

***Item 4: Use of First 5 Riverside Scholarship Funds by Funded Providers and Staff***

**Staff Recommendation:** 10% of a center's scholarships may be utilized by provider staff who meets the income guidelines. Staff is not recommending that family child care or center owners may use scholarships for their own children or other family member's children.

**Survey Responses:** There was a mixture of responses that included support of the 10% guideline, suggestion to increase the 10% to another percent, and not to have a limitation at all (meaning staff could be 100% recipients of scholarships).

**Staff Reflection on Survey Responses:** Staff has unchanged its recommended guideline, but is open to adjusting the percentage if this ends up being unnecessarily problematic for center-based staff. In many sites, there is already a reduction of tuition for staff's children so it is not clear why First 5 scholarships would be depended on so heavily. Once the Commission has the cohort of scholarship entities on board, this can be discussed and modified if needed.

*Item 5: Use of Additional fees (beyond scholarship dollars and family fees)*

**Staff Recommendation:** Staff agreed with survey responses and revised their recommendation so that programs may charge up to \$250 per year, per scholarship recipient to allow for some fees such as application fees, late pick up fees, and field trips. Families cannot be asked to make a deposit.

**Survey Responses:** The majority of responses requested some use of additional fees for things such as application fees, late pick up fees, and field trip fees. A few responses suggested allowing requiring a deposit.

**Staff Reflection on Survey Responses:** Staff agrees that it makes sense to allow programs to charge other reasonable fees such as application fees, late pick up fees and field trip fees to parents within a \$250 limit. This input has resulted in the updated staff recommendation above. The original recommendation was not to allow additional parent fees. Please note: families will be paying these fees in addition to the family contribution allowed on the CDE sliding scale.

*Item 6: Separate funding for Special Needs Services*

**Staff Recommendation:** Staff is supportive of the Commission considering additional funding for special needs services beyond the funding already allocated for scholarships. Within the Commission's allocated scholarship funding, staff recommends that funds allow adjustment factors for children with I.E.P.'s and I.F.S.P.'s similar to the CDE in reimbursements for children with "exceptional needs" or "severely disabled" as was discussed at the December 2011 Commission meeting. Rates for these two adjustment factors are posted on the CDE website, child development division and are as follows: 1.5 adjustment factor for severely disabled and 1.2 adjustment factor for exceptional needs.

**Survey Responses:** Respondents overwhelmingly wanted the Commission to consider additional special needs funding, beyond what is allocated in the scholarship funding. Specifically, respondents want to have access to funds that provide a high quality inclusive classroom for a broad definition of special needs.

**Staff Reflection on Survey Responses:** The scholarship program is based on a rate per child; the scholarship RFP cannot adequately address a holistic inclusive child care program. Staff agrees with the survey respondents, and in the staff recommendation above, that the Commission should consider additional funding for inclusive special needs support through a separate procurement process if funds become available. What the scholarship program does address is additional compensation for children who are severely disabled or have exceptional needs per the CDE adjustment factors.

**Staff is recommending that the Commission move forward with the approval of release of the Scholarship RFP this month.**

**As with other large initiatives and pilots that the Commission has launched, staff is very aware of the need for continuous feedback and adjustments as they work with partner entities to implement the scholarship program. There will be many opportunities for learning with our funded partners, as well as regionally and statewide.**