



TO: Mayor and Councilmembers

FROM: Jaime Valdez, Interim Neighborhood Services & Public Safety Director

CONTACT: Ryan Kintz, Assistant to the City Manager
Shanna Dawson, Management Analyst

SUBJECT: Presentation titled "Rebuilding the Economy by Investing ARPA Funds into Child Care"

RECOMMENDATION:

Receive a presentation from Eileen Monahan and Dr. Holly Goldberg titled "Rebuilding the Economy by Investing ARPA Funds into Child Care."

BACKGROUND:

On May 19, 2021, staff and the City Council received a letter from Holly Goldberg, Project Manager of Santa Barbara County Emergency Child Care Initiative (Attachment 1). Dr. Goldberg wrote on behalf of the following organizations: First 5 Santa Barbara County, Santa Barbara County Child Care Planning Council, Children's Resource and Referral, Santa Barbara County Education Office, Santa Barbara County Quality Counts, Santa Barbara Foundation, United Way of Santa Barbara County, Audacious Foundation, LegacyWorks Group, Holly Goldberg, PhD Consulting, and Eileen Monahan Consulting.

In the attached letter, Dr. Goldberg highlights the importance of childcare for the development of children between birth and five years of age and states how a lack of childcare pulls working mothers out of the workplace. Dr. Goldberg states that both of these actions have detrimental consequences on life, happiness, and the economy. Dr. Goldberg continues to state that, due to the increased costs of COVID-19 related supplies and procedures, as well as the loss in income from dwindling enrollment, many childcare providers have had to close or substantially lower the number of children for whom they can provide care.

In the attached letter, Dr. Goldberg provides a solution, stating that an estimated 5% investment of Goleta's and surrounding communities' American Rescue Plan Act of 2021 (ARPA) funds into a sustained, coordinated county-wide emergency response system and into infrastructure that includes childcare is essential for COVID-19 recovery. Dr. Goldberg advocates for a proactive approach which will address current needs, rebuild

the childcare sector for children from birth to five years of age, increase access to childcare so parents can return to work, mitigate children's exposure to toxic stress, and provide early identification and interventions to children and families who are struggling.

Councilmember James Kyriaco requested that the Council receive a presentation on this request and Mayor Perotte supported his request. The purpose of this presentation is to provide the City Council information on the childcare issues facing Santa Barbara County, presented by Eileen Monahan and Dr. Holly Goldberg. A copy of the presentation materials is provided in Attachment 2.

DISCUSSION:

The American Rescue Plan Act of 2021 was signed into law on March 11, 2021 in response to the ongoing COVID-19 pandemic. As part of this rescue plan the Federal government allocated \$250 billion to local governments throughout the Country. On May 10, 2021, the City of Goleta was notified that the City will receive approximately \$5,933,990 million in ARPA funding. The funding being allocated to cities is officially called the Coronavirus Local Fiscal Recovery Fund (CLFRF) and will be directly received from the U.S. Treasury Department instead of a passthrough at the state level, due to the City's status with the CDBG program as an entitlement city. Based on current information, the City will receive the allocation in two payments, with 50% of funds disbursed in 2021, and the balance delivered approximately one year later (likely part of FY 2022/23).

Since this disbursement was announced, City Council and staff have received a few requests for funding, including some requests for childcare funding. Staff is preparing a workshop on the allocation of the ARPA funds that will be scheduled in August or September. At that workshop, the City Council will receive updated information on eligible use of funds and can provide direction to staff on how to allocate these funds. At that time, City Council can further discuss and direct staff to fund the request with ARPA funds.

FISCAL IMPACTS:

The total funds requested for this childcare effort will be an estimated \$296,700 over two years, which is 5% of the total City ARPA allocation of \$5,933,990. Dr. Holly Goldberg and Eileen Monahan have also indicated to City staff that the exact dollar amount of their request is still in consideration, and they believe the exact dollar amount may be below their initial 5% request.

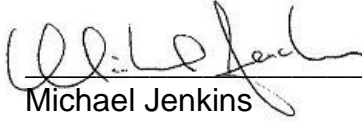
The City's ARPA allocation and spending plan will be further developed and discussed at a future Council workshop in August or September. Should Council desire to fund the 5% requested with use of ARPA funds, Council may consider this request, along with others at the future ARPA workshop.

Reviewed By:



Kristine Schmidt
Assistant City Manager

Legal Review By:



Michael Jenkins
City Attorney

Approved By:



Michelle Greene
City Manager

ATTACHMENTS:

1. Letter from Dr Goldberg
2. Presentation from Emergency Child Care Initiative titled "Rebuilding the Economy by Investing ARPA Funds into Child Care"

ATTACHMENT 1

Letter From Dr Holly Goldberg, PhD



MEMO

To: The County of Santa Barbara and the Cities of Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, and Solvang

Re: Pandemic Recovery and Rebuilding of the Santa Barbara County's Child Care Sector through the American Rescue Plan Coronavirus Local Fiscal Recovery Funding

Child care is critical to Santa Barbara County's economic recovery from the COVID-19 pandemic. This past year highlighted how child care is a pillar of our national and local infrastructure, and has exposed unsustainable vulnerabilities and inequities that existed pre-pandemic. Santa Barbara County's already fragile child care system needs a stronger infrastructure to ride out and recover from this pandemic as well as to ensure preparedness for the next emergency. It is imperative to our recovery that local governments work together to shore up the child care sector so children have safe, stable, and equitable environments to learn and grow and parents can return to work.



Recommendation: Invest 5% in the First 5 Years

The organizations endorsing this memo recommend that the County and cities of Santa Barbara County each contribute 5% of their American Rescue Plan Act of 2021 (ARPA) allocation towards building a strong child care infrastructure that will support the current systems of care, the ability for parents to return to work, and the preparedness of county-wide systems for future emergencies.

Problem

- ★ **Many working parents, particularly mothers, lost the ability to work due to lack of child care during this pandemic.** This created a mass exodus of women from the nation's workforce - an estimated 865,000 women (four times more than men) due to the demands of child care.^[i] Our economy cannot fully recover unless women fully participate in the workforce. Without access to reliable, equitable, and quality child care, parents cannot return to work, food and housing insecurity persist, child poverty is exacerbated, and the resulting family stress increases the incidence of child maltreatment, substance abuse, and family fracture. Investment in our child care sector is an essential prevention and recovery strategy that is critical to our community's overall recovery.
- ★ **Children have heightened critical needs due to the pandemic, and child care can help.** Extraordinary brain development occurs from birth to age 5 forming the bedrock for lifelong health, intellectual ability, emotional well-being, and social functioning. Many young children's social, emotional, and/or mental well-being has been impacted by the pandemic. Trauma faced during early child development may have long-term consequences across the lifespan.^[ii] Researchers expect a tidal wave of behavioral health needs, especially from children of vulnerable and marginalized communities. High quality, inclusive, affordable child care is critical to mitigating and addressing children's poor outcomes.
- ★ **The pandemic exacerbated the pre-existing shortage of needed child care, which cripples parents' ability to return to work and impedes on our local economic recovery.** In Santa Barbara County, there are an estimated 33,186 children 0-5 year olds, making up roughly 7.4% of the County's overall population.^[iii] Prior to the pandemic there were more than two children needing care for every space available and almost six children needing care for every infant-toddler space available.
- ★ **Child care programs have struggled to maintain operations with decreased revenue due to enrollment restrictions and increased costs from COVID-19 health and safety requirements and are now faced with a limited workforce as they expand.** Child care businesses in financial stress need immediate funding to keep their doors open. Some programs will survive, however many may not, which will further limit access for parents and amplify the inequities among disadvantaged and higher risk populations. The greatest challenge in reopening to pre-COVID-19 enrollment levels is due to a staffing shortage - qualified teachers had to leave the field due to concerns about the virus, program closures, or to care for their own children. Without qualified staff, programs cannot reopen or return to licensed capacity.

Solution: Invest 5% in the First 5 Years

A 5% investment of ARPA funds in a sustained, coordinated county-wide emergency response system and infrastructure that includes child care is essential for COVID-19 recovery. A proactive approach will address current needs, rebuild the 0-5 child care sector and workforce, increase access to child care so parents can return to work, mitigate children's exposure to toxic stress, and provide early identification and interventions to children and families who are struggling.

The pandemic's effects on child care in Santa Barbara County has been crippling, however it could have been worse without the heroic efforts of child care providers and the Santa Barbara County Emergency Child Care Initiative, which was formed in April 2020 with the support of United Way of Santa Barbara County and a consortium of local philanthropic partners including The Natalie Orfalea Foundation and Lou Buglioli, Jane and Paul Orfalea/the Audacious Foundation, Linked Foundation, James S. Bower

Foundation, Ann Jackson Foundation, Zegar Family Foundation, Henry and Lola Monroe Foundation, and Santa Barbara Foundation, as well as local early childhood advocacy organizations including Children's Resource & Referral, First 5 Santa Barbara County, and the Santa Barbara County Child Care Planning Council. The initiative's aim was to offer funding for emergency child care programs in response to the urgent need to provide safe child care for health care providers and essential food distribution employees. Through the initiative's efforts, a framework was created to begin developing and implementing a child care emergency response system.

It is now imperative to continue this work through a sustained funding effort at the city and county level. Future child care funding from the State and Federal Governments will not be enough to recover the stability of the child care sector, let alone prepare our local infrastructures adequately for future emergencies.

Strategies

An emergency response infrastructure that includes supports for children, families, and the child care field will include the following:

- Create data and communication emergency response infrastructure that integrates the child care sector.
 - Development and implementation of a unified, integrated, comprehensive communication and data system that coordinates with the Office of Emergency Management, LegacyWorks Group, Public Health Department, Community Care Licensing, Child Care Planning Council, and Children's Resource and Referral. This will include a data/communication component with emergency response and coordination capabilities for all of the 593 private and public child care sites across the county.
- Direct support to child care programs to help rebuild and revitalize the child care sector and promote an equitable buildup of capacity and operational stability.
 - Flexible spending grants for up to 492 private child care sites for specific recovery and emergency preparedness needs (e.g. sustaining and growing the workforce, retrofitting for emergencies, and strengthening operational capacity). Government funded child care programs have received strong financial support through the pandemic, however private centers and family child care have not, thus amplifying disparities.
 - Funding for technical assistance and resources to private and public child care programs aimed at recovery and sustainable business operations.

If the County continues to reopen and COVID-19 child care guidelines are lifted, with these supportive strategies, it is estimated that:

→ **At least 5,000 closed child care spaces can be restored.**

→ **Programs can sustain the 6,000 child care spaces that are currently open.**

In sum, in order to recover from the pandemic it is imperative that 5% of the ARPA across Santa Barbara County is invested in child care for the first five years.

For more information and ways to contribute, please contact Eileen Monahan at eileen@eileenmonahanconsulting.com or Holly Goldberg, PhD at holly@hgoldberg.com.

[i] <https://www.npr.org/2020/10/28/928253674/stuck-at-home-moms-the-pandemics-devastating-toll-on-women>

[ii] Loades, M. E., Chatburn, E., Higson-Sweeney, N., Reynolds, S., Shafran, R., Brigden, A., Linney, C., McManus, M. N., Borwick, C., & Crawley, E. (2020). Rapid Systematic Review: The Impact of Social Isolation and Loneliness on the Mental Health of Children and Adolescents in the Context of COVID-19. *Journal of the American Academy of Child and Adolescent Psychiatry*. <https://doi.org/10.1016/j.jaac.2020.05.009>

[iii] U.S. Census Quick Facts (2018-2019) and <https://elneedsassessment.org/NeedsAssessment.aspx>

Attachment 2

Rebuilding the Economy by Investing ARPA Funds into Childcare Presentation



Rebuilding the Economy by Investing ARPA Funds into Child Care

PRESENTATION BY THE EMERGENCY CHILD CARE INITIATIVE

July 20, 2021



The Proposal

Join the County and other cities to invest ARPA/CLFRF funds for child care recovery and emergency preparedness.

Child Care Issues Impact Everyone

- Pandemic exacerbated already existing shortage of child care
- Impact on:
 - Working Families
 - Businesses
 - Children
 - The Economy
- COVID-19 created unprecedented challenges related to child care

The Problem

- Businesses, families, and the community rely on child care.
- Child care is not an integral part of emergency response.
- 865,000 women nationally left the workforce.
- Essential working parents struggle to fulfill job responsibilities when schools and child care closed.
- Children have experienced learning loss and trauma.
- Child care businesses need support to build back operations.

Collaborations in Response to COVID-19

- Establishment of SBC Emergency Child Care Initiative
 - Child Care for Businesses with Essential Workers
 - Support for Child Care Providers
 - Local Foundation support
 - Coordination with Emergency Response



Child Care is Critical to SBC's Recovery

- Child care is an essential prevention and recovery strategy for:
 - Working parents
 - Businesses
 - Children
 - The Economy





National League of Cities

Coronavirus is affecting early childcare providers. Whether mass closures of businesses and organizations affecting the small business providers themselves or by creating extra challenges for the crucial, essential workers who require quality, reliable care for their children. Municipal leaders can support childcare providers and the workers who depend on them.

The Solution

- Collaborative investment model
- An equitable and consistent emergency plan that includes child care.
- Shore up the child care industry.



The ARPA/CLRF Proposal

- The County and cities invest ARPA funds for child care recovery and emergency preparedness to:
 - Develop and institute a County-wide Child Care Emergency Management Plan
 - Integrate child care into all local emergency response systems
 - Create a child care data sharing and communication system
 - Provide direct technical assistance to child care businesses to help them recover and prepare for the next emergency

Proposal Amount

- Original recommendation of 5% of ARPA funds is being reviewed.
- A financial commitment from each city is needed in order for the County to continue prioritizing investment in child care and to ensure equitable planning in all regions of the County.

Next Steps

- The pandemic is not over and we still have a long road of recovery.
- Join this effort and encourage participation by other cities.
- Assign a staff person to work with the initiative.



The Emergency Child Care Initiative

