

<b>Item File</b>	<b>Department:</b> First 5 Children and Families Commission
------------------	--

**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed resolution would (1) authorize the Children and Families Commission to retroactively accept and expend a Race to the Top - Early Learning Challenge (RTT-ELC) grant from the U.S. Department of Education through the California Department of Education (CDE) in the amount of \$1,269,400 from July 1, 2012 through December 31, 2015 to support an Early Learning Quality Rating and Improvement System and waive the inclusion of indirect costs in the grant budget.

**Key Points**

- In 2011, the California Department of Education (CDE) was awarded a \$52,572,936 Race to the Top - Early Learning Challenge (RTT-ELC) grant from the U.S. Department of Education to improve early care and education (ECE) programs for children under 5-years old. The San Francisco Children and Families Commission (First 5) was awarded \$1,269,400 from the RTT-ELC grant. To be eligible for grant funding, an organization had to be operating or developing a Quality Rating and Improvement System (QRIS)<sup>1</sup> for ECE program providers.
- First 5 (1) administers the Preschool for All program, which provides universal access to preschool for all San Francisco four-year olds, and (2) annually monitors the quality of preschool and family care providers participating in the program, that includes the use of a quality assessment instrument, the Early Childhood Environment Rating Scale (ERS).
- According to Ms. Ingrid Mezquita, First 5 San Francisco's Senior Program Officer, First 5 is integrating the RTT-ELC quality continuum framework and will use the Quality Rating and Improvement System (QRIS) to introduce additional quality elements in addition to the ECERS, which is a more comprehensive and effective assessment process to rate the quality of early care programs.. The additional RTT-ELC grant funding from the State would help support First 5's ongoing efforts in developing and implementing the SF-QRIS.

**Fiscal Impacts**

- In FY 2012-13, First 5 will receive \$347,100 in RTT-ELC grant funds from the CDE, as shown in Table 1 below, and \$1,269,400 over the 42-month grant term.
- While CDE does not require matching funds, the grant was awarded exclusively to counties that have already committed funding for the development and/or operation of a local QRIS for ECE providers The Board of Supervisors previously appropriated \$5,747,500 in the City's Public Education and Enrichment Fund, State Tobacco Tax, and grant funds to the SF-QRIS in First 5's FY 2012-13 budget.

**Recommendation**

- Approve the proposed resolution.

<sup>1</sup> A QRIS is a set of ratings graduated by level of quality and used to assess early learning and care programs.

## MANDATE STATEMENT / BACKGROUND

### Mandate Statement

In accordance with Administrative Code Section 10.170-1, the acceptance and expenditure of Federal, State, or other grant funds in the amount of \$100,000 or more is subject to approval by the Board of Supervisors.

### Background

In 2011, the California Department of Education (CDE) was awarded a \$52,572,936 Race to the Top-Early Learning Challenge (RTT-ELC) grant from the U.S. Department of Education. The RTT-ELC grant competition focused on improving early learning and development programs for young children by supporting a statewide Early Learning Quality Improvement System.

The CDE chose to build upon existing, local early care and education (ECE) quality improvement programs, as opposed to implementing a new state-led effort, and distributed the grant to established organizations across California that were operating or developing a Quality Rating and Improvement System (QRIS)<sup>2</sup> for ECE program providers. These organizations would be required to align the elements of their local QRIS to the California's Early Learning Quality Improvement System to ensure statewide consistency.

The San Francisco Children and Families Commission (First 5) was one of 17 agencies, representing 16 counties across the State, to be awarded a RTT-ELC grant by the CDE. On September 6, 2012, the Executive Director of First 5 San Francisco entered into an agreement with CDE to accept the grant.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) authorize the Children and Families Commission to retroactively accept and expend a RTT-ELC grant from the U.S. Department of Education through the California Department of Education (CDE) for \$1,269,400 from July 1, 2012 through December 31, 2015 to support a Quality Rating and Improvement System<sup>3</sup> in San Francisco, as part of a statewide Early Learning Quality Improvement System, to improve early care and education (ECE) programs for children under 5-years old; and (2) waive the inclusion of indirect costs in the grant budget.

### *San Francisco's Quality Rating and Improvement System*

The City's Public Education Enrichment Fund (PEEF), approved as Proposition H by voters in 2004, allocates General Fund monies each year to provide universal preschool to all San Francisco four-year olds through the Preschool for All initiative. First 5 San Francisco monitors the quality of preschool and family care providers participating in the Preschool for All, and uses a quality assessment instrument, the Early Childhood Environment Rating Scale (ECERS).

---

<sup>2</sup> A QRIS is a set of ratings graduated by level of quality and used to assess early learning and care programs.

According to Ms. Ingrid Mezquita, First 5 San Francisco's Senior Program Officer, First 5 has been integrating the RTT-ELC quality continuum framework and will use the Quality Rating and Improvement System (QRIS) to introduce additional quality elements in addition to the ECERS, which is a more comprehensive and effective assessment process to rate the quality of early care programs. The additional RTT-ELC grant funding from the State would help support First 5's ongoing efforts in developing and implementing the SF-QRIS.

Ms. Mezquita noted that the SF-QRIS would provide a more rigorous research and evidence-based common framework for measuring the quality of ECE programs which would help providers identify improvement areas. Specifically, the SF-QRIS would:

- (1) include two assessment tools consistent with State and Federal assessment guidelines;
- (2) increase the frequency at which assessments are conducted; and
- (3) increase the number of ECE sites that would be assessed.

Additionally, a centralized, cloud-based, regional data management system would be utilized that would consolidate and process information needed for technical assistance, rating, and outcome analysis.

## **FISCAL IMPACTS**

In FY 2012-13, First 5 will receive \$347,100 in RTT-ELC grant funds from the CDE, as shown in Table 1 below, and \$1,269,400 over the 42-month grant term. \$840,000, or 66% of the grant award, will be spent on contractual services over the 42-month grant term.

Contractual services include: (1) the purchase of a cloud-based data management system to track and monitor assessments for the SF-QRIS, and (2) increasing the capacity of the existing external assessment team so that additional ECE providers can be rated using several quality assessment tools.<sup>4</sup>

---

<sup>4</sup> First 5 San Francisco issued a Request for Proposals (RFP) in February 2012 for an external review team to perform objective classroom assessments. After a competitive process, WestEd was awarded the contract.

**Table 1 - First 5 San Francisco's Proposed RTT-ELC Grant Budget**

<b>Expenditure</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>July 1, 2015 -Dec. 31, 2015</b>	<b>Total</b>
Personnel-Bay Area Coordinator*	\$30,000	\$30,000	\$30,000	\$15,000	\$105,000
Planning	50,000	n/a	n/a	n/a	50,000
Supplies & Services	2,100	3,150	3,150	3,350	11,750
Travel	n/a	n/a	2,650		2,650
Contractual Services*	190,000	220,000	270,000	160,000	840,000
Training Stipends	75,000	75,000	75,000	35,000	260,000
<b>Total</b>	<b>\$347,100</b>	<b>\$328,150</b>	<b>\$380,800</b>	<b>\$213,350</b>	<b>\$1,269,400</b>

\*Costs for personnel and contractual services have been divided between several Bay Area agencies that also received a Race to the Top grant.

To date, \$425.00 of the grant funds have been expended for SF-QRIS planning purposes. According to Ms. Mezquita, First 5 accepted the grant and spent grant funds prior to submitting the proposed resolution to the Board of Supervisors for approval because First 5 was not aware of Administrative Code Section 10.170-1 applied to these grant funds.

The CDE grant does not require the City to provide matching grant funds; however, funding was exclusively awarded to counties that have already committed funding for the development and/or operation of a local QRIS for ECE providers.

Table 2 below shows First 5 San Francisco's additional funding sources for the SF-QRIS over the 42 month grant period beginning FY 2012-13 and ending December 31, 2015. The funding for the SF-QRIS in First 5's FY 2012-13 and FY 2013-14 budget was previously appropriated by the Board of Supervisors in First 5's FY 2012-13 budget.

**Table 2 - Other Funding Sources to Support the SF-QRIS**

<b>Source</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>July 1, 2015 -Dec. 31, 2015</b>	<b>Total</b>
Prop H	\$1,222,500	\$1,222,500	\$1,222,500	\$1,222,500	\$4,890,000
Prop 10 – Tobacco Tax	4,325,000	4,325,000	4,325,000	4,325,000	17,300,000
Mimi & Peter Hass Fund	200,000	200,000	200,000	200,000	800,000
<b>Total</b>	<b>\$5,747,500</b>	<b>\$5,747,500</b>	<b>\$5,747,500</b>	<b>\$5,747,500</b>	<b>\$22,990,000</b>

*Indirect Costs*

Pursuant to Section 10.170-1 of the City's Administrative Code, if indirect costs incurred by the grantee for grant administration are not included in the budget, the reason must be stated in the authorizing resolution. Approval of the proposed resolution would waive the indirect costs in order to maximize the use of available grant funds on program expenditures.

According to Ms. Tracy Fong, First 5's Fiscal Administrator, the indirect costs associated with accepting this grant are minimal administrative costs that would be absorbed by First 5's larger

SF-QRIS initiative and respective funding sources, as shown in Table 2 above, which was approved in First 5's FY 2012-13 budget.

## **RECOMMENDATION**

Approve the proposed resolution.

**First 5 San Francisco Children and Families Commission  
Updates to the 2013 Race to the Top – Early Learning Challenge Grant  
Resolution (0063-13)**

- The original Race to the Top – Early Learning Challenge (RTT-ELC) Grant resolution for \$1,269,400 was approved by the Board of Supervisors on March 3, 2013 (File No. 130088, Resolution No. 0063-13). Original grant end date was December 31, 2015.
- The RTT-ELC grant was amended in February 2014 by \$451,160, increasing the grant to \$1,720,560. The increase was incorporated into the 2014-15 Annual Appropriation Ordinance (AAO).
- In November 2014, voters approved Proposition C which extends the Public Education Enrichment Fund (PEEF) through fiscal year 2040-41 and transferred the administration of these funds to the Office of Early Care and Education (OECE) effectively July 1, 2015.
- On June 30, 2015, First 5 transferred the remaining fund balance in Proposition H of \$17,875,358 to OECE to administer ongoing operations of the Preschool for All (PFA) program.
- First 5 agreed to continue to administer the PFA program in 2015-16 to ease the transition of the program to OECE.
- A no-cost extension was accepted in February 2015. This extended the end of the grant to June 30, 2016.
- In February 2016, the RTT-ELC grant was once again amended by \$300,000. This increased the total grant to \$2,020,560 with no changes to the original conditions and assurances.
- All remaining funds must be expended by June 30, 2016.
- As of February 29, 2016, First 5 received a total of \$1,557,490. Of this total, \$794,929 has been spent. See table below for breakdown (table is aligned with the categories of the City’s FAMIS accounting system).

	<b>2012-13 Actuals</b>	<b>2013-14 Actuals</b>	<b>2014-15 Actuals</b>	<b>2015-16 Budget</b>	<b>Grant Total</b>
<b>Non-Personnel:</b>					
Field work/required travel	852	1,029	0	1,000	2,881
Delivery Services (FedEx)	40	0	0	0	40
<b>CBO Services:</b>					
Grant Mgmt/Consortia Ops	24,938	31,557	44,679	24,000	125,174
Rating and Monitoring	140,000	136,834	0	835,631	1,112,465
Data & Evaluation	50,000	140,000	0	70,000	260,000
<b>Services of Other Depts (HSA/DPH):</b>					
Training & TA and Quality	75,000	75,000	75,000	295,000	520,000
<b>Total:</b>	<b>290,830</b>	<b>384,420</b>	<b>119,679</b>	<b>1,225,631</b>	<b>2,020,560</b>

- First 5 will continue to hold the quality component (training, technical assistance, coaching, quality improvement, and assessments) at least through 2016-17.