



May 15, 2020

## INFORMATION ITEM

### SUBJECT: SUPPORTING STABILIZATION AND REBUILDING OF EARLY LEARNING AND CARE SECTOR

**Strategic Priority Area 1 Children and Families:** Support children prenatal through age 5 and their families by providing culturally and linguistically effective resources, knowledge, and opportunities for them to develop the skills needed to achieve their optimal potential in school and life.

**Strategic Priority Area 2. System and Network:** Provide leadership to the First 5 movement and the development of a support system serving children prenatal through age 5, their families, and communities that results in sustainable and collective impact.

**Goal 1.2. Early Learning:** Children birth through age 5 benefit from high quality early education, early intervention, family engagement, and support that prepares all children to reach their optimal potential in school and life.

**Goal 2.1. Leadership as a Convener and Partner:** Work with First 5 county commissions, state agencies, and other stakeholders to convene, align, collaborate on, support, and strengthen statewide efforts and initiatives to facilitate the creation of a seamless system of integrated and comprehensive programs and services to improve the status and outcomes for children prenatal through age 5 and their families.

## SUMMARY OF THE ISSUE

The early learning and care (ELC) sector has been badly hurt by COVID-19 and an estimated 20–60 percent of programs may never reopen. Families having access to quality early learning and care programs will be essential to California’s economic recovery. First 5 California (F5CA) can make strategic investments in not only expanding access to care, but creating a more efficient, high-quality sector that better serves the needs of vulnerable families. F5CA’s investments will leverage efficiencies and partnerships to expand the supply of care (including family child care homes) where it is most needed, train new providers, and reduce the burdens on families as they access services.

The goal of this information item is for the Commission to discuss and give direction on key areas of investment they would like staff to explore and generate items to address COVID-19 recovery for future consideration by the Commission.

## **BACKGROUND OF KEY ISSUES**

The ELC sector provides an essential social and economically important service by supporting working families, enabling them to work, and facilitating children's social, emotional, and cognitive development. ELC programs have always been economically fragile, and the challenges introduced by COVID-19 have made it impossible for many programs to maintain operations. As California works to recover from the COVID-19 crisis, industry leaders are calling for a strategic reinvention of the sector in ways that support improved quality, higher levels of efficiency, and which free up precious funds to expand access for families.

There are key areas where F5CA can provide catalytic investment and leadership that will greatly impact COVID-19 recovery, including, but not limited to:

- Initiate Shared Services Alliances
- Invest in workforce development and support

These potential investment areas of historic leadership and strength by F5CA aligns with its Strategic Plan, issues emerging from the Master Plan for Early Learning and Care (MPELC), the Administration's priorities for supporting the ELC sector, planned investments through the Preschool Development Grant Renewal (PDG-R), and priorities for partner state agencies, including the California Department of Education (CDE), the California Health and Human Services Agency (CHHS), and the California Department of Social Services (DSS).

**INITIATE SHARED SERVICES ALLIANCES:** COVID-19 has shown how fragile the ELC sector is, and also how essential it will be for the state to rebuild economically. Estimates are that 20–60 percent of ELC programs will close permanently and therefore strategic rebuilding will be essential to ensure California's recovery. We have the opportunity to strengthen existing programs and support new providers to be more effective and efficient. Strong fiscal and program management is required for high-quality programs, but most ELC services are delivered in very small programs. As such, many ELC program leaders and family child care providers are not able to access the benefits of economy of scale. Increased efficiency allows ELC programs to offer high-quality services at a reduced cost and benefit from support to manage the business side of their ELC program.

Shared Service Alliances are an emerging model in California and many other states to strengthen small ELC businesses by supporting them to become financially sound and more efficient, which allows them to offer cost-effective and high-quality ELC opportunities to children and families. They accomplish this through:

- Centralizing enrollment, managing payments from families and third party funders, payroll, grant reporting, and key aspects of supervision

- Shared and efficient staff recruitment, onboarding, professional development and support for pedagogical leadership, substitute service or relief squad for teachers
- Accessing benefits, insurance, bulk purchasing, janitorial services, and other services at greater scale and lower per unit cost.

There are a number of shared services models in California that have been successful, including through First 5 Alameda and others. F5CA could accelerate the development of adopting shared services through:

- Developing a Request for Proposal (RFP), informed by best practices and lessons learned in California and other states
- Competitively awarding start-up funds to Alliances for start up grants, particularly in key areas of the state

The grants would be up to \$250,000 each; average awards would be \$100,000, which has proven sufficient to successfully start up new Shared Services Alliances. The RFP would require that the Shared Services Alliance model outlines its business plan to be at least 80% or more self-sufficient.

*Potential investment:* \$1,500,000 to provide 10–15 competitively awarded Alliance grants at \$100,000 each

**INVEST IN WORKFORCE DEVELOPMENT AND SUPPORT:** As noted above, the ELC sector needs to be rebuilt, and no part of this rebuilding is more important than the workforce. This is an unprecedented time to develop a strong infrastructure to support the workforce across a comprehensive early childhood system, including, but not limited to, early childhood education, home visiting, child welfare, behavioral and mental health, and other family and social supports. The quality of services for children and families is largely dependent on knowledgeable adults who understand early brain science, the know-how to provide nurturing interactions that support children’s development and learning, and how to support families to overcome adversity and obtain the services they need.

Through First 5 IMPACT, PDG, and CDE investments, California has been systematically developing its capacity to offer blended learning at scale, building on the best of online learning tools and community-based support to deliver job-embedded supports to build the skills of the early childhood workforce. F5CA has led the development of strengthening the overall workforce development system through developing a system for certifying coaches, as well as built significant Communities of Practice facilitation capacity throughout the state; this will be essential to the successful implementation of a blended workforce development platform.

Through PDG-R and some strategic investment of Child Care Development Block Grant funds, California will develop a robust, highly engaging professional development ecosystem for early childhood professionals in all settings.

Before the end of 2022, a total of 300 hours of highly engaging content on a wide range of topics will be developed for the ELC workforce. It will be designed to support blended learning in partnership with coaches and community of practice facilitators and can be integrated into programs within the broader early childhood system.

This sets an essential foundation on which we can build. F5CA can accelerate the development of this platform by:

- Creating new onboarding tools and pre-service training bundles to efficiently train new professionals
- Investing in additional content development for either ELC teachers or related fields such as home visitors or others
- Supporting partnerships with higher education to ensure content is available for college credits
- Developing user-friendly tools critical to supporting the post-COVID response - such as videos, short courses, online forums – to help professionals support the mental health needs of children and targeted resources to support the self-care and mental health of providers

By integrating the training platform and relevant content across the early learning system, further development of the system will be bolstered by an intentional focus on overcoming barriers to access.

*Potential investment:* \$1,000,000 to develop new content that will be available in late 2020 and early 2021 to support rebuilding the broader early childhood workforce

## **SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION**

The Commission has not previously discussed or taken action on this subject.

## **FISCAL ANALYSIS**

For the Shared Services Alliances, \$1,500,000 over two years would provide 15 competitively awarded Alliance grants to be funded through the Child Care account. An investment in workforce development and support is recommended to be one-time funding at \$1,000,000 over two years from the Education account. Utilizing the Child Care and Education accounts is appropriate given the work outlined in this item. Funding at the recommended amount would allow for flexible funding for other projects in outlying years and not jeopardize the accounts in the short or long term.

## **ATTACHMENTS**

A. *California Parent Poll: COVID-19 and Early Childhood*