



To: Commissioners, First 5 Ventura County

From: Petra Puls, Executive Director

Date: February 28, 2019

Re: Recommendation to Adopt an Implementation Model for Preschool Services

Background

First 5 Ventura County has been a champion for quality preschool for 20 years, creating over 1,600 new spaces in partnership with school districts, State Preschool, and community-based organizations. As evidence of this commitment, the 2015-20 Strategic Plan identifies one of the Commission's goals as "*3 and 4 year olds having access to high-quality preschool*". Preschool partners are targeting families that do not qualify for CSPP and are struggling to get by.

F5VC currently expends nearly \$2 million in preschool, resulting in 557 spaces through:

- 1) Preschool Expansion contracts
 - 185 spaces- F5VC funds full cost of spaces
- 2) NfL contracts
 - 268 spaces- F5VC funds full or partial cost of spaces
 - 104 scholarships that pay for a small portion of tuition

After an in-depth review of current investments, services, innovative outcomes, and stakeholder survey responses, the F5VC Commission adopted an investment plan for the last two years of its current strategic plan that maintains an annual investment of \$1,035,000 in preschool for FY 2019-21 as a two-year transition strategy.

There is growing support for publicly funded universal preschool in the California legislature. Governor Newsom's budget proposal includes a \$1.8 billion investment in early childhood, with \$125 million specifically allocated to increase access to full-day, full-year preschool for an additional 10,000 low-income four-year-olds and a continued commitment to phase in universal preschool over the next few years. Additionally, effective July 1, 2019, the income threshold to qualify for the California State Preschool Program (CSPP) rises to 85% of the State median income (SMI), thereby increasing the number of families that will be eligible.

To maximize opportunities for leveraging and in response to the continued decline in Proposition 10 revenues, F5VC has been exploring innovative solutions to sustain its investment in preschool, such as Pay for Success (PFS). Based on the changing State policy climate, fewer Prop 10 resources, and PFS feasibility study results, the Commission – with input from an adhoc workgroup – has been exploring a number of Preschool investments models for FY 2019-21. See **Attachment A** for details.

In order to best position Ventura County for future increased public preschool investments, staff is recommending an implementation model for FY 2019-21 that would: 1) maintain licensed capacity to the greatest extent possible; 2) continue efforts to expand facilities, improve quality, and convert F5VC-funded spaces to State-funding; and 3) minimize disruption for families, providers, and the community. Furthermore, in light of additional CSPP funding and increased eligibility, F5VC spaces would target children not eligible for and/or unable to access publicly funded preschool spaces.

There is approximately \$800,000 in unspent funds from the Commission's FY 2016-19 investments in preschool activities, resulting primarily from conversion of F5VC spaces to State-funded spaces. In an effort to maximize licensed capacity and minimize the disruption, it is proposed that these unspent funds be used over the next two years to enhance the FY 2019-21 investment in preschool thereby raising the annual allocation to \$1,400,000.

Recommendation

The recommended action would approve an implementation plan as follows:

- Utilize available unspent preschool funds to increase the FYs 2019-21 allocation to \$1,400,000 annually.
- Continue to fund current F5VC preschool spaces not able to convert to State Preschool
 - Provide up to 75% of the 2019 CSPP reimbursement rate and require implementation of family fees
 - Serve families not eligible for (85%+ SMI) or able to access CSPP
 - Establish family income ceiling
 - Require funded partners to develop a sustainability plan (e.g. demonstrate ability to convert to CSPP) and to participate in evaluation
 - Require preschool programs to have a QRIS rating of 3 or higher
- Maintain 104 scholarships to families in Ojai, Moorpark, Simi Valley
 - Licensed center-based programs
 - Family Child Care providers, provided they are participating in QRIS
 - Limit scholarships to preschool-aged children
 - Work with providers and community to build capacity for future State Preschool funding

Preschool Investment Models – February 2019

	Model A Preschool (part-day)	Model B Scholarships	Model C Extended Day	Model D Wrap Around Services
Description	Fund current preschool contractors for part-day, part-year preschool. <ul style="list-style-type: none"> • Fee-for-service model • F5VC funds AND Family Fees • Families above 85% SMI or not able to access CSPP • Require income verification, enrollment in CSPP • Sustainability plan 	Maintain scholarships for families in Ojai, Moorpark and Simi Valley. <ul style="list-style-type: none"> • Family Fees • Families above 85% SMI or not able to access CSPP • Require income verification, enrollment in CSPP 	Uses F5VC funds to add 3 hours to an existing CSPP space. <ul style="list-style-type: none"> • Serves families already enrolled in CSPP 	Fund part-day preschool and enhanced wrap around family support services. <ul style="list-style-type: none"> • Parents as Teachers (PAT) evidenced based intervention, dual generation model • Weekly Home visits and group activities
Benefits	<ul style="list-style-type: none"> • Least amount of disruption for families and providers. • Prevents closing of programs. 	<ul style="list-style-type: none"> • Gives parents flexibility in areas where there are limited public options. • Supports families that do not qualify for CSPP but are struggling to get by. 	<ul style="list-style-type: none"> • Improved child outcomes • Better meets needs of working families • Existing CSPP programs are high quality • Evaluation/PFS potential 	<ul style="list-style-type: none"> • Potential for greater impact • Evaluation/PFS potential • Potential to leverage state and federal funding
Considerations		<ul style="list-style-type: none"> • No info about quality of sites. • Additional cost to manage/administer. 	<ul style="list-style-type: none"> • Fewer children served • Underutilization of State \$ • Feasibility for working families? • Limited interest from providers • Significant shift in model 	<ul style="list-style-type: none"> • No existing capacity • Requires new (external) funding • Potentially implemented for only 2 years • Ability of families to participate in PAT?
Estimated service level at \$1,035,000	336 (232* spaces and 104 scholarships)		197 CSPP spaces** extended from 3-hours to 6-hours	78 spaces* enhanced with family support services (120 participants in PAT)
Estimated service level at \$1,400,000	429 (325* spaces and 104 scholarships)		268 CSPP spaces** extended from 3-hours to 6-hours	170 spaces* enhanced with family support services

* Assumes 75% of F5VC funding based upon 2019 State (CSPP) rate

** Assumes 100% of F5VC funding based upon 2019 State (CSPP) rate