



To: Commissioners, First 5 Ventura County

From: Nani Oesterle, Program Manager

Date: May 21, 2020

Re: Recommendation to Modify Preschool Funding Model for FY 2019-21

Background

In February 2019, the Commission approved a FY 2019-21 preschool investment model as a two-year transition strategy for continued funding of F5VC preschool spaces not able to convert to California State Preschool Program (CSPP).

The F5VC preschool program targets families who are not income eligible for a publicly funded preschool space and includes a sliding scale family fee. Using CSPP's daily rate of \$29.90 per child, F5VC funding covers up to 75% of the cost of a space and the enrolled family pays a minimum of 25%. Based on income level and family size, the family contribution could be higher as delineated on the sliding scale.

With the onset of COVID-19 and the stay at home orders issued by the County of Ventura, F5VC funded preschools ceased operation in mid-March. The emergency closure policy passed by the Commission in November, 2019 authorizes continued payment for circumstances beyond the preschool program's control, including an imminent major health hazard. Applying this policy to the current situation, preschool programs unable to operate due to COVID-19 would continue to receive payment from F5VC for the days of enrollment left in the school year, provided they can demonstrate they incurred operating costs during this period. However, this policy does not address family fees.

F5VC preschool contractors have not been collecting family fees since the closure of programs, yet operating costs continue to be incurred, which causes budgetary strains for our preschool partners. To mitigate the financial impact on preschool contractors, staff proposes to waive the requirement to collect family fees from April through June 2020, and to reimburse contractors at 100% of the CSPP rate. The additional costs projected, at less than \$25,000, would be covered by unspent funds in current preschool contracts.

In addition, staff recommend waiving parent fees for FY 2020-21. Providers cited it as one of the top reasons they were unable to achieve full enrollment; families found the cost sharing model to be a barrier to participation. Given the state of the economy, we anticipate that even fewer families would be able to financially contribute. Eliminating family fees in FY 2020-21 would result in a projected additional cost of \$237,994.20. This amount would be covered by current unspent funds available within existing preschool contracts. No new allocation of funds is required.

Recommendation

The recommended action would modify the existing reimbursement structure for First 5 Ventura County funded-preschool spaces for FY 2019-21 as a result of COVID-19.