



**HUMAN SERVICES
STANDING COMMITTEE MEETING**

Tuesday, March 26, 2024

1:30 P.M. – 3:00 P.M.
130 Cremona Drive, Suite B
Goleta, California

Councilmember Kyle Richards
Councilmember Stuart Kasdin
Jaime A. Valdez, Neighborhood Services Director
Shannon Kirn, Management Analyst
Melissa Cure, Management Assistant

Public Participation

If you wish to make a general public comment or to comment on a specific agenda item, the following methods are available:

Distribution to the Human Services Standing Committee - Submit your comment via email prior to 4 p.m. on the Monday prior to the Human Services Standing Committee meeting. Please submit your comment to Melissa Cure at: mcure@cityofgoleta.org. Your comment will be placed into the record and distributed appropriately.

Please register for Human Services Standing Committee Meeting on March 26, 2024 at 1:30 P.M. PDT at:

ELECTRONIC PARTICIPATION: Join Meeting Electronically at:

Zoom Link:

https://us06web.zoom.us/webinar/register/WN_yFX77pMBQxWVHgVwpWoEdA

Zoom Webinar ID: 857 8021 8579

Or dial: For higher quality, dial a number based on your current location.

Mobile Options: US: +1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 646 876 9923 or +1 301 715 8592 or +1 312 626 6799

Mobile Webinar ID: 857 8021 8579

Mobile Passcode: 479651

After registering, you will receive a confirmation email containing information about joining the webinar.

You will be connected to audio using your computer's microphone and speakers (VoIP). A headset is recommended.

AGENDA

- I. Public Comment
- II. Childcare Scholarship Initiative

Americans with Disabilities Act: In compliance with the ADA, if special assistance is needed to participate in a City Council meeting (including assisted listening devices), please contact the City Clerk's office at (805) 961-7505. Notification at least 72 hours prior to the meeting helps to ensure that reasonable arrangements can be made to provide accessibility to the meeting.



MEMORANDUM

DATE: March 26, 2024

TO: Human Services Standing Committee

FROM: Robert Nisbet, City Manager
Shannon Kirn, Management Analyst

SUBJECT: Item II. Childcare Scholarship Initiative

RECOMMENDATION:

Receive an update on childcare efforts and provide direction on the future work efforts of the childcare initiatives.

BACKGROUND:

For decades, the need for affordable, high-quality childcare for children from ages zero to five years has been a challenge for working parents throughout the country. On a local scale, the issues that affect working parents nationwide are often amplified here in Santa Barbara County. Coupled with the high cost of living, a lack of availability of licensed childcare has challenged working parents throughout the County for years.

2022 Child Care Assessment

In 2022, the Cities of Goleta and Santa Barbara commissioned United Way of Santa Barbara County (United Way) to administer a childcare assessment to better understand the needs of working parents and childcare providers. In collaboration with a local consultant, Maria Chesley, United Way leveraged its robust network of community partners, educators, and childcare providers to assess parent and licensed provider needs. On April 19, 2022, the City Council received a report on the outcomes of the Child Care Assessment. The full report can be viewed [HERE](#).

In summary, the survey results focused on three major barriers for parents and providers described below:

1. **Cost of Childcare:** Surveyed local childcare providers reported that the average monthly cost for a full-time infant is \$1,481 and a preschooler is \$1,194. For a family of four, with a preschooler and an infant in full time care, earning the median household income in Santa Barbara County, households can be expected to spend an average of 37% of their monthly income on childcare costs alone. Parents who

are not eligible for free or low-cost public programs, especially those with incomes just above those that qualify, face significant financial hardship.

2. Demand for Space: There is a significant gap between the needs for care and capacity in the County, with an estimated deficit of 9,371 spaces for children ages zero to five in licensed care facilities. Surveyed providers reported that over 2,000 parents are on waitlists for spaces.
3. Staffing and Employment: The largest reported obstacle reported by surveyed providers is the ability to maintain qualified staff. Providers highlighted inadequate pay and limited pipeline of workers entering the field, which is on trend for national data in recruitment and staffing across all industries.

The recommendations for elements of comprehensive plan include:

- access to precise, actionable data about the availability of care, need for care, & childcare workforce pipeline,
- a coordinated mechanism for connecting parents with program openings,
- strategies to increase the supply of high-quality, licensed childcare spaces,
- approaches to strengthen the pipeline of qualified early care and education workers,
- supplemental support for pay of workers in the sector,
- policies and programs to help childcare providers open and maintain profitable businesses,
- facilitation of employers' support of employees around childcare needs,
- scholarships for middle-income parents who do not qualify for government subsidized programs but cannot easily afford childcare.

Other City Efforts

In 2019, the City Council approved childcare facilities as “beneficial projects” potentially eligible for Development Impact Fee (DIF) reductions. All qualifying non-profit Child Care Facility, Family Day Care or Day Care receive a 100% DIF reduction and all other for-profit Child Care Facility, Family Day Care or Day Care receive an 85% DIF reduction.

In the past two City Grant Program cycles, Santa Barbara Foundation was awarded a grant to provide scholarships to families and nonprofit childcare centers in Goleta, expand the number of childcare slots in exciting established programs, and applicants must work with kids from economically disadvantaged families. Santa Barbara Foundation was awarded \$7,100 in the FY 2022-23 City Grant Program and \$5,000 in the FY 2023-24 City Grant Program. Santa Barbara Foundation did not apply for childcare scholarships in the FY 2024-25 grant cycle.

Regional Efforts

The County of Santa Barbara has taken the lead in expanding the analysis countywide and providing ARPA funding to a variety of existing and new regional initiatives, including programs contracted through the First 5 Santa Barbara County Children and Families Commission (First 5 SBC) to United Way and Santa Barbara Foundation.

On March 14, 2023, the County Board of Supervisors approved the contract with United Way for the provision of childcare sector recovery and resiliency services. United Way is

tasked with expanding childcare efforts within the employer sponsored/corporate space, conducting municipality-focused studies on childcare need, establishing a scholarship program in partnership with licensed childcare providers, workplaces, and local agencies, and to establish a childcare plan during county declared emergencies.

United Way launched the Brighter Futures Childcare Coalition as part of the program goals. On April 18, 2023, the City Council ratified the mayoral appointment of Councilmember James Kyriaco to the Coalition.

On June 20, 2023, as part of the adopted 2-year Budget Plan, the City Council allocated \$50,000 in FY 2023-24 and \$250,000 in FY 2024-25 for childcare programs.

DISCUSSION:

The purpose of this report is to bring forth a potential short-term initiative to address the immediate need for affordable high-quality childcare in the Goleta community through a childcare scholarship program.

Based on recommendations from the 2022 Child Care Assessment and researching best practices from other agencies, staff have identified potential strategies to address the capacity, quality and affordability of childcare. As shown in Table 1 below, there are various avenues to addressing the multiple challenges of childcare. Most of the strategies would require in-depth analysis and need more time to accomplish, which could be further pursued in the future when staff capacity and funding allows for more robust implementation.

Table 1. Summary of Childcare Strategies

Category	Strategy	Description
Childcare Workforce	Provide childcare worker financial support	A stipend program for eligible early educators depending on criteria such as experience, type of program, educational units, considering degree, etc.
	Support moral recognition programs	Expand existing regional recognition programs that potential includes financial incentives to recognize the importance of early child education workforce.
	Fund professional development scholarships	Provide scholarships to childcare providers/workers to subsidize and/or reimburse the cost of professional development opportunities.
	Support increase in pay or benefits for childcare workers	Encourage to have income levels raised for childcare workers to reflect the cost of living in Goleta, including better health care or retirement benefits to childcare workers.
	Support affordable housing for Goleta's childcare workforce	Explore innovative solutions, best practices, and legal pathways to reserve affordable housing for Goleta's childcare workforce.
Families	Provide financial assistance for Goleta	Establish a grant agreement with community-based organizations to provide scholarships for

	parents in the "missing middle"	families who do not qualify for government subsidized programs.
	Advocate for increase in Flexible Spending Accounts allocations	Endorse and advocate for a regional effort to increase Dependent Care Flexible Spending Accounts.
	Provide childcare support for City employees	Establish a city employee benefit program to assist with childcare cost based on need; partner with childcare providers to increase childcare program capacities in exchange for reserved spots, etc.
Policy	Repurpose unused public facilities or land for childcare space	Review unused public locations for potential conversion into childcare sites and partner with other local agencies (schools, universities, faith-based institutions, community centers, libraries, etc.).
	Review zoning and permitting restrictions	Remove barriers in current zoning and permitting restrictions to allow for more childcare facilities.
	Establish developer fees to fund childcare facilities	Create a development impact fee to contribute funding towards childcare facilities, similar to the City of Santa Cruz.
	Create developer agreements to include childcare facility construction	Developer agreements have been negotiated by cities to include childcare facility construction, in-lieu fees, or tuition subsidies.
	Facilitate employers' engagement around helping with childcare needs	Encourage collaboration between public and private employers to be part of the solutions to the childcare system.
Provider Support	Establish Business License fee waiver for all childcare providers	Business License fee waivers are already established for nonprofit childcare providers and family day cares in the City, but this could be expanded to include all Day Care facilities, private or nonprofit.
	Promote teacher licensing and permitting support	Provide financial support for licensing and permitting classes and other test expenses, advocate for classes in languages other than English Subsidize classes/test expenses, promote childcare employment support to undocumented community members, etc.
	Provide startup business support	Support startup costs for new childcare businesses and encourage creative opportunities like microcenters.

Recommended Next Steps

In the short term, with the current fiscal year funding, staff are proposing to establish financial assistance for Goleta parents in the "missing middle" and to partner with United Way who are currently working on a county-wide family scholarship program. Partnering with United Way would be an efficient and effective way to use the current funding available and to provide direct assistance to Goleta families who do not qualify for government subsidized programs but cannot easily afford childcare. As directed by the

Committee, staff would work with United Way to establish a grant agreement to set up a Goleta-specific scholarship program for residents of Goleta.

Staff are seeking direction from the Committee to recommend to the City Council to enter into a \$50,000 grant agreement with United Way for administering childcare scholarships to Goleta families.

FISCAL IMPACTS

On June 20, 2023, as part of the adopted 2-year Budget Plan, the City Council allocated \$50,000 in FY 2023-24 and \$250,000 in FY 2024-25 for childcare programs.

Those funds have been budgeted in the FY 2023-24 City Manager's Professional Services GL account (101-10-1200-51200) for \$50,000, therefore no additional appropriations are needed for this program.