



COUNTY OF LOS ANGELES OFFICE OF CHILD PROTECTION

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November 29, 2018

To: Supervisor Sheila Kuehl, Chair
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From: Judge Michael Nash (Ret.) 
Executive Director, Office of Child Protection

OCP REPORT ON THE COMPREHENSIVE FINANCIAL LANDSCAPE ANALYSIS OF EARLY CARE AND EDUCATION

On October 30, 2018, the Board of Supervisors instructed the Executive Director of the Office of Child Protection (OCP), in conjunction with the Director of Public Health and the Policy Roundtable for Child Care and Development, to coordinate with First 5 LA, the Child Care Alliance of Los Angeles, and other key partners and report back to the Board in 30 days with a plan to conduct a comprehensive financial landscape analysis to determine what funding currently supports early care and education services throughout the County, how these funds are being used, if they are being fully spent, and what opportunities exist to better coordinate, streamline, and maximize existing funds, including a comprehensive catalogue of funding sources, an examination of the costs of providing high-quality early care and education services and provider revenue and expense models, and recommendations for follow-through and action steps needed to better coordinate and maximize early care and education resources to serve more families throughout the County.

The Issue: Access to Early Care and Education

Stakeholders in Los Angeles County identify access to early care and education programs (ECE) as a barrier for families: *51% of children from birth to age three are eligible for state-subsidized early care and education services, yet only 6% of this population in the County are using those services.*

Adequate access to ECE programs requires two separate, robust components. Program providers must have the capacity to meet area demand, and families must be aware of what programs exist. At present, community and regional-level referral agencies often lack crucial knowledge about provider capacity, and complicated eligibility and enrollment processes—along with the “siloes” administrative structures of ECE programs—make it very difficult for families to access the programs they qualify for. The burden of responsibility for program access, however, continues to fall squarely on families.

The existence of multiple funding sources and complicated financing mechanisms is one of the most difficult barriers identified to reforming the financing of ECE.¹ It results in an uncoordinated system that perpetuates inequities in access, quality, affordability, and accountability that are most acutely felt by the children and families ECE is trying to serve.

One approach to addressing this issue is using fiscal-analysis data and planning to build a fiscal infrastructure that will support and sustain comprehensive and coordinated early childhood systems.²

Two key elements are involved: 1) gathering relevant budget information, and 2) linking that information together so that analyses across the various systems can be completed. This is necessary to ensure that public investments reach at-risk populations and include the right mix of programs to meet the needs of economically and culturally diverse families—and to indicate what investments have the most impact on the quality of services provided. All this information is vital for effective system change.

Comprehensive Fiscal Analysis Project Approach

The project approach is guided by a set of principles for early-childhood systems design that includes:

- A system that works for all children and ensures that programming reaches and positively affects those children who are most vulnerable
- A system that is fair to providers and supports their developing capacity for high-quality implementation
- A system that uses public resources wisely and efficiently, augmenting private resources from those families who can afford to contribute

Using the National Center for Children in Poverty's approach mentioned above, this analysis will consist of gathering comprehensive budget information and linking it in a way that supports cross-system analysis among stakeholders. Threading this fiscal and programmatic information together will help guide ECE stakeholders to answer questions about policies and regulations of funding streams, levels of investment, and whether investments are successfully reaching the most vulnerable and at-risk children and families.

Further, Los Angeles County ECE stakeholders will gain knowledge at both the system and program levels on where ECE investments are, including tracking funds available to serve families and how these investments are—or could be—leveraged to maximize each funding source. The fiscal analysis will also look at access by the most vulnerable

¹ National Academies of Sciences, Engineering, and Medicine. (2018). Transforming the Financing of Early Care and Education. Washington, DC: The National Academies Press. doi: <https://doi.org/10.17226/24984>.

² Johnson, K. (2006). SHORT TAKE No. 3: Developing Fiscal Analyses and Children's Budgets to Support ECCS. New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health. http://www.nccp.org/publications/pdf/text_677.pdf. Accessed May 23, 2015.

children and families to the type of programming proven to positively affect child and family outcomes.

The approach for this project is organized in three major areas:

- Research and investigation
- Financing profiles
- Streamlining, potential efficiencies, and recommendations

The core products of the fiscal analysis will be developed from these three components.

Project Staffing and Deliverables

Los Angeles County's Office of Child Protection secured a matching grant from the Quality and Productivity Commission to hire an expert, or team of experts, in ECE financing to conduct this comprehensive fiscal analysis. The OCP released a Request for Proposals to identify the most appropriate candidate(s), and a contract with the consulting team of Capito Associates was executed in October 2018. Capito Associates brings deep expertise in early care and education systems and fiscal analysis to support high-quality programming, and has conducted similar fiscal analyses across multiple other jurisdictions.

The OCP's ECE workgroup, made up of various public and community stakeholders who have been meeting since 2017, will oversee the development of this analysis.

The following chart is a brief overview of activities and deliverables, along with anticipated timelines.

Overview of Activities and Deliverables	Timeline
Launch with work group Stakeholder meetings	October 2018 November 2018–February 2019
Stakeholder interviews ECE provider data collection	November 2018–February 2019 January–March 2019
Funding initiatives catalogue, final drafts	March–May 2019
Revenue and expenses models, final drafts	March–May 2019
Recommendations and final report, presentations on report and recommendations	Draft, May 2019 Final, June 2019

We will submit to your Board a final report on the early care and education financial landscape analysis, along with specific recommendations, by June 30, 2019.

Each Supervisor
November 29, 2018
Page 4

If you have any questions, please contact me at (213) 893-1152 or by email at mnash@ocp.lacounty.gov, or your staff may contact Carrie Miller at (213) 893-0862 or by email at cmiller@ocp.lacounty.gov.

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