



January 10, 2022

Council File: 16-0703
Council District: Citywide
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The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 300, City Hall
200 North Spring Street
Los Angeles, CA 90012
Attention: Heleen Ramirez
Legislative Coordinator

Honorable Members of the City Council
City of Los Angeles, c/o the City Clerk
Room 395, City Hall
200 North Spring Street
Los Angeles, CA 90012
Attention: Keyonna Kidd
Legislative Assistant

COUNCIL TRANSMITTAL: REQUEST APPROVAL OF VARIOUS ACTIONS RELATED TO OPPORTUNITY LA COLLEGE SAVINGS ACCOUNTS PROGRAM

SUMMARY

The General Manager of the Community Investment for Families Department (CIFD) respectfully requests that you review this transmittal and forward it to the appropriate committees for further consideration. Through this transmittal, CIFD respectfully requests approval for various actions related to the City’s Opportunity LA College Savings Accounts (CSA) program.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

- I. **AUTHORIZE** the transfer of administration of the CSA program from the Los Angeles Housing Department (formerly Housing and Community Investment Department - HCIDLA) to the Community Investment for Families Department.
- II. **AUTHORIZE** resolution authority for the following position upgrade to support the implementation of the Opportunity LA program:

Current Class Code	Current Class Title	Requested Class Title	Requested Class Code	No. of positions
1542	Project Assistant	Project Coordinator	1537	1

- III. **AUTHORIZE** the General Manager of CIFD, or designee, to:

- A. Accept funds from the County of Los Angeles for its share of the program cost in accordance with the Memorandum of Agreement (MOA).
- B. Prepare Controller instructions and any technical adjustments consistent with Mayor and City Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement those instructions.

IV. **AUTHORIZE** the City Controller to:

- A. Establish a new interest bearing fund entitled “CIFD Miscellaneous Grants and Awards” for the receipt and disbursement of small grants and awards from various sources that include those from the California Student Aid Commission (CSAC) Every Kid Counts (EKC) Grant Marketing Funds.
- B. Establish accounts within the new CIFD Miscellaneous Grants and Awards and transfer appropriations as follows:

From

Fund/Dept	Account	Amount
49N/43	43S872 – Children’s Savings Account	\$189,726.81
49N/43	43T872 – Children’s Savings Account	\$1,490,174.00
49N/43	43TA63 – Children’s Savings Account GF	\$1,147,137.87
49N/43	43T143 – HCID	\$84,847.23
Total		\$ 2,911,885.91

To

Fund/Dept	Account	Amount
NEW/21	21V200 – Children’s Savings Account Grant	\$1,509,489.65
NEW/21	21V201 – Children’s Savings Account GF	\$1,147,137.87
NEW/21	21V121 – CIFD	\$145,843.28
NEW/21	21V299 – CIFD	\$93,318.73
NEW/21	21V143 – LAHD	\$16,096.38
Total		\$ 2,911,885.91

Increase appropriations within the CIFD General Fund No. 100/21 as follows: Account 001010 Salaries General- \$134,136.45; and Account 006010 Office and Administrative - \$11,706.83.

Increase appropriation within the LAHD General Fund No. 100/43 Account 006030 Leasing - \$16,096.38.

- C. Deposit grants and awards received from the County of Los Angeles intended to meet its program obligation in accordance with the MOA into the new CIFD Miscellaneous Grants and Awards fund and appropriate the funds upon receipt to the following account- “21V211-Children’s Savings Account LA County.”
- D. Reduce appropriations within the Community Development Block Grant Fund 424 as follows:

Fund/Dept	Account	Amount
424/21	21V121 – CIFD	\$ 106,915.20
424/21	21V299 – Related Costs	74,380.90
Total		\$ 181,296.10

Decrease appropriation within the CIFD General Fund No. 100/21 Account 001010 Salaries General - \$106,915.20

BACKGROUND

The California Student Aid Commission (CSAC) CSA Grant Program was established to support local governments and nonprofit organizations that sponsor or collaborate on one or more comprehensive citywide or regional CSA programs. The former HCIDLA submitted an application to CSAC on March 21, 2019. The City requested funds to help support seed deposits of \$50 for ten percent of first-grade students in the Los Angeles Unified School District (LAUSD) and marketing costs. The City was awarded the full amount requested, totaling \$286,583. In May 2021, the City Council allocated \$1,152,290 LAPD Reinvestment Fund to support expanding the Children’s Savings Account Program, Opportunity LA (OLA), to all first-grade students in the City of Los Angeles by Fall 2021. The State grant was used in conjunction with the Reinvestment Fund allocation to launch OLA in Spring 2021 for thirty-eight percent of LAUSD schools that have been identified as high need. Through OLA’s financial partner Citibank, 12,825 children’s savings accounts were opened on June 18, 2021. On that date, in compliance with Every Kids Count (EKC) grant requirements, a \$50 seed deposit for each account totaling \$641,250 was obligated, of which \$197,150 was from CSAC CSA Grant and \$444,100 was from the Reinvestment Fund.

Of the \$89,433 grant budget for outreach costs, \$84,847.23 was unexpended due to the inability to market OLA in-person under COVID-19 safety guidelines. Program administrators submitted a budget modification to CSAC to move \$77,424.04 of the unexpended fund to seed accounts, offsetting the cost to the City’s Reinvestment Fund. The \$77,424.04 will provide the seed funds for 1,548 (12%) of the student accounts. To accommodate the multiple languages LAUSD families speak, the Department has contracted translation services at an estimated cost of \$3,688.19 to translate Opportunity LA documents

into the five primary languages spoken by students and parents. The balance of \$3,735 will pay for a consultant for trademark search to secure the program name.

OPPORTUNITY LA

Children's Savings Account (CSA) programs can play a key role in the effort to address low postsecondary education attainment rates in Los Angeles. The National Student Clearinghouse reported that in 2016, only one in four LAUSD graduates enrolled in a four-year college or university, while another 36% of graduates enrolled in a two-year college and more than one-third of LAUSD graduates did not pursue postsecondary education at all. The primary goal of establishing a CSA program for Los Angeles is to make higher education an expectation and a reality for students across the city, regardless of socio-economic or immigration status. The more students with a postsecondary education, the greater return on investment for the Los Angeles economy which brings higher wages for families and creates local investment opportunities throughout the City. CSA programs invest in children and instill the principles that ensure all children in Los Angeles are included in the program and can save for their future with an account that works for all families.

The City's Children's savings account program, Opportunity LA, is a collaboration with the County of Los Angeles and LAUSD, with the City of Los Angeles taking the lead as program administrator. OLA will provide a college savings account to LAUSD enrolled first grade students. The program is opt-out and will automatically enroll an estimated 35,000 students (100% of eligible students) annually beginning fall 2021. The City has contracted with Citibank to be the financial and technical partner for OLA through an RFP process. Each student will receive a savings account with an initial deposit of \$50. Funds are held in a custodial account by the City of Los Angeles. Students will be able to make deposits to save for postsecondary education-related purposes. The City will also provide savings incentives according to available funds. All accounts will be deposit-only and withdrawals are restricted to specific purposes outlined in the program rules. The financial institution will open and maintain accounts for each cohort of students from enrollment in first grade until the accounts expire at age 26.

PROGRAM AND BUDGET

Opportunity LA was initially designed to be implemented and expanded over five years, with 10% of first-grade students enrolled in year one, 25% in year two, 50% in year three, 75% in year four and 100% in year five. The Department successfully secured a grant for year two, FY 2021-22, in the amount of \$1.49M from the California Student Aid Commission (CSAC). The City Council also allocated \$1.1M to expand the program to 100% of the City's first-graders three years ahead of schedule, making it the largest program of its kind in the nation.

The program is currently staffed by a Senior Project Coordinator, a Project Coordinator, and a Project Assistant. The Project Assistant position is currently vacant and the Senior Project Coordinator is also leading the City's Guaranteed Basic Income Initiative, BIG:LEAP. An Office Trainee/Administrative Clerk position was approved through the Targeted Local Hire and Bridge to Jobs Position Request (C.F. 21-1362) and is expected to be allocated by the Civil Service Commission on January 13, 2022. In the program's five year roll-out plan, it was anticipated that six full-time staff were required to implement the program at full-scale. The grant secured through CSAC provides \$329,524 for staff support to manage the Opportunity LA intergovernmental partnership, manage student school and community engagement, develop and execute a marketing and outreach plan, prepare correspondence for Council, and enroll and

engage over 35,000 families annually to receive the \$50 seed deposit and build their child's savings through deposits and incentives. It is imperative for CIFD to secure adequate staff support to ensure the success of the program. A CSA program of this magnitude requires at a minimum a Senior Project Coordinator, two Project Coordinators and one full-time Office Trainee/Administrative Clerk. Through this transmittal, CIFD requests to elevate the existing Project Assistant position to a Project Coordinator position to help lead student, school and community engagement. Responsibilities of the Project Coordinator position include:

Project Assistant to Project Coordinator (1 position)- Engage 500 schools and enroll 35,000 students into Opportunity LA, securing partnerships, developing incentives, and leading outreach to continually engage families to build their child's savings for post-secondary education.

County of Los Angeles

In June 2021, the Memorandum of Agreement (MOA or Agreement) was executed in which the roles and responsibilities of the Los Angeles Unified School District, the City of Los Angeles, and the County of Los Angeles regarding the implementation of the Children's Savings Account Program were outlined. As part of the program's responsibilities, the County of Los Angeles is responsible for contributing funding to the CSA program for administrative expenses and seed deposits for the CSAs of LAUSD's first grade students residing in unincorporated areas of the County and cities outside of the City of Los Angeles. CIFD requests authorization to invoice and accept the funds from the County of Los Angeles in the amount of \$111,176 for FY 2021-2022 to cover the County's cost allocation for the program.

FISCAL IMPACT

The CSA is funded through various funding streams: California Student Aid Commission (CSAC), Every Kid Counts (EKC), the County of Los Angeles, and the LAPD Reinvestment Fund to support expanding the Children's Savings Account program. Combined, the total funding contributes to the bank account seed monies, salaries, fringe benefits, and related costs for the staff time spent working on the grant. Of the LAPD Reinvestment Funds, approximately \$343,378.52 will be encumbered and used in FY 2022-2023.



ABIGAIL R. MARQUEZ
General Manager