

ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE REPORT relative to acceptance of \$1,546,880 in grant funding for the Los Angeles Children's Savings Account Program from the State of California Scholarshare Investment Board (SIB).

Recommendations for Council action, pursuant to Motion (Rodriguez – Soto-Martinez) and SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Community Investment for Families Department (CIFD), or designee, to accept and execute a new grant agreement with the SIB, including all certifications and other required documents.
2. INSTRUCT the CIFD to report upon notice of the award to provide details on outreach activities, and other relevant information for review and approval.
3. AUTHORIZE the Controller to implement the the following actions:
 - a. Record in the CIFD Miscellaneous Grants and Awards Fund No. 65G a receivable from SIB in the amount of \$1,546,880.
 - b. Create a new account, "21W241-CalKIDS CSA Program Outreach" within Fund No. 65G, and appropriate \$1,546,880.
4. AUTHORIZE the General Manager, CIFD, or designee, to make necessary technical adjustments, subject to the approval of the City Administrative Officer (CAO); and REQUEST the Controller to implement the instructions.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On June 7, 2023, your Committee considered a Motion (Rodriguez – Soto-Martinez) relative to acceptance of \$1,546,880 in grant funding for the Los Angeles Children's Savings Account Program from the SIB. According to the Motion, two-thirds of Angelinos, primarily from communities of color, do not have a bachelor's degree-lacking an essential resource for socio-economic mobility to help break the cycle of generational poverty. A growing body of research tied to the impact of college savings accounts shows that children from low-to moderate-income families with college savings accounts are three times more likely to enroll in college and four times more likely to graduate from college than children with no savings.

In 2020, the City and County of Los Angeles, in partnership with the Los Angeles Unified School District (LAUSD), launched Opportunity LA (OLA), a Children's Savings Account

(CSA) program. This program was built on a proven model for increasing college enrollment and graduation, automatically enrolling all first graders at qualifying LAUSD schools and providing them a designated college savings account. Each student receives seed funding of at least \$25 and opportunities to increase savings. The Los Angeles Children's Savings Account Program is currently managed by the Community Investment for Families Department (CIFD).

The CIFD plans to increase outreach to families automatically enrolled in the program, as well as the State's CalKids program in order to boost awareness, engagement, and savings contributions from program families. On April 12, 2023, the California Scholarshare Investment Board (SIB) released Request For Applications NO. 2023-A, California Kids Investment and Development Savings Program (CalKIDS)/Local Children's Savings Account (CSA) Programs Outreach and Coordination Awards, due May 8, 2023. This grant opportunity provides a minimum of \$100,000 to all qualifying local CSA applicants plus an amount based on the proportion of state-wide CSA participants that are part of each individual program, meaning larger CSA programs like OLA are awarded significantly more funds. The CIFD applied for the allotted portion of the \$SM available statewide grant for OLA, and has been awarded \$1,546,880 upon approval at the May 30, 2023, SIB meeting. The Scholarshare Investment Board has informed all grantees that the funds must be accepted with signed grant agreements before the end of the State's fiscal year, June 30, 2023. The award will be used for a variety of outreach activities, including mailers, phone calls, emails, texts, social media, video testimonials, in-person events, webinars, and more. The CIFD will prioritize outreach to children attending LAUSD schools identified as Very High Need, according to the Student Equity Needs Index. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CIFD report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee

COUNCILMEMBER	VOTE
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

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6/7/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-