



DATE: February 27, 2018

TO: Mayor and City Council

FROM: City Manager

SUBJECT Authorization to Reimburse California State University, East Bay up to \$115,000 in Support of the Hayward Promise Neighborhood Initiative During the 2017 Transition Year

RECOMMENDATION

That Council approves a resolution (Attachment II) authorizing the City Manager to reimburse California State University East Bay (CSUEB) in support of Hayward Promise Neighborhood (HPN) initiative during the 2017 transition year in an amount not to exceed \$115,000.

BACKGROUND

The ***Promise Neighborhoods Initiative*** was established under the federal legislative authority of the Fund for the Improvement of Education Program (FIE). Initiated under the President Obama administration, the vision of the initiative is to make it possible for all children, youth, and young adults growing up and being educated in “Promise Neighborhoods” to have access to high quality schools and strong systems of family and community support. This in turn will not only provide these students access to an excellent education, but also enable them to successfully transition through the educational pipeline - from cradle to college and/or other post-secondary training programs, ultimately leading to successful careers.

The focus of the Promise Neighborhood Initiative is to significantly improve the educational, social, and developmental outcomes of students living in economically and socially distressed communities, and to transform those communities by:

1. Identifying and increasing the capacity of key community institutions that are focused on achieving positive educational and developmental results for students living in low-income communities;
2. Building a complete continuum of “cradle-to-career” solutions, including educational services, as well as family and community support services, with great schools at the center;

3. Integrating programs and breaking down public and community agency “silos” so that solutions are implemented in a coordinated fashion, effectively, and efficiently across agencies;
4. Developing the local infrastructure of education, health, and social service delivery systems, and the resources needed to sustain and scale-up beyond the initial focus neighborhood with strategies that are proven to be effective across the broader community and region; and
5. Learning from a rigorous evaluation of the program about the overall impact of the Promise Neighborhoods Initiative with a focus on the relationship between strategies used in low-income neighborhoods and student educational outcomes.

In 2010, California State University, East Bay (CSUEB) – in collaboration with the City and other community partners – received a Promise Neighborhood Planning Grant in the amount of \$500,000. The Planning Grant was used to conduct an extensive, year-long, community outreach, data collection and analysis effort which later served as the basis for what became the Hayward Promise Neighborhood (HPN) Implementation Grant application.

In December of 2011, City officials learned that the Hayward community was one of the first five communities in the nation to receive a Promise Neighborhood Implementation Grant which amounted to \$25 million over a five-year period (i.e., Calendar Years 2012-2016). In addition to meeting community demographic requirements, a key factor leading to the award of this grant was the partnership of local public and private organizations that was formalized under the HPN initiative. CSUEB served as the primary grant recipient and fiscal agent for this grant, and the City and other community partners were grant sub-recipients. The other community partners included local early childhood development programs such as: the Child Care Coordinating Council of Alameda County (4Cs) and First Five of Alameda County; local educational institutions, including the Hayward Unified School District (i.e., K-12 schools and the Hayward Adult School), the Eden Area Regional Occupational Program, and Chabot Community College; local nonprofit partners such as La Familia Counseling Services, Tiburcio Vasquez Health Center; and other government agencies such as the Alameda County Public Health Department. Many other local community and faith-based service organizations also collaborated and supported the effort over the course of the five-year initiative.

Modeled after the [Harlem Children’s Zone](#), the federal Promise Neighborhood program is designed as a place-based initiative, meaning that system change efforts start by focusing on benefitting those living in a defined disadvantaged geographic area of the community, and then expand by scaling up the “solutions” or interventions that are proven to be successful in order to benefit the greater community. Consequently, the HPN Initiative initially focused on benefitting those living in the Jackson Triangle neighborhood of Hayward, an area bounded by Jackson Street, Harder Road, and Whitman Street. The initiative also benefitted students living outside of the neighborhood who attended the HPN target schools, and other students and families who benefitted from the various multi-agency strategies that were implemented. Attachment III (HPN Implementation Outcomes (2012-2017)) highlights those strategies and

the outcomes that were achieved during the implementation grant period, as well as during the 2017 transition period.

DISCUSSION

As the five-year HPN initiative was nearing its end (i.e., December 31, 2016), the federal Department of Education granted CSUEB a one-year “No Cost Extension.” This allowed HPN operations to continue during the 2017 “transition” year; however, no additional funds were granted by the federal government to support HPN operations during this period. Consequently, CSUEB and the other community partner organizations determined which programs and services could be continued by each agency without ongoing HPN funding, and which services and activities would be discontinued, at least until future funding could be secured. Even without the federal funding, all the HPN partner organizations agreed to continue to collaborate and coordinate their efforts with one another to maintain as many HPN programs and services as possible for Hayward residents, at least during the transition year.

To support the collaboration effort, CSUEB committed to continue the following three key functions during the 2017 transition period: 1) HPN Administration and Coordination; 2) HPN Program and Service Delivery; and 3) HPN Fund Development. These are described in more detail below:

1) HPN Administration and Coordination: CSUEB’s HPN staff continued to administer and coordinate the delivery of HPN programs and services operated by both CSUEB and HPN community partner organizations during the transition year. In 2017, the HPN administration and coordination activities included:

- The planning, convening, and support of the three HPN Partner Organization Networks (i.e., the Early Learning Network (ELN), the Cradle to Career Education Reform Network (C2CERN), and the Neighborhood Health and Empowerment Network (NHEN). The HPN Executive Director also convened weekly meetings with the three HPN Network Directors, and HPN staff either led or actively participated in the monthly meetings of each Network. In this way, the ongoing implementation of associated implementation strategies and the compilation of service outcome data required for program evaluation and fund development could continue during the transition period.
- The planning and implementation of HPN Community Advisory Committee meetings every other month during the transition period. These provided ongoing leadership development opportunities for parents and other community stakeholders, and a time and place for community members to stay informed as well as weigh-in on issues pertaining to their students’ education and other related community issues in Hayward. In addition to attending school board meetings, Committee members hosted a community conversation session conducted by the Hayward Community Taskforce to help inform the update to the City’s Anti-Discrimination Action Plan. The group also facilitated getting community members to attend and speak at City Council meetings where the Hayward Sanctuary City

Resolution was adopted, and where affordable housing related concerns were discussed.

- The planning and coordination of the HPN Executive Committee. This group is made up of leaders of HPN Partner Organization (i.e., governing board representatives and/or chief executive staff). The HPN Executive Committee met periodically during the transition period to set and monitor the policy direction of the initiative, and to lend ongoing community partner support for HPN activities during the transition period. The leadership group also provided direction and guidance as the next grant application was being developed.

2) Program and Service Delivery: CSUEB and the HPN community partner organizations continued to deliver direct HPN programs and services to the extent possible without HPN financial support during the transition year. For the City's part, law enforcement and code enforcement activities continued in the Jackson Triangle neighborhood; however, the City was not able to continue to provide a dedicated Community Services Officer or a Code Enforcement Inspector to the neighborhood after HPN funds were discontinued. Library and Community Services after-school tutoring support continued both on HUSD campuses and at the City's two library branches, and the City continued to support civic engagement training activities to HPN community members. Other HPN partner agencies also continued their HPN work to the extent that they could support the work using other, non-HPN, funding.

CSUEB also provided, in partnership with other HPN agencies, direct services to HPN and other Hayward community members during 2017. These included:

- The Fresh Food for Families and Words for Lunch programs designed to address food insecurity and literacy concerns experienced by low-income Hayward families;
- The Solar Suitcase (Science, Technology, Engineering and Math – STEM) program in HUSD schools; and the Pioneers with Promise career development program for college students;
- The placement of HPN Student Success Coaches in all three HUSD high schools. These HPN staff mentored and offered academic support to academically challenged students, helping to improve HUSD graduation rates;
- Service-Learning and Academic Support services to HPN students attending CSUEB. These CSUEB students who graduated from HUSD high schools not only received support with their college studies, they also contributed back to the community by serving in other HPN programs, such as the Hayward Library's After-School Learning Centers; and
- Financial literacy and civic engagement programs, both designed to educate, empower, and engage residents in various aspects of community life.

3) HPN Fund Development: CSUEB HPN executive staff conducted the following efforts to obtain funding to both continue and expand HPN services in Hayward in 2017 and beyond:

- To optimize the chances of obtaining future Promise Neighborhood funding from both federal and state government programs, HPN administrative and data management staff:
 - Collected program outcome data from all HPN partner organizations, and ensured that the required federal DOE mid-year and end-of-project reports were completed and submitted on time;
 - Maintained communications with federal administration representatives, federal legislators, and lobbyists - and kept local representatives and community stakeholders informed - about pending federal budget, legislative, and regulatory actions occurring around the continuation of the Promise Neighborhood program under the new federal administration;
 - Maintained a Hayward Promise Neighborhood presence at the federal level by actively participating in multiple federal DOE Promise Neighborhood related national webinars and conferences, and at the bequest of the DOE, HPN administrative staff served as a mentor, and helped orient, other new Promise Neighborhood grant recipients throughout the nation;
 - Represented Hayward, along with HUSD and City representatives, on the federally developed Promise Zones California Affinity Group, made up of federally designated Promise Zone areas in California. While Hayward was not awarded the Promise Zone designation, HPN representatives were invited to participate in this group given the City's high ranking in the application process, and our reputation as a successful Promise Neighborhood funded program.
 - Represented Hayward on the California Promise Neighborhood Network, made up of all Promise Neighborhood funded projects in California, to work toward state and other funding sources that would support promise neighborhood education reform initiatives in California.
- Many grant applications were submitted to a combination of corporate and nonprofit funders resulting in over \$525,000 of support for HPN programs and services during the transition year; and
- CSUEB, working with all HPN stakeholder agencies and serving as the lead organization on behalf of the Hayward Promise Neighborhood initiative, coordinated the submission of an application to the federal Department of Education to expand HPN programs and services into the South Hayward Neighborhood of Hayward. The City of Hayward along with CSUEB, HUSD and Chabot College, engaged the services of Hacheul, Tabernik & Associates (HTA)

to write the grant application for this 2nd Implementation Grant period. The City's share of that contract is \$25,000, equal to that of the other three partners. HTA is the firm that wrote and successfully obtained both the \$500,000 HPN Planning Grant and the first \$25 Million HPN Implementation Grant; HTA also provided ongoing data collection, analysis, evaluation, and reporting support throughout the first HPN Implementation Grant period. In December of 2017, the City was notified that the South Hayward / Hayward Promise Neighborhood grant was approved, resulting in an award of \$29.8 Million (i.e., \$5.96 Million per year for five years – from CY2018 to CY2022). Hayward tied for the highest scoring application out of the 80 applications that were being considered (six of these applications were submitted from California). Hayward was one of only four communities in the nation to receive this grant award.

Shown in Table 1 below is a summary of the HPN 2017 transition year operating budget at approximately \$1,378,440; of this amount approximately 15%, or \$166,000, represented indirect costs (i.e., accounting and other overhead expenses). While approximately \$525,000 in non-federal HPN grant funds were raised to support some of the direct programs and services described above, CSUEB found it necessary to also request assistance from the other three HPN public agency community partners to help meet HPN operation expenses in 2017. The Hayward Unified School District (HUSD), Chabot Community College (Chabot) and the City were each asked to contribute \$90,000 toward the 2017 HPN Operating Budget, and California State University, East Bay (CSUEB) committed to picking up the balance of the costs plus a proportionate share of the HTA contract costs, for a total request of \$115,000. HUSD and Chabot College have each committed to paying the \$115,000 requested.

Table 1: Summary of 2017 HPN Budget

Row	Category	Description	Amount ¹	Notes
1.	Expenses:			
		HPN Salaries and Benefits:	\$1,091,080	HPN Personnel = 11.6 FTE, plus 15 additional temporary part-time Promise Interns (Promise Interns received an education stipend without benefits and worked 10hrs/wk. for 10 weeks.)
2.		Other Direct Costs:	\$18,000	Personnel background checks, program supplies, printing, etc.
3.		Indirect Costs	\$166,362	Accounting & Overhead @ 15% of Direct Costs.
4.		Contracts	\$100,000	HTA Contract for 2018-2022 HPN Grant Application.

¹ Amounts have been rounded to the nearest whole number.

5.			<u>Total Expenses:</u>	<u>\$1,378,440</u>
	Revenue:			
6.	Grants:	\$525,000	Sources include: AT&T; Fremont Bank; Wells Fargo; Joseph Pedott Trust; and CSUEB Chancellor.	
7.	Requested from HPN public agency partners:	\$345,000	\$115,000 each from HUSD, Chabot College, and the City ²	
8.	CSUEB	\$508,440	HPN Budget Balance	
9.			<u>Total Revenue:</u>	<u>\$1,378,440</u>
10.	Budget Balance:			\$0

ECONOMIC IMPACT

According to the National Bureau of Economic Research³, studies show that educational achievement can strongly predict economic growth across U.S. states based on data obtained over the past four decades. Projections from economic growth models in one study demonstrated that there is a strong correlation between economic development and the delivery of a quality education. The study states in part that at the national level, the low end of the range equates to an increase of \$32 trillion to the U.S. economy in 2095 by simply bringing the lowest-performing students in each state up to “Basic” level as measured by the [National Assessment of Educational Progress \(NAEP\)](#). At the high end, the U.S. economy could realize as much as \$76 trillion if every state brought student performance up to the current performance level of the best state.

The national Promise Neighborhood school reform initiative is designed to improve the education and development of students - cradle to career. It operates on the premise that a student’s ability to learn is impacted not only by the schools that they attend, but also by several quality-of-life factors that exist beyond the walls of educational institutions. Poverty, housing and food security, safety, health and public health, and other social factors also impact a student’s ability to learn. Consequently, the Hayward Promise Neighborhood collaboration of public and private service organizations works to not only improve the quality of services provided by local child development and educational institutions, it also strives to optimize the health, mental health, and safety of individual students, their families, their neighborhoods, and the greater Hayward community in which these students live.

² The City’s portion is pending City Council approval.

³ **Source:** National Bureau of Economic Research (NBER) Working Paper No. 21770 – <http://www.nber.org/papers/w21770>.

FISCAL IMPACT

If approved by Council, the City will join HUSD and Chabot Community college in reimbursing CSUEB in an amount not to exceed \$115,000 to help offset the cost of HPN operations during the 2017 transition year. Funding of this expense will come from the General Fund reserves, and has not been previously budgeted.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of this initiative is to create and support structures, services, and amenities that provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This item supports the following goal and objectives:

Goal 1: Improve the quality of life for residents, business owners, and community members in all Hayward Neighborhoods.

Objective 1: Increase neighborhood safety and cohesion.

Objective 2: Foster a sense of place and support neighborhood pride.

Objective 3: Increase collaboration with businesses, nonprofits, and neighborhood groups in placemaking projects.

Objective 4: Create resilient and sustainable neighborhoods.

Objective 5: Actively value diversity and promote inclusive activities.

NEXT STEPS

Upon Council's approval, staff will execute an Agreement with California State University East Bay for the reimbursement of Hayward Promise Neighborhood operating expenses during the 2017 transition year in amount not to exceed \$115,000.

Prepared and Recommended by: David Korth, Assistant to the City Manager

Approved by:



Kelly McAdoo, City Manager