

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 11, 2017 CAO File No. 0220-05337-0001
To: The Mayor Council File No. 16-0703
The Council Council District: Citywide

From:  Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated November 30, 2017; Received by the City Administrative Officer on December 1, 2017

Subject: **REQUEST FOR APPROVAL OF RECOMMENDATION RELATIVE TO THE RESULTS OF A REQUEST FOR PROPOSALS – CHILDREN'S SAVINGS ACCOUNT PROGRAM – CONSULTANT SERVICES**

RECOMMENDATIONS

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

1. Adopt Recommendation II. of the related Housing and Community Investment Department (HCID) transmittal (Report) dated November 30, 2017 relative to the request to negotiate and execute a contract with Prosperity Now for a Children's Savings Account (CSA) Program for Los Angeles Unified School District (LAUSD) students in the City of Los Angeles; and,
 2. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:
 - a. Report back to Council on Prosperity Now's analysis and related recommendations regarding the benefits, structure, financing, management and implementation of a CSA program; and,
 - b. Prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to negotiate and execute a contract with Prosperity Now to provide consulting services to assist with the development and implementation of a Children's Savings Account (CSA) program for the Los

Angeles Unified School District (LAUSD) students in the City of Los Angeles. Selected as the result of a Request for Proposal (RFP) process, the proposed contract would have a one year term to commence on or about January 1, 2018, with an option to renew for up to two additional one-year terms, and compensation in an amount not to exceed \$80,000. Additional information regarding the RFP process and results can be found in the HCID transmittal dated November 30, 2017. The proposed contract would be fully funded by Council District 4, AB1290 funds and there is no impact to the General Fund. This Office concurs with the recommendations of the Department, and also recommends that HCID return to Council and report back on the results of Prosperity Now's analysis and related recommendations.

Children's Savings Account Program (CSA)

Various local jurisdictions have designed and implemented CSA programs to help students build savings and instill the expectation that they can earn a post-secondary degree in order to improve high school graduation, college enrollment, and college completion rates. These programs involve establishing savings accounts for children with an initial "seed" deposit from a sponsor, such as a community organization, private institution, or government, and may include incentives and matching programs to encourage additional contributions. In a City Administrative Officer report dated January 20, 2017, it was estimated that providing an initial deposit of \$50 to approximately 44,000 kindergarten students in LAUSD schools within the City and a \$50 matching program, would cost approximately \$2.7 million each year (based on constant enrollment) and \$35.1 million over the first thirteen years. These costs exclude program administration fees and costs.

Charter Section 1022 Determination

The Personnel Department conducted a Charter Section 1022 determination on August 15, 2017 and found that City employees do not have the expertise to perform the required services sought under the RFP.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations of this report comply with the City's Financial Policies in that the proposed contract would be fully supported by Council District 4, AB1290 funds.