

# Department Budget Presentation

Board of Supervisors, Budget and Finance

June 12, 2025





# Vision, Mission, and Objectives

## **VISION**

Every child in San Francisco has the best start in life, and our City is a great place to raise a family.

## **MISSION**

To weave together family, community, and system supports so that all children who grow up in San Francisco have a strong foundation of nurturing, health, and learning.

## **IMPACT**

All San Francisco children enjoy a solid foundation that supports their future success.



# Core Funding Strategies



## Early Learning

- We support teacher preparation and compensation, enhance program quality, and improve affordability and access to early care and education.



## Child Health and Well Being

- We ensure universal developmental screening and promote access to health and mental health services for children and their families.



## Family Strength

- We ensure that families have opportunities for social and professional connections, linkage to resources and information on parenting and child development.





# Theory of Change

## ISSUE STATEMENT

Research shows that being ready for kindergarten is a key educational benchmark that leads to continued success in future years.

All children need the support of family, community, and systems to be ready for kindergarten.

Unfortunately, structural racism prevents too many San Francisco children from being ready for kindergarten and achieving their full potential. Black, Latino, Pacific Islander, and Indigenous children, face persistent inequities in health, and social and cognitive skills that support school success.

## CORE STRATEGIES

### Early Learning

We support teacher preparation and compensation, enhance program quality, and improve affordability and access.

### Child Health

We ensure universal developmental screening and promote access to health and mental health services for children and their families.

### Family Strength

We ensure that families have opportunities for social and professional connections, linkage to resources, and information on parenting and child development.

## STRATEGIC PRIORITIES 2023–2028

Advance racial equity in policy, planning, and service delivery across the early childhood network of care.

Amplify parent voice and influence in shaping policy and programs.

Increase cultural responsiveness of all early childhood development services.

Increase transparency in communications and open access to information and services.

## OUTCOMES

Children enter kindergarten with the cognitive, social/emotional, and physical skills that support school success.

Children are in excellent physical and mental health or have reliable access to quality health providers to address concerns.

Parents have the information, resources, and connections to peers and professionals to successfully raise their children in San Francisco.

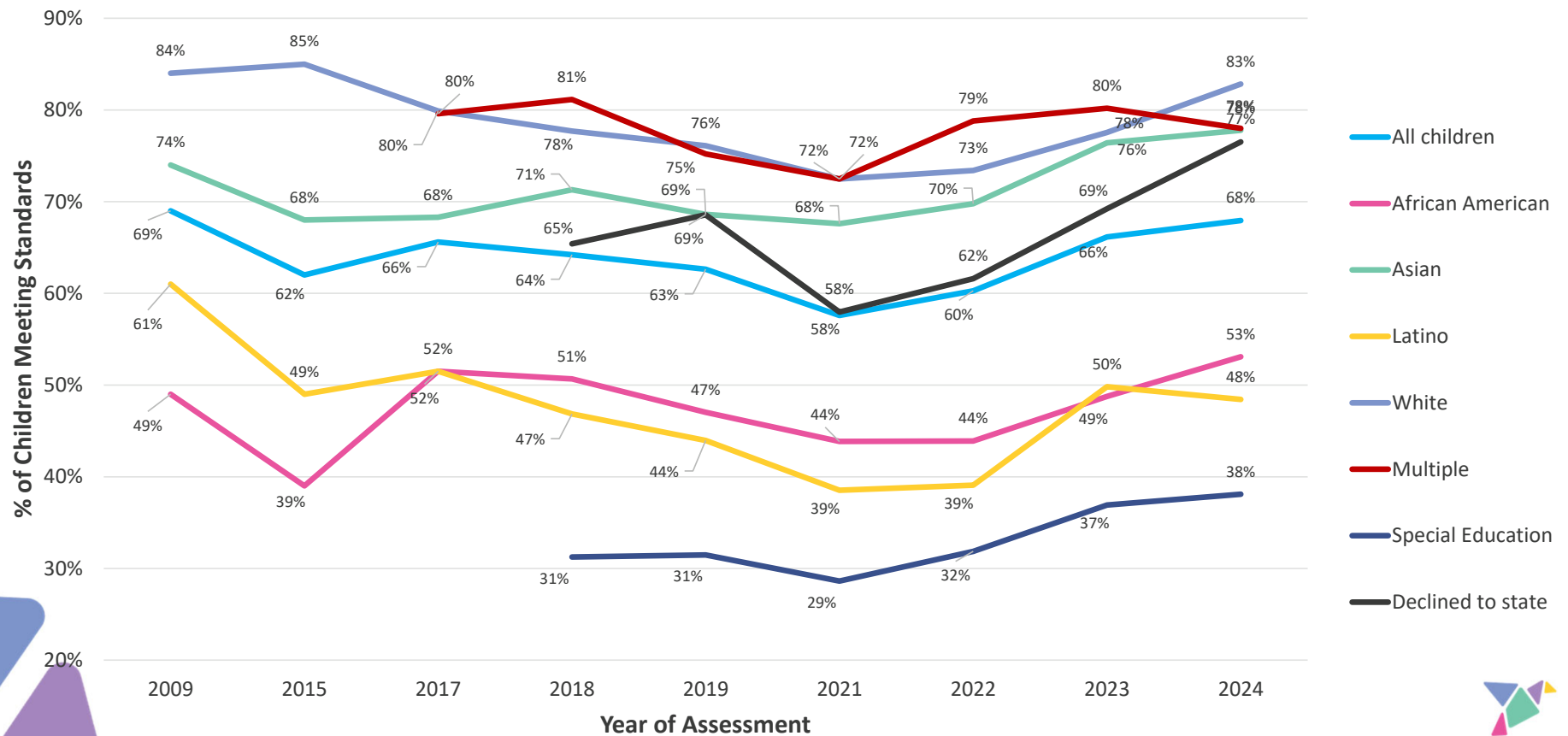
And race is not a predictor for achieving these outcomes.

## IMPACT

All San Francisco children enjoy a solid foundation to support future success.

# On The Rise: Kindergarten Readiness

Kindergarten Readiness of Entering SFUSD Students by Race/Ethnicity and Special Needs, 2009-2024  
(Kindergarten Observation Form for 2009 and 2015, Kindergarten Readiness Inventory for 2017-2024)



# Key Accomplishments 2024-2025

- **Kindergarten readiness** has increased for three consecutive years.
- **Early learning programming** has returned to pre-pandemic levels.
- **Families and the early care and education system** have adapted to the growth of transitional kindergarten, which has doubled access to infant and toddler programs.
- **More early educators** are benefiting from higher compensation and advancement support.
- **Developmental screening** is now more accessible than ever for children under five years of age.



# What's Next 2025-26

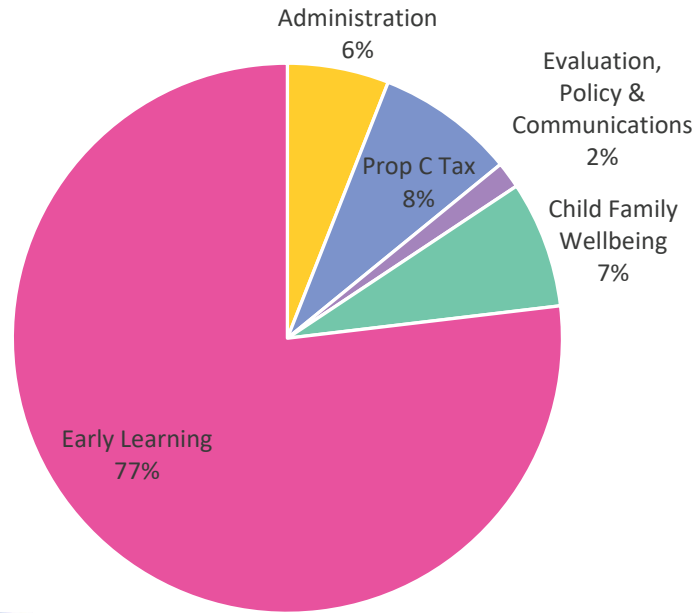
**Early Learning:** Enhance family access to infant and toddler programming citywide and promote better early intervention services by addressing the needs of children with special needs.

**Child Health & Family Well-being:** Integrate access points for families when accessing services and build intentional inter-agency connections between funded family resource centers and other settings where families receive services, such as preschools and pediatric clinics.



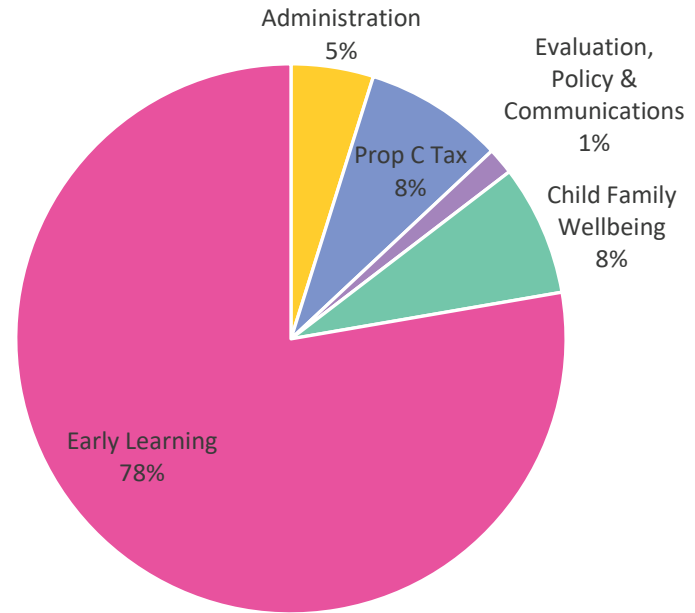
# Expenditure Breakdown

**FY26 AAO Expenditure Breakdown**



**\$341.39 million**

**FY27 AAO Expenditure Breakdown**

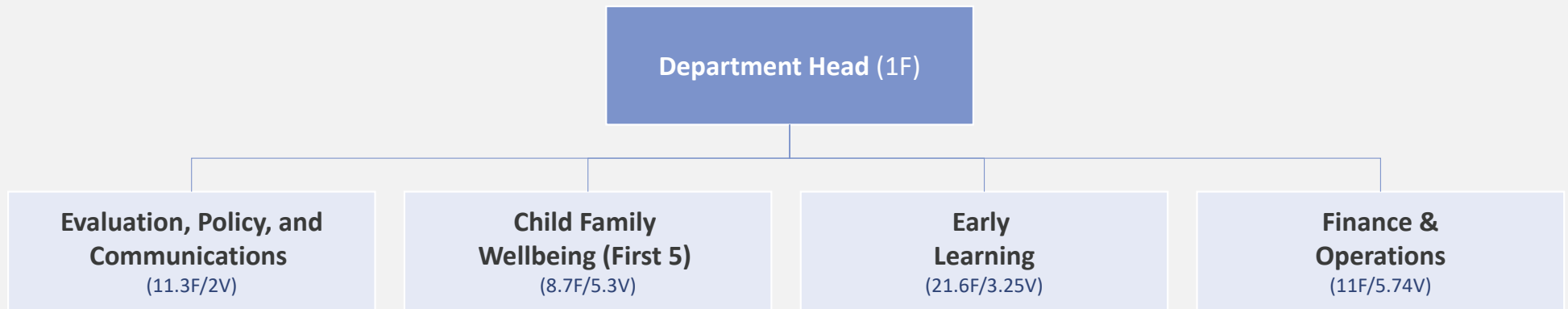


**\$342.71 million**





# DEC Organizational Structure



## DEC has a total of 69.89 FTEs for FY24-25

- DEC became a department in FY 22-23 with 66.37 budgeted FTEs and 32.09 filled
- DEC developed grant management and administrative/back-office infrastructure
- DEC has 54.56 filled FTEs out of 69.89 budgeted FTEs
- MBO approved three (3) FTEs with the highest priority vacancies (all other vacancies on hold)
- 4 vacancies are from staff transitions in 2024; all others are original vacancies

# Mayor's Budget Instructions

- DEC's general fund reduction target in department phase was \$100,000. DEC did not have direct programmatic general fund support in FY 2025-26 because it was eliminated in the prior budget cycle; therefore, DEC reduced maintenance costs for three city-owned buildings currently operated by childcare providers.
- Through the trailing legislation, DEC will extend the substitution of fund sources, replacing the general fund with special revenue funds, without programmatic reductions. Savings to the general fund from fund substitutions for FY 2025-26 are \$23.0M, and for FY 2026-27 will be \$20.0M.
- Per the request to minimize FTEs, DEC has rationalized two approved positions. The remaining FTEs are essential for the continued operations of the department's community grant programming at scale and maintaining the back-office infrastructure.

# Trailing Legislation

## **Business and Tax Regulations Code Early Care and Education Commercial Rents Tax Baseline FY 2025-2026 and 2026-2027**

- San Francisco has an obligation to commit \$93.8 million local funds, excluding Proposition C, to early care and education for FY2025-26 and \$99.3M in FY2026-27
- Legislation allows using interest earned in the Babies and Families First Fund towards the \$93.8M OECE baseline commitments.
- Interest credit may not exceed \$16.9M in FY2025-26 or FY2026-27