

File No. 201301

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget & Appropriations Committee Date November 18, 2020

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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- Introduction Form
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#### OTHER (Use back side if additional space is needed)

- Five-Year Spending Plan
- Presidential Memo - Special Convening of the BAC Committee
- \_\_\_\_\_
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Completed by: Linda Wong Date November 13, 2020

Completed by: Linda Wong Date \_\_\_\_\_

1 [Approving Early Care and Education for All Initiative’s “Babies and Families First Fund” Five-  
2 Year Spending Plan]

3 **Resolution approving the Office of Early Care and Education’s five-year spending plan**  
4 **for the Early Care and Education for All Initiative’s “Babies and Families First Fund.”**

5  
6 WHEREAS, On June 5, 2018, San Francisco voters approved Proposition C, the Early  
7 Care and Education Commercial Rents Tax with 85% of new revenue generated to expand  
8 early care and education by stabilizing the workforce with increased compensation, increasing  
9 support for low-income families and moderate-income families; and investing in  
10 comprehensive early care and education services to support the physical, emotional, and  
11 cognitive development of children under the age of six; and

12 WHEREAS, Section 20.17-1 of the Administrative Code established the Early Care and  
13 Education for All Initiative (the “Initiative”) to provide support for quality early care and  
14 education for children in San Francisco families; and

15 WHEREAS, Section 20.17-2 of the Administrative Code requires that within nine  
16 months of the effective date of establishment of the Initiative, the Office of Early Care and  
17 Education (“OECE”) shall submit to the Board of Supervisors a five-year spending plan for the  
18 Initiative; and

19 WHEREAS, The effective date of Article XVII of the Administrative Code, establishing  
20 the Initiative, was November 5, 2018; and

21 WHEREAS, OECE conducted extensive community engagement from November 2018  
22 through June 2019 to develop a spending plan for the Initiative which reflects outreach to and  
23 input from parents, families, early educators, early care business owners, stakeholders, non-  
24 profit organizations, philanthropists, academics, First 5 San Francisco, the Childcare Planning  
25

1 and Advisory Council, and San Francisco community members on early care and education  
2 priorities, needs and opportunities; and

3 WHEREAS, OECE's community engagement from November 2018 through June 2019  
4 included newsletters, a web page, social media communications, community town halls  
5 facilitated in multiple languages, community input sessions, an online survey, a participatory  
6 budgeting exercise with early care and education stakeholders, and toolkits for use by parent  
7 groups and early care professionals in soliciting input; and

8 WHEREAS, OECE utilized the results of its community engagement to develop funding  
9 recommendations for the Initiative designed to achieve the goals set forth in Section 20.17-2  
10 of the Administrative Code, including the following priorities:

11 1) Providing support for quality early care and education to all San Francisco children  
12 under the age of six from households whose incomes are at or below 85% of State Median  
13 Income and who are listed as eligible, on that basis, to receive support for early care and  
14 education — but who, because of a lack of available resources, are not receiving the full  
15 amount of support to which they are entitled; and

16 2) Providing financial support for measures to increase the compensation of early  
17 care and education professionals and staff by not less than 10%, with an ultimate goal of  
18 achieving parity in compensation with K-12 educators who have commensurate experience, in  
19 a manner designed to improve the quality and availability of early care and education; and

20 3) Providing support for quality early care and education to all San Francisco children  
21 under the age of four whose families earn up to 200% of Area Median Income, in a manner  
22 proportionate to family income (such that families with lower incomes receive  
23 proportionately more support); and

24  
25

1           4) Undertaking other measures designed to improve access to quality early care and  
2 education services that support the physical, emotional, and cognitive development of San  
3 Francisco children under the age of six; and

4           WHEREAS, OECE also included provisions addressing policies to manage revenue  
5 volatility on financial reserves, strategic one-time expenditures, and other strategies to  
6 promote stability and continuity in early care and education; and

7           WHEREAS, OECE engaged with the Childcare Planning and Advisory Council (CPAC)  
8 and their ad-hoc committees to develop strategies and priorities in the Spending Plan; and

9           WHEREAS, OECE hereby submits the spending plan required by Section 20.17-2 of  
10 the Administrative Code, titled “San Francisco Early Care and Education for All Initiative Five-  
11 Year Spending Plan: Framework for Building San Francisco’s Early Care and Education  
12 System,” a copy of which is on file with the Clerk of the Board of Supervisors in File No.  
13 201301; now, therefore, be it

14           RESOLVED, That the Board of Supervisors finds that OECE’s submission of the five-  
15 year spending plan for the Initiative’s “Babies and Families First Fund” meets the  
16 requirements as required by the Administrative Code; and

17           FURTHER RESOLVED, That the Board of Supervisors hereby approves OECE’s five-  
18 year spending plan for the Early Care and Education for All Initiative’s “Babies and Families  
19 First Fund.”



## FIVE-YEAR SPENDING PLAN:

# Framework for Building San Francisco's Early Care and Education System



San Francisco Office of  
Early Care and Education



## **ABBREVIATION KEY**

AMI – Area Median Income

ASR – Applied Survey Research

CAC – OECE Citizens’ Advisory Committee

CPAC – San Francisco Child Care Planning and Advisory Council

DCYF – San Francisco Department of Children, Youth and Their Families

ECE – Early Care and Education

ELS – Early Learning Scholarship

FCCASF – Family Child Care Association of San Francisco

First 5 SF – First 5 San Francisco

FRCs – Family Resource Centers

OECE – San Francisco Office of Early Care and Education

PFA – Preschool for All

Prop C – Proposition C: The Early Care and Education for All Initiative

SFUSD – San Francisco Unified School District

SMI – State Median Income

**San Francisco Early Care and Education for All Initiative**

Five-Year Spending Plan: Framework for Building San Francisco's Early Care and Education System

**San Francisco Early Care  
and Education for All Initiative**

# **Five-Year Spending Plan: Framework for Building San Francisco's Early Care and Education System**

August 2019



San Francisco Office of  
Early Care and Education







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## EXECUTIVE SUMMARY

On June 5, 2018, San Francisco voters approved Proposition C: Commercial Gross Receipts Tax for Early Care and Education (“Proposition C” or “Prop C”), which may generate new local funding dedicated to 1) closing the early education gap for San Francisco’s youngest children and their families, and 2) raising wages for the professionals working in this vital sector. Through subsequent local legislation, the San Francisco Board of Supervisors charged the San Francisco Office of Early Care and Education (OECE) with developing a 9-month planning process to engage diverse San Francisco stakeholders in creating the first Five-Year Spending Plan for the Early Care and Education (ECE) for All Initiative (“Spending Plan or Plan”).

OECE submitted its community engagement plan to San Francisco’s Mayor and Board of Supervisors in November 2018, which included two parallel processes:

- 1. Broad and diverse public engagement** to gain insights into all San Franciscans’ priorities, needs, and opportunities for ECE in San Francisco.
- 2. Collaborative Ad-Hoc Planning Committees with ECE system stakeholders** and advocates to develop specific policy recommendations and spending strategies.

The Five-Year Spending Plan provides a framework that addresses funding needs in four specific early care and education priorities, as outlined in Prop C:

- 1. Support for low-income families:** “Support for quality early care and education for children under the age of six in San Francisco families at 85% or less of State Median Income (SMI).”
- 2. Support for moderate-income families:** “Support for quality early care and education to all San Francisco children under the age of four whose families earning up to 200% of Area Median Income (AMI).”
- 3. Other Services to Support the Well Being of Children Under Six:** “Investment in comprehensive early care and education services that support the physical, emotional, and cognitive development of children under the age of six.”



#### 4. Increasing Workforce Compensation:

“Increasing compensation (including but not limited to wages, benefits, and training) of care professionals and staff in order to improve the quality and availability of early care and education for children under the age of six.”

### PUBLIC AND STAKEHOLDER ENGAGEMENT

OECE conducted two phases of extensive community engagement from November 2018 through June 2019 to develop the Spending Plan. This plan reflects a community outreach process intentionally designed to collect input from parents, families, early educators, ECE stakeholders, and San Francisco community members on their ECE priorities, needs and opportunities.

OECE provided a wide range of inclusive and multi-lingual input activities to increase participation from communities most impacted by Spending Plan priorities. **Broad outreach efforts** included

- Newsletters, a dedicated website, social media, targeted communications, and informational materials.
- Two highly interactive **Community Town Halls** with over 130 total attendees.
- Twenty-one (21) **Community Input Sessions**, organized to coincide with existing meetings or special events, which reached more than 2,900 people.
- The **“ECE Bucks” activity**, which captured the priorities of nearly 900 participants through an accessible participatory budgeting approach.
- An **online survey** available in Chinese, Spanish and English that enabled over 615 respondents to rank their top ECE priorities.
- Twelve (12) **Parent and Provider Toolkit Sessions** that allowed parent groups, educators and ECE professionals to collect direct input from over 200 diverse community members.
- Two **Ad-Hoc Committees** created to develop and align strategies to inform the Spending Plan, including 1) the Access and Expansion Committee, and 2) the Workforce Compensation Committee.



## SPENDING PLAN PRIORITIES

These multi-stakeholder engagement processes resulted in the prioritization of Prop C legislation components. This Spending Plan supports the vision for an integrated early childhood system. However, a subsequent planning process is needed in order to develop goals, strategies and outcomes aligned with our evaluation framework that addresses school readiness for all children birth-to-five.

At the highest level, OECE recommends the following framework to prioritize Prop C funding:

- Prioritize increasing workforce compensation and increasing access for low and moderate-income families
- Leverage existing resources and work to identify additional resources to fund the expansion of other services that support the physical, emotional, and cognitive development of children under the age of six

OECE will use this priority framework to phase-in implementation during various stages of infrastructure and capacity building. OECE's goal is to build a comprehensive system of programs,

policies and services that serve the needs of young children and their families and captures family outcomes.

Given a current legal challenge against Prop C and the potential that an adverse result could lead to refunds of taxes paid, the San Francisco Controller's Office has indicated that any funds collected cannot be spent until the lawsuit is ultimately resolved.

Should the lawsuit be ultimately resolved in favor of Prop C and the funds certified, Prop C would provide significant resources to address ECE system challenges. However, the funding is not enough to respond to all of the ECE needs facing San Francisco. Informed by stakeholder input, OECE made difficult decisions based on the funding available. The Spending Plan provides an initial framework and mechanism for allocating future funding that may become available.



## ACCOUNTABILITY AND CONTINUOUS IMPROVEMENT

In parallel with the development of the Spending Plan, OECE and Applied Survey Research (ASR) developed a process to design a Citywide ECE Evaluation Plan. As part of this process, OECE and ASR conducted a series of multi-stakeholder input sessions in order to identify the greatest ECE needs in San Francisco. Thus far, this collaboration resulted in the identification of four evaluative strategies each linked to the priority areas outlined in the Prop C legislation.

- **Strategy #1:** Increase the number of children from low-income families accessing high quality early care and education programs
- **Strategy #2:** Increase the number of children from moderate-income families accessing high quality early care and education programs
- **Strategy #3:** Raise educator total compensation
- **Strategy #4:** Promote system-wide adoption of and improved access to services that support the physical, emotional, and cognitive development of children

As an immediate next step, OECE and First 5 SF are working with ASR to create the Citywide Early Care and Education (ECE) Evaluation Plan, which will include a logic model and indicators that will be used to monitor the City's progress toward its outcomes. The evaluation plan will also identify ways for OECE and First 5 SF to specifically address some of the acute challenges facing the field now, as identified in the stakeholder input process. OECE and First 5 SF will continue engagement on an ongoing basis to ensure stakeholder input is reflected, and will publish a public annual report with updated data outlining progress made toward the outcomes in the logic model.

## IMPLEMENTATION

Should the current lawsuit be ultimately resolved in favor of Prop C and the Prop C funds certified, OECE will engage in an implementation planning process including public and stakeholder input. In the interim, OECE will conduct joint planning with First 5 San Francisco to align their collective goal of building a comprehensive system of support for all young children and families in the city.



## THE NEED FOR HIGH QUALITY, AFFORDABLE EARLY CARE AND EDUCATION IN SAN FRANCISCO

Early childhood is a critical time for developing the skills that prepare San Francisco's children for school and life. Nearly 90% of brain development happens in the first five years of life. Children who experience high quality early care and education are more likely to graduate high school, enroll in college, and work in high-earning jobs as adults.<sup>1</sup> A growing body of evidence demonstrates that high quality, consistent early care and education (ECE) from birth to five maximizes child development, ensures parents can work productively, and that local economies benefit from a more skilled workforce in the long-term.

The societal return on investment in ECE is clear, as evidenced by the following:

- For every \$1 invested in high-quality ECE, communities save between \$4 and \$17 in future costs related to remedial and special education, the juvenile and adult crime systems and welfare support.<sup>2</sup>
- 85% of employers report that providing child care services improves employee recruitment, retention, and productivity.<sup>3</sup>
- Nationally, problems with child care cost parents \$8.3 billion in lost wages. Investment in ECE can help working parents recoup these losses.<sup>4</sup>

San Francisco is innovative and leads the country in high quality early care and education. Significant local public investment has improved financial assistance for families, funding for

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1 Heckman, J., Grunewald, R. & Reynolds, A. (2006). The Dollars and Cents of Investing Early: Cost-Benefit Analysis in Early Care and Education. *Zero to Three*, 10-17.

2 Shonkoff, J. & Phillips, D. (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Natl. Acad. Press, Washington, DC)

3 Childcare Partnership Project, "Engaging Business Partners," <http://www.nccic.acf.hhs.gov/ccpartnerships/facts.fs11.htm>, accessed July 9, 2007.

4 Powell, A. Thomason, S. & Jacobs, K. (2019). *Investing in Early Care and Education: The Economic Benefits for California*. UC Berkeley Center for Labor Research and Education



programs, and training and quality improvement supports for professionals. Despite many strengths and innovations, San Francisco confronts major challenges due to a lack of strong state and national social policy for young children and their families.

- Most San Francisco children are growing up in households where all parents are working full time, making quality child care and preschool a necessity.
- San Francisco has limited licensed infant and toddler care available for children under three years of age, profoundly limiting access.<sup>5</sup>
- With the average annual cost of child care for one child at \$23,313, nearly half of San Francisco's families with young children report difficulty affording high quality child care and preschool for their children.<sup>6</sup>
- In 2017, approximately 66% of San Francisco Unified School District

(SFUSD) kindergarteners entered "school ready" (meaning they possessed four key skills: fine motor skills; social emotional learning; numeracy; and early literacy).<sup>7</sup>

- A substantial opportunity gap exists: Compared to 80% of white children who were kindergarten-ready, only 68% of Asian children and 52% of both African American and Hispanic/Latino children were kindergarten-ready.<sup>8</sup>
- San Francisco has a waitlist of over 3,000 low-income children who are eligible for subsidies but continue to wait due to limited funding allocated by the state and federal governments.
- With the high cost of living in San Francisco and the complexity and demands of working with young children, recruiting and retaining early care and education professionals is increasingly difficult. The average teacher earns \$19.37 per hour, or approximately \$40,000 per year.<sup>9</sup>

5 Center for American Progress and 2017 CA Child Care Portfolio

6 Children's Council of San Francisco. (2019). Retrieved from <https://www.childrenscouncil.org/families/understanding-child-care/child-care-costs/>

7 Fall 2017 San Francisco Unified School District Kindergarten Readiness Inventory Report

8 Ibid.

9 Center for the Study of Child Care Employment, University of California, Berkeley



According to the Center for the Study of Child Care Employment at UC Berkeley:

- 48% of early educators rely on one or more government assistance programs.
- In San Francisco, 92% of the ECE workforce are women; 83% are women of color.
- 75% of early care educators worry about paying monthly bills.
- 54% worry about putting food on the table.<sup>10</sup>

## **OFFICE OF EARLY CARE AND EDUCATION**

High quality early care and education programs that include skilled, educated, and culturally and linguistically diverse providers, help to maximize children's potential. Given this importance to the city's vitality, Mayor Edwin Lee created the [San Francisco Office of Early Care and Education](#) (OECE) in 2013. OECE is one of the first and few local city offices dedicated to expanding the availability, affordability and quality of early care and education services for children birth to five in the country. OECE and our city's

vision is that every child from birth to five years old in San Francisco has access to high quality and affordable early care and education.

OECE's mission is to leverage state and federal resources for early care and education, steward local funding, and support the early care and education workforce. We believe all San Francisco's children should have a strong early learning and care foundation, supporting the whole child to achieve lifelong success, as illustrated in Figure 1.

In close collaboration with First 5 San Francisco, OECE engages our community partners to ensure our early education and care rises above the national standards for children's school readiness. Through a shared vision that services are whole-child, family-centered, and driven by community, we work towards building a high quality early care and education system that is excellent for our children birth to five and their families. Learn more at [sfoece.org](http://sfoece.org).

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<sup>10</sup> Ibid.





**FIGURE 1: OECE AND FIRST 5 SAN FRANCISCO'S APPROACH TO SUPPORTING THE WHOLE CHILD**





## BACKGROUND AND CONTEXT FOR THE SPENDING PLAN

On June 5, 2018, San Francisco voters approved Proposition C: Commercial Gross Receipts Tax for Early Care and Education (“Proposition C” or “Prop C”). The proposition imposes a new commercial gross receipts tax, and dedicates 85% of the proceeds generated to four early care and education priorities:

- 1. Support for low-income families:** “Support for quality early care and education for children under the age of six in San Francisco families at 85% or less of State Median Income (SMI).”
- 2. Support for moderate-income families:** “Support for quality early care and education to all San Francisco children under the age of four whose families earning up to 200% of Area Median Income (AMI).”
- 3. Other Services to Support the Well Being of Children Under Six:** “Investment in comprehensive early care and education services that support the physical, emotional, and cognitive development of children under the age of six.”

#### **4. Increasing Workforce Compensation:**

“Increasing compensation (including but not limited to wages, benefits, and training) of care professionals and staff in order to improve the quality and availability of early care and education for children under the age of six.”

Through subsequent local legislation, OECE was charged with developing a 9-month planning process to engage diverse San Francisco stakeholders in creating the first Five-Year Spending Plan for the Early Care and Education for All Initiative (the “Plan”). On November 14, 2018, OECE submitted its community engagement plan, which included two parallel processes:

- 1. Broad and diverse public engagement** to gain insights into all San Franciscans’ priorities, needs, and opportunities for ECE in San Francisco.



**2. Collaborative Ad-Hoc Planning Committees** with ECE systems stakeholders and advocates to develop specific policy recommendations and spending strategies.

## **LEGAL CONTEXT**

Given a pending legal challenge against Prop C and the potential that an adverse result could lead to refunds of taxes paid, the San Francisco Controller's Office has indicated that any funds collected cannot be spent until the lawsuit is settled. Ideas and strategies generated from the planning process will help identify how San Francisco's early care and education system can improve to better meet the needs of children, families and professionals, with whatever resources are available.

## **PUBLIC AND STAKEHOLDER ENGAGEMENT**

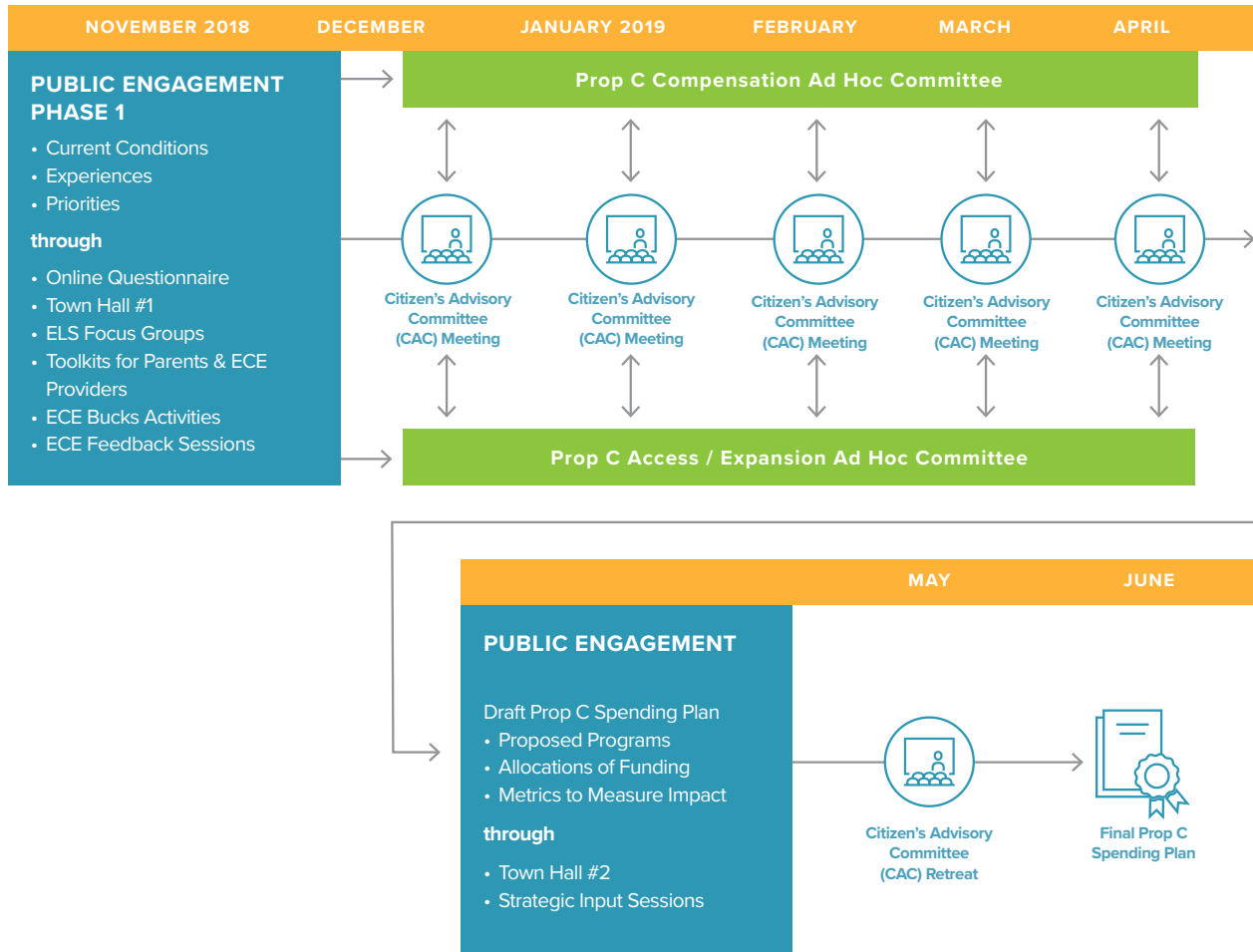
OECE conducted two phases of broad community engagement to develop the Spending Plan. The first phase of engagement took place from November 2018 through March 2019, and involved diverse stakeholders in sharing their experiences of current ECE conditions

and their priorities for spending the Prop C funds. During the second phase of community engagement from April through June 2019, OECE shared the key findings from the first phase of engagement and collected community input on the draft Plan. Figure 2 illustrates how the different sources of input, research and discussion flow into the creation of the draft and final Spending Plan.

Outreach efforts focused on providing accessible and equitable engagement opportunities for communities most impacted by Spending Plan priorities. These communities include, but are not limited to, parents, caregivers and ECE professionals who do not traditionally participate in planning processes, due to time, resources or other constraints. To increase inclusivity, OECE provided all materials and activities in English, Spanish, and Chinese.



FIGURE 2: TIMELINE FOR PROP C COMMUNITY ENGAGEMENT





## Key Audiences

San Francisco's ECE community is diverse, given the wide range of families, stakeholders, and system partners. OECE sought to involve all stakeholders in weighing options and data to develop a context-sensitive Spending Plan which fully aligns with San Francisco's conditions and available resources.

Key audiences selected to ensure broad community engagement include the following:

- **General public**

- San Francisco parents, families and caregivers
- Early Learning Scholarship (ELS) / Preschool for All (PFA) families

- **ECE Stakeholders**

- Employees working in early care and education
- Owners of businesses and non-profits offering early care and education
- Administrators and support staff of ECE programs

- OECE Citizen's Advisory Committee
- San Francisco Child Care Planning and Advisory Council (CPAC)
- Ad-Hoc Access/Expansion Committee
- Ad-Hoc Workforce Compensation Committee
- City College of San Francisco
- Family Child Care Association of San Francisco
- First 5 San Francisco
- Parent Advisory Committee of the San Francisco Board of Education
- Early Care Educators of San Francisco
- Professionals working in current ELS / PFA programs
- Other stakeholders

- **Elected Officials**

- Mayor's Office
- Board of Supervisors



ECE provided a wide range of engagement activities to collect input from families, caregivers and ECE professionals, shown in Figure 3.

**FIGURE 3: COMMUNITY ENGAGEMENT ACTIVITIES**





Tables 1 and 2 summarize the community input sessions and parent and provider toolkit sessions held during the community engagement process.

**TABLE 1: ECE FOR ALL COMMUNITY INPUT SESSIONS**

<b>ECE For All Community Input Sessions</b>			
<b>Input Sessions</b>	<b>Dates</b>	<b>Approximate # of Participants</b>	<b>Participant Description</b>
Mimi and Peter Haas Fund Model Center Meeting	10/25/18	18	Center directors and educators, ECE systems partners
City of San Francisco Preschool Fair	11/7/18	800	Mainly parents of 3-4 year olds; also educators and systems partners
Community Town Hall #1	12/8/18	50+	Parents and ECE educators, including a strong representation from the Chinese ECE community
San Francisco Child Care and Planning Council (CPAC) Meeting	12/12/18	23	CPAC members
Parent Voices	1/18/19	11	Low-income parents
Family Child Care Association of SF Board	1/18/19	11	Family Child Care Center Directors and staff
DCYF Citywide Summer Resource Fair	2/9/19	1,100	Parents and families of children 0-5
DCYF Summer Resource Fairs in 11 Supervisorial Districts	February – March 2019	~600	Parents and families of children 0-5
Family Resource Center Focus Group	2/25/19	15	Family Resource Center directors and staff
EDvance Leadership and Equity Event	3/2/19	350+	ECE students, community members, practitioners, policy makers, and administrators
Community Town Hall #2	6/8/19	80+	Parents and ECE educators, including a strong representation from the Chinese ECE and Family Child Care communities
<b>TOTAL</b>		<b>2,900+</b>	



**TABLE 2: ECE FOR ALL PARENT AND PROVIDER TOOLKIT SESSIONS**

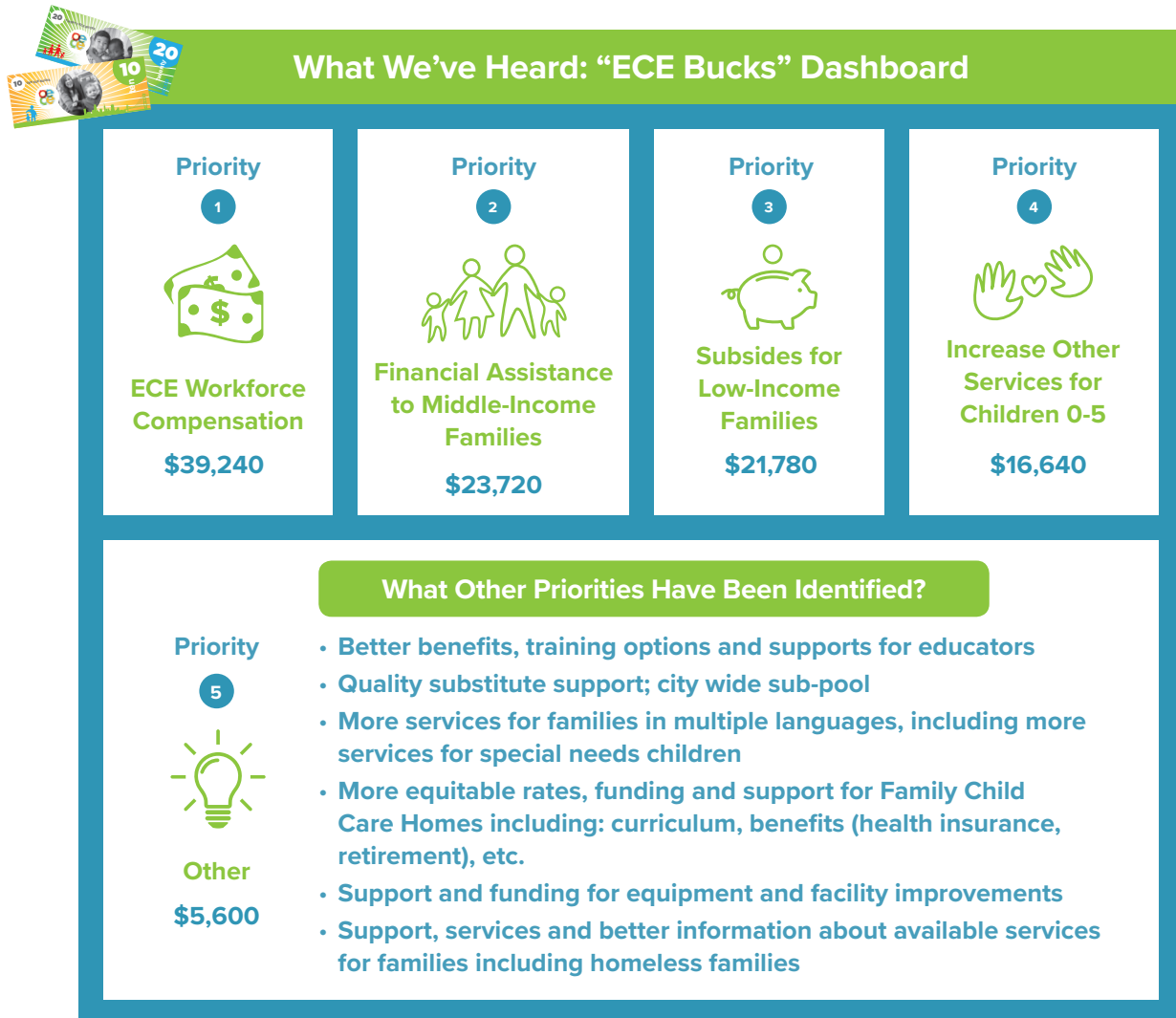
<b>ECE For All Parent and Provider Toolkit Sessions</b>			
<b>Input Sessions</b>	<b>Dates</b>	<b>Approximate # of Participants</b>	<b>Participant Description</b>
<b>Compass Family Services: Children's Center Parent Group</b>	2/21/19	6	Primarily monolingual, low-income Spanish-speaking immigrant Latina mothers of infants and toddlers
<b>Compass Family Services: Children's Center Staff</b>	3/1/19	10	ECE teachers of low-income students from throughout SF, primarily Latina and Asian/Pacific Islander women educators between their 20s-50s
<b>Good Samaritan Family Resource Center</b>	3/6/19	12	Spanish-speaking Latino parents of preschool program students
<b>True Sunshine Preschool</b>	<b>3/19/19</b>	9	ECE teachers of low-income students in Chinatown and support staff
<b>Felton Institute</b>	3/21/19	7	Spanish-speaking Latino parents of Felton Institute's Family Developmental Center
<b>Mission Neighborhood Centers</b>	3/21/19	5	Spanish-speaking Latino parents of children 0-5
<b>Faces SF (6 sessions)</b>	February - March 2019	160	Child Care Center and Family Child Care Network teachers, staff, parent groups, board members and volunteers
<b>TOTAL</b>		<b>200</b>	





OECE developed “ECE Bucks”—a participatory budgeting exercise—to learn more about community priorities for ECE and to help inform how the City should spend Prop C funds. OECE provided participants with \$120 in “ECE Bucks” which they could distribute between the four key priorities identified in the Prop C legislation and an “Other” category for any additional priorities. Approximately 890 people participated and shared their ECE priorities during 33 feedback sessions. Figure 4 below shows how participants ranked the four key priorities.

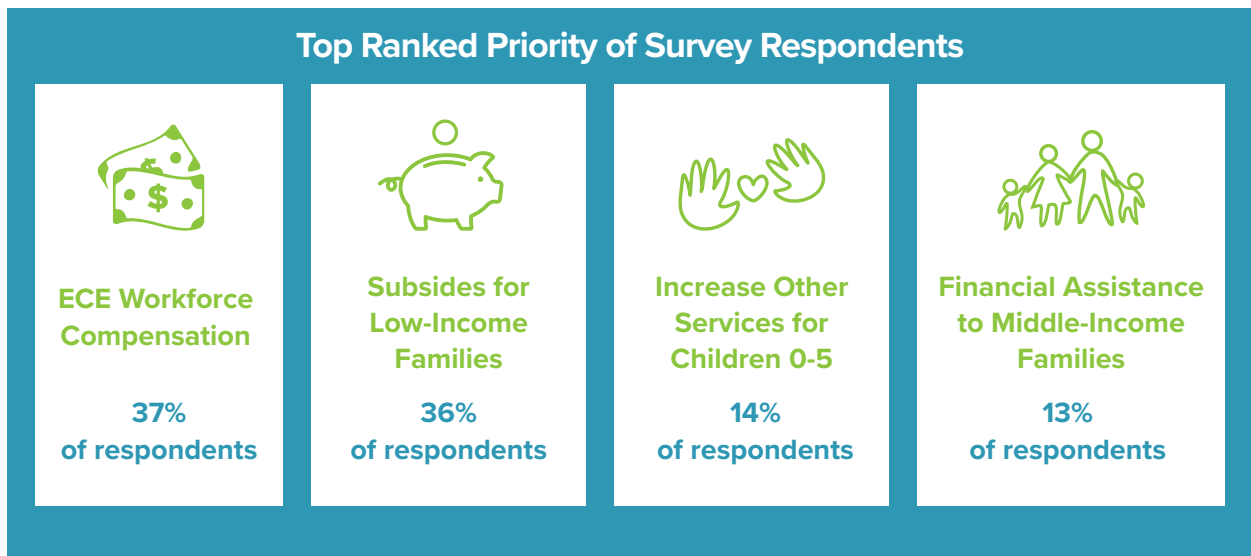
**FIGURE 4: ECE BUCKS DASHBOARD**





In the online survey, OECE asked participants to 1) identify ECE needs and opportunities in San Francisco, and 2) rank the four key priorities identified in the Prop C legislation. Figure 5 below shows survey respondents' top ranked priorities.

**FIGURE 5: TOP RANKED PRIORITY OF SURVEY RESPONDENTS**





## **OECE / CPAC AD-HOC COMMITTEES**

As part of the Prop C planning process, the Office of Early Care and Education and the Child Care Planning and Advisory Council (CPAC) created two ad hoc committees to develop strategies and priorities to inform a first five-year spending plan. The Ad-Hoc Committee charges included:

- **Ad-Hoc Access and Expansion Committee charge:** To recommend a method of allocation for Prop C funds that would expand access, especially to infants and toddlers, include moderate-income families in mixed income environments and increase capacity in Early Learning Scholarship-qualified programs by June 2019.
- **Workforce Compensation Committee charge:** To recommend a method of allocation for Prop C funds that would increase ECE educator compensation and improve work environments by June 2019.

Each group met monthly from October 2018 through April 2019. On April 24, 2019 ad-hoc committee chairs and OECE staff discussed and aligned the overarching recommendations of each committee.

For more information on the work of the Ad-Hoc Committees, and how their recommendations informed the spending allocations described below, please visit: <http://sfoece.org/prop-c-planning/>.





## SPENDING PLAN PRIORITIES

Public and stakeholder engagement processes and the resulting recommendations focused intentionally on the areas outlined in Prop C legislation. At the highest level, OECE recommends the following framework to prioritize Prop C funding:

- Prioritize increasing workforce compensation and increasing access for low and moderate-income families
- Leverage existing resources and work to identify additional resources to fund the expansion of other services that support the physical, emotional, and cognitive development of children under the age of six

### **INCREASING ACCESS FOR LOW-INCOME AND MODERATE-INCOME FAMILIES**

The Prop C legislation defines low-income families in San Francisco as those earning 85% of the State Median

Income (SMI) or less (for a family of four in 2019, this translates to an annual family income of \$76,596 or less<sup>1</sup>). These families are eligible for subsidized early care and education through the California Department of Education's General Child Care and State Preschool funding programs (also known as Title V). However, due to limited funding availability, families that are income-eligible for support may never have access to early care and education for their children. In San Francisco, we place income-eligible families on a waitlist known as "Early Learning San Francisco" (ELSF). On average, there are 3,000-4,000 children under the age of six on the ELSF waitlist at any given time. To ensure low-income families have access to high-quality early care and education, OECE's recommendation is to use Prop C funding to clear the waitlist of eligible families and match children to appropriate spaces in available centers and Family Child Care homes.

<sup>1</sup> San Francisco Mayor's Office of Housing and Community Development. (2019). 2019 Maximum Income by Household Size Derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco. Retrieved from: [https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2019%20AMI\\_IncomeLimits-HMFA.pdf](https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2019%20AMI_IncomeLimits-HMFA.pdf)



The Prop C legislation defines moderate-income families in San Francisco as those with incomes above 85% of the SMI and at or below 200% of the AMI (for a family of four in 2019, this translates to an annual family income between \$76,597 - \$236,800<sup>2</sup>). These families, not currently eligible for State subsidies, struggle to pay the full market rate for early care and education in the high-cost county of San Francisco.

Discussions during the Ad-Hoc Access and Expansion Committee meetings highlighted the differences in moderate-income families' needs based on the wide income range identified in the Prop C legislation. Through participatory budgeting activities, community members emphasized the importance of equitable supports for moderate-income families. Therefore, OECE proposes progressive financial assistance across the moderate-income eligibility range, maintaining the spirit of the legislation while focusing on families at the lower end of the moderate-income spectrum. OECE plans to structure moderate-income supports so that no child's learning experience will be interrupted due to income eligibility. Our goal is to

provide continuity of early learning for children from 0-5 years old regardless of family income fluctuations.

OECE recognizes that Prop C funding alone will not be sufficient to provide financial assistance to every moderate-income family in San Francisco. To serve the growing number of moderate-income families needing financial support to afford early care and education in San Francisco, OECE must explore viable, innovative approaches to financing, including identification of additional funding. However, when more resources become available, and/or as San Francisco leverages potential increases in state or federal funding, Prop C funding will ensure that we already have a mechanism in place to build upon and provide support to additional moderate-income families.

## **INVESTING IN OTHER SERVICES TO SUPPORT THE WELL-BEING OF CHILDREN UNDER SIX**

While workforce compensation and increasing access for children emerged as the top priorities of those that participated in the Prop C

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<sup>2</sup> Ibid.



public engagement process, parents, educators, and family support staff also expressed the importance of funding programs that go beyond early care and education tuition and workforce assistance to support the well-being and healthy development of the whole child. Even if the current lawsuit is ultimately resolved and Prop C funds are certified, given limited Prop C funding, OECE recommends leveraging existing resources as well as working to identify new sources of funding to invest in the expansion of the following critical services:

- **Facilities and Capacity Building:** San Francisco lacks the facilities space to serve all of its children in licensed early care and education settings. Additionally, many existing programs are currently operating in facilities built before the era where science established the benefits of early care and education. OECE recommends using Prop C funding to invest in facilities that not only expand capacity, but also acknowledge the differences in space attributes and design for children and adults and how this space design affects usage by children in different age groups by establishing optimal design

benchmarked for best practice.

- **Supporting Children with Special Needs:** Across San Francisco, approximately 14% of children entering kindergarten have some form of special need, including speech and language delays, learning disabilities, and emotional behavioral disorders. Despite the critical and urgent need for targeted investment and the availability of tools for conducting universal developmental screening, less than half of children are actually identified who could benefit from early intervention services before reaching kindergarten. Prop C funding should be used to develop a system that identifies the strengths and abilities of all children ensuring that learning opportunities are maximized and all children are fully included in every educational experience and activity.
- **Supporting Early Childhood Mental Health:** Through the community engagement process, early educators consistently expressed the need to have additional supports for children's social and emotional development. In order to support the expansion of early education access and enrollments appropriately, early



childhood mental health and inclusion supports must also expand. OECE recommends using Prop C funding to build on current early childhood mental health services and supports and to champion new programs in order to develop a comprehensive approach that spans a continuum—from promotion to prevention to intervention.

- **Science, Technology, Engineering, Arts and Math (STEAM):** Creative arts, science, technology, and math experiences are an important part of early childhood. These experiences promote learning and development across all domains of early learning. They foster curiosity and fine motor skills, develop vocabulary about colors and shapes, promote counting and object relations, and build self-regulation skills. These experiences become part of joyful activities for young children that foster discovery and exploration, active and engaged learning, and individual expression. OECE recommends using Prop C funding to expand access to STEAM-focused resources, programs, and curriculum, encouraging broad early education experiences that will positively impact children's

relationships with learning throughout their lives.

- **Creating A Systematic Approach to Supporting Families:** During the Prop C community engagement process, family-serving organizations repeatedly stated that the best way to support children's success is to support parents, who after all, are their children's first brain builder, nurse, teacher, tech navigator, advocate, and coach. OECE recommends using Prop C funding to build on a system that supports parents in culturally responsive, linguistically appropriate, strengths-based, and trauma-informed ways. Recognizing the essential role parents and families play in their children's educational outcomes, our policies, programs and services must be able to:
  - Increase long-term impact on families by undertaking a two-generation approach.
  - Foster connections between the early learning community, pediatric community and schools, including connections to homeless family navigation services, Family Resource Centers (FRCs), and other family support services.



- Improve data collection capabilities alongside training for all service providers on family engagement, support, and service coordination.

## INCREASING WORKFORCE COMPENSATION

Research clearly demonstrates that children benefit significantly from stable and long-term relationships with teachers. Unfortunately, inadequate compensation in the early care and education field has created a workforce crisis. Early education programs across San Francisco are experiencing educator turnover rates at an average of 75% over the last two years.<sup>3</sup> The teacher shortage has exacerbated enrollment capacity issues (as programs must maintain appropriate teacher-child classroom ratios) as well as challenges sustaining program quality. The undervaluation of this critical workforce creates disincentives for current and future educators interested in teaching in early education and many undergraduate students pursue other careers due to low earning prospects in teaching. OECE must address this workforce crisis in order to achieve the other priorities laid out in the Prop C legislation.

With all of this in mind, public engagement, Ad-Hoc Committee work, and OECE Citizen's Advisory Committee input, yielded a clear mandate that increasing workforce compensation should be a top priority for Prop C funds. Therefore, OECE recommends that Prop C funding prioritize workforce compensation with the goal of reaching "parity" with SFUSD salaries in the first five years.

The Ad-Hoc Workforce Compensation committee developed a frame for early educator parity in San Francisco that built on the work of the Center for the Study of Child Care Employment at UC Berkeley (CSCCE). The CSCCE defines compensation parity as "parity for salary and benefits for equivalent levels of education and experience, adjusted to reflect differences in hours of work, and including payment for non-child contact hours (such as paid time for planning)." Components included in the parity frame are pay, benefits, and hours of work including time for professional responsibilities (writing reports & planning, etc.).

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<sup>3</sup> CA-QRIS Data Review, 2019.

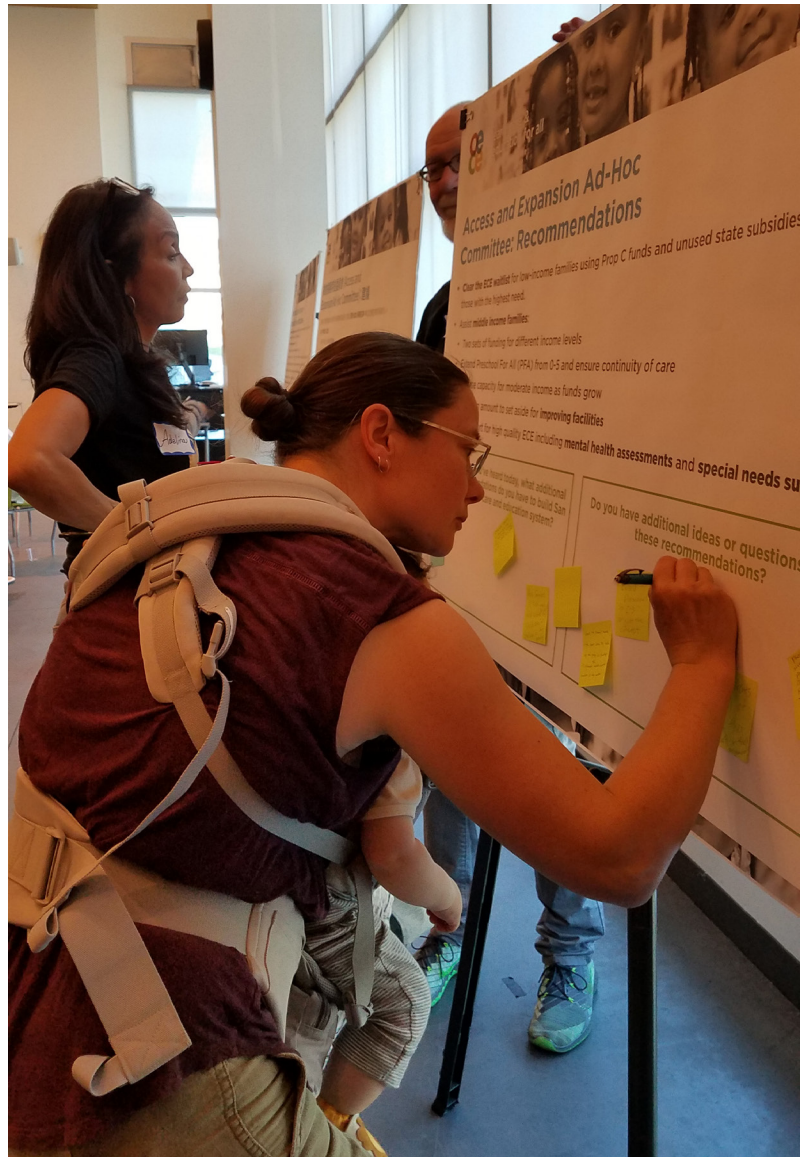




OECE's workforce compensation strategies seek to increase wages and to:

- Increase benefits including medical, dental, retirement, wellness, housing, child care, commuter benefits, and paid leave time – including sick leave;
- Increase staffing to support professional development, prep, planning, and quality assessment;
- Consider other creative options to support out-of-school and paid leave time, such as high-quality shared substitute pools; and
- Assess work environments using SEQUAL (Supportive Environmental Quality Underlying Adult Learning, SEQUAL studies)

The Prop C funding and framework represents a first step towards building a multi-faceted, multi-dimensional system that addresses early educator recruitment, retention, and working conditions enabling both early educators and children to thrive.





## ACCOUNTABILITY AND CONTINUOUS IMPROVEMENT

Beginning in the fall of 2018, Applied Survey Research (ASR) was contracted by OECE to develop a process to design a Citywide ECE Evaluation Plan.

To inform the evaluation planning process, a series of input sessions took place between October 2018 and May 2019 with the stakeholders listed in the table below. At these input sessions, participants were asked to identify the greatest ECE needs at the systems level, at the program level, at the family level, and at the child level. Responses were collected and synthesized into themes.

Using stakeholder input and the “Whole-Child” conceptual model on page 8 (Figure 1) to guide their work, ASR then worked with OECE and First 5 San Francisco (First 5 SF) staff to identify the following possible indicators that relate to strategies identified in the Prop C legislation:

**Strategy #1:** Increase the number of children from low-income families accessing high quality early care and education programs.

**Table 3: Evaluation Planning Input Sessions**

Stakeholder	Meeting Date
OECE	10/11/18
FCC Association	11/9/19
First 5 San Francisco	11/14/18
OECE Citizen’s Advisory Committee	11/29/18
San Francisco Unified School District	12/4/18
ECE Educators of San Francisco	2/25/19
Integrated Services Agencies Executives	2/28/19
San Francisco Co-op	3/11/19
Child Care Planning & Advisory Council (CPAC)	3/13/19
Head Start / Early Head Start	3/18/19
Parent Voices	5/3/19
Title 5 Contractors	5/9/19



**Possible indicators:** Increased ECE access for 0-5 year olds from low-income households; underserved populations access services.

**Strategy #2:** Increase the number of children from moderate-income families accessing high quality early care and education programs.

**Possible indicators:** Increased ECE access for children from moderate-income households.

**Strategy #3:** Raise educator total compensation.

**Possible indicators:** Increased total compensation for educators; increased teacher retention.

**Strategy #4:** Promote system-wide adoption of & improved access to services that support the physical, emotional, & cognitive development of children.

**Possible indicators:** Increased access to mental health consultations & resources; 100% children in city-funded ECE receive developmental screenings; increased number of children with dental, vision, hearing, or nutrition needs receive services.

As an immediate next step, OECE and First 5 SF are working with ASR to create the Citywide ECE Evaluation Plan, which will include a logic model and indicators that will be used to monitor the City's progress toward its outcomes. While some data indicators may be currently available to help the city gauge its progress toward specific outcomes, others may need to be collected or developed to monitor progress. The Evaluation Plan will also identify ways for OECE and First 5 SF to address some of the themes identified in the stakeholder input process about acute challenges facing the field now including many that the proposed uses for Prop C funding will help to address.

The Evaluation Plan will be vetted with stakeholders and refined on an ongoing basis with stakeholder input to ensure the logic model, indicators, and overall Evaluation Plan reflect current needs, trends, and realities in our ECE system.

On an ongoing basis, OECE and First 5 SF will publish a public annual report outlining progress made toward the outcomes in the logic model. The annual reports will include updated data so readers can easily track progress over the years, and contextual information to help interpret trends.



## IMPLEMENTATION

Due to the current lawsuit against Prop C, it is difficult to estimate a precise timeline for the implementation of this Spending Plan. When, or if, Prop C funding is available, OECE will engage in a comprehensive implementation planning process based on the Spending Plan priority framework, directly involving the public, families, educators and ECE stakeholders. However, beyond the identified legislative priorities for early care and education to be addressed through Prop C funding, OECE recognizes that there are current early care and education system components that require immediate attention. These include reviewing Early Learning Scholarship (ELS) reimbursement rates, identifying the expansion of the ELS network of centers and Family Child Care educators, and focusing on the initial challenges created by the introduction of the new waitlist, Early Learning San Francisco (ELSF.) Even without additional resources, work will continue on building and refining the current system, taking into account all of the feedback and input OECE has gathered during the past nine months.

We are in the process of writing the next chapter in the history of OECE. In close partnership and through joint planning with First 5 San Francisco, we will be working in the upcoming months to identify a shared vision for San Francisco's quality early education and supports for its youngest children and their families within an equity framework.





## OTHER REFERENCES AND RESOURCES

The following resources provide additional background on San Francisco's efforts to provide high-quality and affordable early care and education across the city:

- **[San Francisco Citywide Plan for Early Care and Education.](#)** Adopted by the Mayor and Board of Supervisors of San Francisco in April 2016; outlines key goals and principles that guide our work in enhancing the City's ECE landscape.
- **[Proposed Approach and Design for Developing the Five-Year Spending Plan.](#)** Adopted by the Mayor and Board of Supervisors in November 2018; details the background and process for developing this initial Five-Year Spending Plan.
- **[Proposition C: Early Care and Education for All.](#)** Ordinance establishing the Early Care and Education for All Initiative and identifying four key priorities.
- **[Phase One Community Engagement Summary.](#)** A detailed summary of the process undertaken by OECE to involve diverse stakeholders in sharing their experiences of current ECE conditions and priorities for Prop C funds; and the high-level input shared by San Francisco's parents, providers and other ECE community members.





**San Francisco Office of  
Early Care and Education**

1650 Mission Street, Suite 312  
San Francisco, CA 94103  
Phone: 415.355.3670  
[sfoece.org](http://sfoece.org)



**NORMAN YEE**

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**MEMORANDUM**

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DATE: November 9, 2020

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: President Norman Yee 

CC: Honorable Members of the Board of Supervisors  
Board Legislative Aides  
Board Administrative Aides  
Anne Pearson, Office of the City Attorney  
Controller's Office  
Mayor's Office  
Budget & Legislative Analyst Office

SUBJECT: Special Convening of the Budget & Appropriations Committee

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Dear Madam Clerk:

Pursuant to Board Rule 3.25.1, I am writing to reconvene the Budget & Appropriations Committee for a Special meeting on Wednesday, November 18, 2020 at the request of the Budget Committee Chair. The purpose of the meeting is to hear a three-month update on unexpended funds and spending plans for the "Our City, Our Home Fund" (collected from the Homelessness Gross Receipts Tax) and the "Babies and Families First Fund" (collected from the Early Care and Education Commercial Rents Tax). The time of the meeting and the agenda items may be determined by the Budget Committee Chair.

I invite all Board members to attend this Special meeting and request the Committee Clerk to notice that a quorum of the Board of Supervisors may be present at this Committee meeting.

Thank you for your assistance.

# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Yee

Subject:

Approving Early Care and Education for All Initiative's "Babies and Families First Fund" Five-Year Spending Plan

The text is listed:

Resolution approving the Office of Early Care and Education's five-year spending plan for the Early Care and Education for All Initiative's "Babies and Families First Fund".

Signature of Sponsoring Supervisor:



For Clerk's Use Only

**From:** [Low, Jen \(BOS\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Hsieh, Frances \(BOS\)](#); [Vejby, Caitlin \(BOS\)](#); [Yee, Norman \(BOS\)](#)  
**Subject:** Yee - Resolution - Approving Early Care and Education for All Initiative's "Babies and Families First Fund" Five-Year Spending Plan  
**Date:** Tuesday, November 10, 2020 8:53:26 PM  
**Attachments:** [Yee - Resolution - Approving Early Care and Education for All Initiative's "Babies and Families First Fund" Five-Year Spending Plan.pdf](#)  
[OECE PropC Spending Plan 080219-FINAL.pdf](#)  
[Yee - Resolution - Approving Early Care and Education for All Initiative's "Babies and Families First Fund" Five-Year Spending Plan 11.10.2020.docx](#)

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Dear Clerk Staff:

Please find attached **Yee - Resolution - Approving Early Care and Education for All Initiative's "Babies and Families First Fund" Five-Year Spending Plan.**

Thank you,

Jen