

**REVISED LEGISLATIVE DIGEST**  
(Amended in Committee, 9/12/2018)

[Administrative Code - Early Care and Education for All]

**Ordinance amending the Administrative Code to establish the Early Care and Education for All Initiative, to be funded by appropriations from the Babies and Families First Fund, including procedures concerning a spending plan and reporting requirements.**

Existing Law

At the June 5, 2018 election, the voters approved Proposition C, which imposes additional taxes on revenue from the lease of certain commercial real property. Revenues raised by this tax are to be used primarily to fund quality early care and education for young children. In particular, Proposition C specifies that most of its revenues should be spent on certain “Eligible Programs” related early care and education; nevertheless, Proposition C leaves the Board of Supervisors and the Office of Early Care and Education discretion to allocate resources amongst those programs.

Amendments to Current Law

This ordinance would require the Office of Early Care and Education (OECE) to establish the Early Care and Education for All Initiative, which would provide support for quality early care and education for children in San Francisco families. The Initiative would be funded by revenues raised by Proposition C, in addition to such other appropriations as the Board of Supervisors might direct by ordinance.

The ordinance would further require OECE to develop, and submit to the Board for approval, a five-year spending plan for the Early Care and Education for All Initiative. The spending plan would be intended to provide guidance when the Board adopts future appropriations ordinances. In advance of the spending plan, the ordinance also requires OECE to report to the Board regarding its plans to foster community engagement in the development of the spending plan.

The ordinance identifies four goals for the spending plan: clearing the current waitlist of children eligible for support for early care and education; increasing compensation of early care and education professionals and staff by not less than 10%; expanding support for early care and education to families earning up to 200% of Area Median Income; and undertaking other measures to improve access to quality early care and education services. OECE has discretion to prepare a spending plan prioritizing amongst these four goals as OECE sees fit.

To promote stability and continuity in early care and education, the ordinance also requires the spending plan to contain provisions addressing policies for financial reserves, strategic one-time expenditures, and other strategies designed to manage revenue volatility.

Finally, the ordinance also requires the spending plan to include metrics designed to measure the effectiveness of the Early Care and Education for All Initiative and each of the Initiative's specific components. Each year, OECE would be required to report to the Board regarding the effectiveness of the Initiative and its components, using those metrics.

This ordinance was amended in the Rules Committee on September 12, 2018. As relevant here, a prior version of the ordinance would have directed OECE, in general terms, to prioritize amongst the four goals for the spending plan, while still leaving OECE with discretion (after giving due consideration to the ordinance's general priorities) to submit a spending plan proposing whatever allocation of resources OECE deems most appropriate. This amended version of the ordinance removes the general direction to OECE regarding prioritization amongst the four goals for the spending plan, and makes clear that OECE has discretion to submit a spending plan proposing whatever allocation of resources OECE deems most appropriate.

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