



## **Provider Feedback Session on FCC Financing Strategy**

### **Note of the Meeting of September 28, 2016**

**Date:** September 28, 2016

**Time:** 6:30-8:00pm

**Location:** 445 Church Street, Rm 120

**Participants:** Christian Cuadia, Delia Suarez, Elena Ramirez, Jackie Jackson, Jennifer Martinez, Lisa Ferdinand, Marina Schmidt, Oscar Tang, Pat Sullivan, Renee Underwood, Rose Kennedy Song Mog, Winnie Kong, Xiao Ling Huang

**OECE Staff:** September Jarrett, Jason Holthe, Elise Crane, Susan Lu

**Overview:** The provider feedback session held on September 28<sup>th</sup>. This meeting allowed for input from San Francisco Family Child Care (FCC) providers. The Office of Early Care and Education presented the financing strategy that include the revised FCC cost model approach based on the feedback meeting on June 28<sup>th</sup> (Attachment one), and the modifications from Comprehensive Fiscal Analysis (CFA). Participants were then asked to provide feedback and concerns regarding the revised finance approach.

#### **FCC Providers' Feedback & Concerns:**

- Ensure there are incentives for higher levels of quality for Tier 4 and 5. Tier 3 is not good enough and sends the wrong message to providers that have worked hard to achieve Tier 5. Concern about payment of different rates for PFA Bridge and other funding sources. It is a concern not knowing what rates will be in next year.
- It is difficult to decide between pulling everyone to the Base at Tier 3 versus lowering the Tier 3 base rate to enable Tier 4 and 5 to be funded. If there is not enough funding for Tier 4 & 5, it might be better to have support for serving more children.
- Support providers to get to Tier 3.
- Consider recognizing Tier 4 & 5 now. If it is not now, when will the recognition be happening?
- Concern about stable enrollment
- Some expenses are fixed, and some are variable
- The proposed payment Tier 3 is not high enough for SF
- Concern about enrollment referrals from SF3C
- Extending hours to stay full
- Concern about payment regarding the actual hours serving children VS. a flat rate
- Consider cost of doing business increase or Consumer Price Index factor each year so that the rate does not remain flat
- Will CWAGEs go away?
- Focus on eligibilities
- Concern about SF3C
- OECE needs to provide information about PFA and changes.



**Family Child Care Providers  
Community Meeting Notes  
June 28, 2016**

**Group Concerns and Suggestions:**

- Infant care requires more one-on-one attention, thus requiring more qualified staff or child care owners to invest more time attending relevant trainings. Also requires more staff which drives up costs.
- Infant care needs to be reimbursed at higher amounts.
- Link - compare and analyze compensation for FCC owners to Center Director's salaries. There was disagreement in the group about the similarities and differences between the role of an FCC operator/owner and a Center Dir. or Site Director. But agreement that the FCC Owner/Operator has multiple roles that exceed the normal care and supervision of the children.
- FCC operators are struggling to find qualified staff, and when they do find them, they train them and the staff tends to move on to other employment—often center work.
- Minimum Wage was a big topic of concern and it is impacting FCC providers both in their ability to afford to hire and their ability to find and retain. Some FCC providers indicated that they have “given up” assistant positions because even with CWAGES they cannot afford the staff. Instead they have increased their own “in the classroom” commitment and increased hours of care.
- To determine FCC's compensation levels (“take home” portion) the analysis should take into consideration:
  - Cost of assistant(s),
  - Economies of scale,
  - Typical hours of operation @ 60 hrs. –some providers suggested 70hrs.
  - Activities owners and staff perform, but are not related to the day-to-day classroom activities.
  - Administration work, including DRDP's, State or City initiatives reporting (e.g., Registry, Cocoa, Wels, voucher processes, etc.)
  - Sick days, retirement, health insurance, vacation.
  - Operating in higher cost neighborhoods in San Francisco
  - Operating in low-income neighborhoods where enrollment of market rate payers is very difficult
  - Impact of minimum wage
- Eligibility requirements for families make PFA and Vouchers confusing and difficult to administer.
- Several current initiatives are difficult because of large amounts of processes and paperwork involved.
- While there is no typical “dominant model” of enrollment in small and large licenses, the majority of the group agreed the a 3 infant 3 pre-school was an acceptable approaches for a

small FCC. And a generally splitting 50% infants and toddlers and 50% preschool would could be an assumption for large FCC's.

- There was disagreement regarding the current policies re: eligibility of residents for PFA.

**FCC's ideas and suggestions:**

- Increase incentives for FCC's that serve low income families.
- Increase rates or otherwise make it affordable for FCC's to serve voucher families.
- Address the reliability of vouchers (aka continuity of care) Including making sure the FCC is paid when the voucher isn't reauthorized...or better yet. KEEP the child eligible!
- OECE can help facilitate connection of other higher income families and FCC's.
- Increase the support for "Marketing Strategies" for FCC. Including how the R&Rs promote and how the FCC networks promote.
- Advocate for changes in licensing requirements regarding capacity, ratios, etc.
- Establish a "local definition" of age groups across programs and initiatives. This is particularly challenging around the definition of "toddlers".
- FCC's bring a significant value to the field:
  - Years of experience,
  - One-on-one attention
  - FCC's are a critical part of the 0-5 continuum of care
  - FCCs offer flexible hours and meet family's needs
  - FCC offer diverse age enrollment, which has been underestimated in its value to the children's development in these programs
- Create a workforce – subsidized employment. This mentorship paid program can have interested providers to become mentors. Support a pathway for training of assistants, which includes their employment being subsidized.

**FCC's urged OECE to help facilitate more conversations about QRIS and its implications on FCCs. Current QRIS presents deep challenges to FCC's. Requested that this be scheduled soon.**