



## MEMORANDUM

**October 27, 2016**

**TO:** OECE Leadership Team

**FR:** MIG, Inc.

**RE:** Summary of October 25, 2016 OECE Citizens Advisory Committee (CAC) Meeting and Discussion of 0-5 System Improvements for Financing and Reporting

**In attendance:**

**CAC:** Sandee Blechman  
Kim Garcia-Meza  
Meredith Osborn  
Yohana Quiroz  
Lygia Stebbing  
Meenoo Yashar

**OECE:** September Jarrett, Michele Rutherford, Graham Dobson, Susan Lu, Armando Zapote

**MIG, Inc.:** Jamillah Jordan, Maria Mayer

On Tuesday, October 25, 2016, the San Francisco Office of Early Care and Education (OECE or the Office) hosted a meeting of the OECE Citizens Advisory Committee (CAC). The objectives of the meeting were: to vote on approval of the 9/15/16 CAC meeting minutes; to receive the Director's monthly report; and to share and solicit feedback on the emerging system improvement approaches and strategies under consideration for the OECE's Strategic Implementation Plan.

### I. Call to Order/Welcome/Agenda Review

Chair Yohana Quiroz called the meeting to order and reviewed the agenda. Participants at the table, including OECE staff, CAC members and the MIG team, introduced themselves. Members of the public who were present were informed that a public comment period would take place as the last item on the agenda.

### II. Approval of 9/15/16 Minutes

The first item of business was to vote on approval of minutes from the CAC's previous meeting held on September 15, 2016. Motion to approve was made and seconded.

### III. Director's Report

September Jarrett, OECE Director, gave a brief report on OECE's progress and the status of the Strategic Implementation Planning Process. She presented the OECE's recently published San Francisco Citywide Plan for Early Care and Education (Plan). This document summarizes

the process of Plan development and presents an analysis and recommendations for improving the City's Early Care and Education (ECE) system in six key areas:

- Birth-to-Five Approach
- Racial Equity and Diversity
- Quality Improvement
- Family Engagement
- Professional Development and Workforce
- Financing Models

Each CAC member was presented with a copy of the Plan. September explained that additional copies could be requested from the Office, and that the Plan is also available online at [sfoece.org](http://sfoece.org).

September introduced the team from MIG, Inc., who were hired in response to OECE staff and the CAC's request that the Office seek external assistance from experts in strategic implementation processes.

#### IV. Discussion of 0-5 System Improvements for Finance Strategy

##### ***Introduction and Phase 1 Timeline***

Jamillah Jordan introduced MIG and its role in facilitating the Strategic Implementation Plan process, and began the presentation<sup>1</sup> by describing the "road map for today." She described the timeline for Phase 1 of the process which is currently underway. This is an iterative process, focusing on Community Partner Input Sessions (input sessions) such as today's meeting, in which the Project Team (consisting of OECE staff leadership and MIG) will present the emerging strategies to community partners, providers and other stakeholders and receive feedback. The process will also make use of methods such as an online questionnaire which will leverage OECE's ability to hear from a wide range of community partners. The Project Team and OECE Implementation Team will continue to refine the proposed financing and reporting strategies based on the feedback received. The Strategic Implementation Plan will be finalized in January 2017, and will inform the 2017-2018 Notice of Funding Availability (NOFA) and funding awards process to take place between January and spring 2017.

##### ***System Improvement Strategies***

Next, Jamillah turned the meeting over to September for a presentation on the emerging system improvement strategies. These strategies, developed based on internal, team-based work and feedback from First 5 San Francisco, plus feedback sessions with providers, stakeholders and the CAC, are intended to help streamline and improve the City's ECE system. The planned approach is to preserve what is working, finance the cost of quality for providers, and focus support on target populations not yet achieving kindergarten-readiness, while simplifying the system for families and providers. September reminded the attendees that the emerging strategies are consistent with what has been discussed so far, and that the current input sessions are an effort to enhance and improve suggestions already made by the CAC and other stakeholders.

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<sup>1</sup> Note that the emerging strategies presentation will be repeated at each Community Partner Input Session, with updates as appropriate. In the interest of brevity, future input session summaries will reference this report for a full description of the presentation and include only information on updates made.

The first slide presented a graphic representation of the OECE's Strategic Framework for the Implementation Plan. September described how, in considering how to implement the endorsed recommendations in the Citywide Plan, the Implementation Team conceived two key concepts and formed workgroups to develop them further:

- **Concept #1:** The Early Learning Scholarship (ELS), a plan to streamline multiple local funding programs into one funding agreement and reduce administrative reporting.
- **Concept #2:** Connections, improving the family and provider experience by enhancing the process by which diverse families are informed of ECE options, and matched with appropriate services and funding.

The OECE Team identified four initial System Improvement Strategies, including:

- **Strategy #1:** Pay fairer rates to providers by applying city funding per child so that providers can operate quality programs (at least Tier 3 on the Quality Improvement and Rating System).
- **Strategy #2:** Ensure continuity of care for target families using city funds so that no child loses early care and education services due to changes in their families' income or need.
- **Strategy #3:** Reduce redundant paperwork and reporting by:
  - a) Reducing reporting for City funding;
  - b) Improving the Cocoa data system which will be used for enrollment tracking; and,
  - c) Funding third party entities to compile and pre-certify need and eligibility paperwork for low-income families.
- **Strategy #4:** Improve the system by which families are informed of quality early care and education choices and matched with options to pay for those choices.

September described how the ELS would combine the current local City funding streams into one package that can be used to fill existing gaps between private, state and federal sources of funding and the cost of bringing City ECE providers to the quality standard set at Tier 3 of the Quality Rating and Improvement System (QRIS). Tier 3 is considered to be the baseline target for quality in the City's ECE system. Ideally, the City could also fund quality enhancements to QRIS Tiers 4 and 5.

September showed a pair of slides that provide a side-by-side comparison of the current funding system and the proposed ELS. One was a sample illustration from the CFA of stacked per child revenue charts with the per child expense rates for infants, from the current system. The other was a chart showing the various private, state and federal funding sources and how the ELS will leverage city funding to bridge the gap between those sources and providing sufficient funding for providers to reach and maintain Tier 3. This should allow low-income families that are currently fully funded to continue to be served. OECE can request City support based on planned enrollment, streamlining the process to involve one grant agreement and one report as opposed to multiple reports and programs.

Another slide showed the estimated Tier 3 cost of care for FCCs and Centers for infants, toddlers, and preschool age children. These were given as annual amounts based on a full-day/full-year program. OECE staff are currently working on adjustments based on part-day/part-year care. They are also planning to examine the Head Start model, which was not included in the fiscal analysis, and have follow-up conversations with those partners.

Other slides provided graphic illustrations of how Strategies 2, 3 and 4 will ensure continuity of care, streamline multiple local funding programs into one agreement, and improve the family outreach and matching system.

Participants were asked if they had any clarifying questions or comments regarding the presentation, and replied as follows:

- On the ELS chart, only private-paying families are listed as receiving universal PFA funds. How is universal PFA incorporated into the ELS? Why is universal PFA only called out for the one category of families? Is it still incorporated into the other City funding streams? OECE staff response: PFA enhances all groups for four year olds, and, depending on the program, for some five year olds as well. The chart will be adjusted to clarify that.
- The ELS option shown in yellow that lists PFA as opposed to those in green is confusing. Are four and five year olds covered by universal PFA in only one section or is it all-encompassing? Could you have a scenario, for instance, that shows a combination of PFA and Title 5?
  - OECE staff response: Yes. The chart will be revised to show that.
- Do all of the ELS options shown on the chart in green encompass PFA as well?
  - OECE staff response: The framework set by the Comprehensive Fiscal Analysis (CFA) considered Tier 3 as just enough for a provider to open the doors. Most of the PFA money is allocated for quality enhancement and improvement rather than enrollment. This chart shows the strategy for getting providers to Tier 3 as a baseline. There was also a disparity in the CFA in that private payer enhancement was above the line for Tier 3, whereas, due to how slots are financed for low-income children, those enhancement dollars weren't even getting them to the Tier 3 baseline. This can be represented more clearly on the graphic.
- The "Estimated Tier 3 Cost of Care" slide refers to actual annual amounts based on a "full-day/full-year program"—for FCCs that means 50 weeks at 6.5 hours a day. Does that mean the same for Centers and preschools?
  - OECE staff will confirm.
- For some providers, funding from PFA is received as a lump sum which goes not only to tuition credit, but also no more than 2% of administrative costs. They also receive funding from C-Wages for staff salary and worker's comp. Will funding from the ELS still include all those components, rather than just going straight to the family?
- Many current programs are income-verified for the families. In the new application process under the ELS, is the site applying for that income-verification or is the provider individually income-verifying families? Who decides whether a family can afford the full payment? Is there a way to income-verify that, just by site, or will the Office require an income verification? If so, who's going to do all that paperwork?
- For clarity, the order of the two purple bands in that chart representing private-paying families should be switched. Each of these bands essentially represents a type of family that qualifies for a certain type of subsidy. It would make more sense to start off with a private-paying family that doesn't qualify for any type of subsidy, then move to the private-paying family under 500% of the FPL, who are getting some kind of ELS in addition to universal PFA in order to make up the gap. Then list the other bands in the same order.
- If there's a private-paying family that has an infant 0-2, and they are off the scale by something like \$100, then that represents that they'll pay the majority of the tuition costs, and then the ELS would cover the remaining portion. But if, for instance, the cost for providing infant care is \$1,900 a month, that means the family will pay perhaps \$1,500, and \$400 of ELS will be applied. The cost of infant and toddler care is much higher than preschool slots, and therefore, in preschool slots for 4 and 5 year olds, the family is paying about 50% of the cost. Should it be that way, or should the percentage for an infant or toddler slot be bigger for families who can't afford the full cost?

- The “Estimated Tier 3 Cost of Care” slide doesn’t show a parallel structure for FCCs and Centers. It lists the cost of care in Centers as much higher for infants—but the costs it lists for toddlers and preschool in FCCs are higher than for those age groups in Centers. I’m not sure that’s the common wisdom. Where do these numbers come from?
- It must be kept in mind that cost of care was determined at a certain point in time—we need to be conscious of how those costs escalate over time. Those original estimates also reflected what some considered to be inadequate salaries for early childhood educators.
- I’m also curious about the thinking that went into maintaining tuition credit of the magnitude shown in the ELS chart for all families. Is that really sacrosanct, and to what extent does it really enhance access for families—especially since most preschool slots are filled when kids are 2 or 3, not 4?
- Also, what do we know about what the cost of this whole system, and can we afford it? What does it cost to serve the kids we’re already serving with ELS? Can we afford to serve the number of kids we’re currently serving, or does this expand the number? Ultimately, how can the increased investments be prioritized?

### **Group Discussion**

Assuming that funds are insufficient to accomplish all goals during the first phase of implementation, some prioritization will have to take place. The next portion of the meeting was dedicated to a group discussion, in which CAC members were asked to answer a series of four questions intended to help OECE prioritize goals and decide how the new programs will be implemented. The first three questions posited choices between an Option A and Option B. Participants were requested to indicate their preferred option with a show of hands as to which option they preferred, or to indicate if more discussion was needed before they were able to make an informed choice.

#### **Question 1**

*Option A: Should we focus on bringing all providers up to a base level of funding at Tier 3 initially, and then seek to adjust rates for Tier 4 and Tier 5?*

*Option B: Or should we build in tiered re-imburement or incentive for higher quality levels from Year 1?*

Questions and comments included:

- I’ve wondered what distinguishes Tier 3 vs. Tiers 4 or 5. It’s not any cheaper to provide service at Tier 3. Ideally, everyone will provide the highest level of care they can, but perhaps the system can work to bring all providers up to Tier 3 and allow other factors to incentivize them to provide higher quality. It’s not cheaper, so why is more being paid to those providers?
- Do we know how many Centers are far off from Tier 3?
- Also, many Centers are already at Tier 4. If Tier 3 centers will be given extra support to get to Tier 4, why reimburse a Center at the Tier 3 level if it’s already at 4? It costs more because of those additional factors, so why would we start at Tier 3 initially?
  - OECE staff response: This is based on data points brought up at the PFA roundtable approved for the QRIS update. It’s really very different depending on Center status and FCC status for a variety of reasons. One is that QRIS is very Center-focused. Secondly, we’ve invested a lot more training and technical assistance in our Center quality improvement system. Thirdly, we haven’t made the same level and scope of investment in FCCs, so there’s a big difference between the two and that’s an important qualifier.

- It seems that we're talking about two different things. Currently, no one is getting reimbursed at Tier 2 or 3 level unless they are PFA providers.
  - OECE staff response: That's not true. For some sites with mixed profile types and PFA as well, there is compounded investment in some private payers. They are being funded as if for quality enhancement, but are below Tier 3.
  - When Tier 3 was funded, that was an increase for almost all Title 5 Centers. It's said that the research shows that tiered reimbursement does have an effect, but it's not clear how it correlates with cost.
- This question can't be answered without knowing what the actual tradeoffs are in terms of numbers of providers, children, etc.
- The distinction between FCCs and Centers is important. The way FCCs were being evaluated made it impossible to get to Tier 3. A lot of work needs to be done to bring the experience of FCCs on parity with Centers. It's crucial to ascertain that we're not using a flawed evaluation tool rather than those FCCs really requiring a raise in quality. A "one-stop shop" won't be equitable until there is a more equitable evaluation tool.

The CAC members concluded that they were not comfortable making a choice between the two options in Question 1 without more information.

## Question 2

*Option A: Should we explore strategies to offset family fees with local dollars (within state and federal limits)?*

*Option B: Or should we build family fees into our model up to 110% of Area Median Income?*

CAC member's questions and comments were as follows:

- Clarification was requested for Option A.
  - OECE staff response: Currently, there is a given schedule of fees for low-income families receiving vouchers or on state contracts which OECE cannot change. There is also a very uneven family fee landscape—variations include whether fees are collected or not and whether providers use City funding sources such as PFA toward family fees or offset them with other sources. The question is, since there's not yet enough money to do everything recommended in the Citywide Plan—should family fees be factored in as a revenue source more consistently across the board?
  - Additionally, family fees can be a continuity of care issue for several reasons:
    - State contracts sometimes require that a family which doesn't pay fees be disenrolled or disqualified. The State has recommended discontinuing family fees, even though they are federally required to be collected.
    - Some families are migrating from State preschool to Transitional Kindergarten (TK) because there are no fees collected.
    - If subsidized families in an FCC with a significant fee have the choice of moving to a Center with no family fees collected, that's enough to motivate low-income families to make that move—even if they prefer the FCC.
  - OECE staff have been grappling with the immense complexity of administration if family fees were consistently offset. Everyone is getting a different deal depending on the makeup of their family and the State fee charged to them. They are trying to simplify administration, and if fees are going to help bridge the gap, potentially every family will have an individual ELS and it will become as administratively burdensome as the present system.
- Please confirm—Option A represents the current low-income family fee, and then Option B represents building family fees in up to 110% AMI—are we trying to capture more families?

- OECE staff response: as an example, Secretary Clinton proposed that 10% of family income should go toward childcare. A fee schedule can be built that does so all the way up.
- So the cap for low income is higher in Option B?
  - OECE staff response: Yes.
- Therefore this system will capture not only low-income, but possibly up to low middle income or even middle income, whatever that's considered?
  - OECE staff response: Supervisor Yee is considering up to 110%-120% of AMI for a family of four still worthy of subsidizing. The income cut-off for subsidies is much lower.
- So under either scenario, we're using local dollars to offset family fees?
  - OECE staff response: Yes, many programs are using local sources to offset payment of family fees for subsidies.
- Therefore, in Option A, all families are charged up to a certain level and, while it creates administrative problems, it provides better continuity of care and benefits families for whom this is a distinct hardship. But in Option B, what is being done?
  - OECE staff response: Option B would charge family fees and create a fee schedule that goes higher than the subsidy eligibility cutoff.
- So we actually start charging all families fees up to 120% of AMI?
  - OECE staff response: Yes, or some subset. Within the local scholarship, the family fee structure as well, so that it's consistent between state-subsidized and locally-subsidized children. It is currently up to 85%.
- Is this a middle-ground between the current models of total income verification to PFA where there's no income verification—so families will be receiving funds even if they're not low-income, but not making a ton of money?
  - OECE staff response: When the numbers are complete, the Office will run scenarios and bring those to the November CAC meeting. Some guidance is needed; perhaps the CAC will be able to better provide that guidance when you can see the numbers. In Option A, local money pays family fees for low-income kids. In Option B, it's assumed that all families contribute, at every level, and the family fee schedule is built up to the moderate-income families that the CAC has prioritized as those to consider supporting. Consistency is necessary so families are treated more evenly. Some low-income families pay a significant fee and some don't; it's dependent on the luck of the draw and what program they're in. If family fees can be considered as contributing toward the system cost, it provides more money and flexibility to meet other priorities.
- So is this 110% of Bay Area AMI matched up with the purple band on the chart that shows private-paying families at 500% FPL?
  - OECE staff response: They need to be the same. Currently they're actually very close, and the Office is trying to align them.
- Will Option B allow some families to have their fee fully covered?
  - OECE staff response: Low-income families can ask that they have no fee.
- Option A is administratively burdensome, but seems fairer and less burdensome on families.
- Option B, however, would help support low-income families. 110% of AMI is really very low-income. It would also be a way to assist our workforce, who also have children and can't necessarily afford childcare.
- I'm leaning more toward Option B and building fees into the model, because every family is getting something different, depending on the program they're in. Often some of the families who have been in programs for awhile have their fees raised because their income goes up, and they can't really afford it. We can ask what they can afford and pay the difference.
- Option A is saying no fee, Option B is saying yes, collect fees?

- OECE staff response: to clarify, family fees will need to be factored into the State and federal dollars that the Office's charges are leveraging. The question is, do we budget local funds to pay for that difference, or is it collected from families.
- So in Option A, no families pay fees, and in Option B, all families up to 110% of AMI pay fees because those are the families receiving local subsidies?
  - OECE staff response: We want to smooth those edges for families who need support over the level of the state cut-off.
- Given some of the choices offered, such as continuing the tuition credits for all four and five year olds—I would rather have the City cover family fees.
- Some may think that the tradeoff is that we can't provide an ELS to families up to 110% of Bay Area AMI if we offset family fees, but I don't believe so. Just to be clear, we will have less money if we offset family fees, but it's not as if we will not continue to smooth care to those under 110% of the AMI.
  - OECE staff response: That's an important clarification. Some were choosing Option B because that seems to represent taking care of moderate-income families. We are exploring how to do that—the CAC has made it really clear that's what they want. Right now the only families who are being assisted over 85% of the SMI are PFA families.
- But they are not eligible for subsidized care, because they go off the scale, correct?
  - OECE staff response: Correct.
- So what we're dealing with are families who no longer qualify for subsidized care and would now have to pay full tuition. If the child is, say, a two-and-a-half year old—how do we serve them?
- Just charging fees isn't saying that they're not going to get an ELS to make up the difference. The fee is separate from that.

A show of hands was taken as to whether CAC members preferred Option A or B. Three voted for Option A, and two for B, with the rest abstaining at this time.

### Question 3

*Option A: In terms of expanding access to address low-income subsidy eligible families on the waiting list: Is it preferable to expand access for low-income infants and toddlers from target populations through kindergarten entry?*

*Option B: Or is it preferable to extend preschool access to low-income 3 year olds?*

Question and comments included:

- This is a difficult choice.
  - OECE staff response: This is a matter of expansion. We are examining what we can afford to do to avoid disrupting continuity of care. Are we paying to smooth issues of eligibility, which is a family fee issue? Are we extending the OECE system to more children? We have a choice—take PFA for four years olds and push it down to all threes and fours, or low-income threes and fours? Or do you look at the data, observe that certain populations aren't faring well, focus on that and build up? The Office is trying to build a 0-5 bridge in continuity, which is the vision the CAC has provided, but we're doing it in pieces.
- So, do you mean that with Option A, it's covering just low-income target populations 0-3, and with Option B, it's covering all low-income 3 year olds? Do we have to do one or the other?
  - OECE staff response: that was what the Office inherited from budget advocacy last year. You understand that correctly.

- In other words, it's cheaper to provide preschool to three year olds or we can do fewer infants and toddlers from target populations? Do we have to do one or the other?
  - OECE staff response: we probably can't afford to do both next year.
- To confirm, we're saying we can do target populations from infancy to kindergarten entry?
- Option A seems to be more consistent with the vision, since we've targeted those children.

A show-of-hands vote was taken. Five voted for Option A, none for Option B. One CAC member abstained.

#### **Question 4**

*Building on state CDE policy, we are considering rate factors as a year one approach for more equitably distributing resources to the priority populations identified in the city-wide plan. Are there other approaches you would like us to explore?*

To supply context, a slide was shown giving figures for various characteristics within kindergarten-readiness levels in the City (whether or not a child has attended preschool and income, language, special needs, racial and wellness factors). It showed off-the-chart preschool participation; however, readiness has not moved commensurately. Another slide showed the correlation between these factors and predictors of overall school readiness. These were based on the Kindergarten Observation Form (KOF).

- What are some of the rate factors you're considering? We need to know more before answering.
  - OECE staff response: The Office hasn't figured it out yet. What we're considering is that the profile of the child can be used to arrive at the rate. Additionally, there are adjustment factors which are applied differently in different contracts, and you can't use more than one rate factor, so the higher factor of the two is used. For instance, if you have a toddler or a special needs child who happens to be bilingual, you have to use the toddler or special needs adjustment factor and don't get the English-language adjustment. The OECE is considering how to build in differentials for other adjustment factors that are important for our targeted populations. In order to honor the CAC's vision of applying an equity lens, we could borrow the idea of the differential from the ELS based on whether a provider's enrollment resembles the target population. It's not necessarily an ideal approach for three years from now, but may work for Year One. Are there other adjustment factors you'd suggest we consider to support the vision of equity?
- It needs to be more than just enrolling more target/priority populations. What is the Office doing to improve outcomes for those kids? We just saw data around readiness and why some populations don't have access, so if you're thinking about targeted universalism, how are you differentiating your instruction? What does family engagement look like? What can programs say to demonstrate what they're doing to kindergarten readiness? There are other factors you can leverage.
- I agree. What adjustments will programs be making to ensure that children from targeted populations are served?
- I have been viewing videos of teachers from across the board, and some teachers in the centers we're discussing are not implementing any of these programs to support English language learners. Also, many programs have rotating substitutes, so there's no continuity of care. The challenge is exacerbated by the climate of professional development, what's happening in higher education, and not being able to retain good teachers.
- We need to figure how to not just enroll children from target populations, but also how to provide tools for the FCCs and Centers so they the necessary training. Programs can't

spare teachers to take these trainings when they are only available during the day. Also, having trainings in Spanish or other languages will help teachers learn to work with native speakers.

## V. Public Comment

Members of the public who were present were invited to take up to two minutes apiece to ask questions and provide comments. Their questions and comments included the following:

- Preschool Plus was not included on the ELS chart under private-paying families—where is it included?
- PFA was founded so that all four year olds can have a quality preschool experience. Then the system began to apply and certify income, etc. If the concern is for the benefit of all children regardless of family income or circumstance, then an ideal approach would be to not have any fees.
- In terms of the funding amounts, why do FCCs and Centers have different pay? Is it because of amount of time, or what?
- If 50% of all children who don't go to preschool are kindergarten-ready, but 65% are ready if they do go to preschool—isn't that a lot of money for not much of a jump? Have we determined that we're actually being effective in meeting the goals we set?
- Are you asking us to ask each provider what populations they want to serve—it's a good business model, but how does that mesh with the needs of children and families?
- From an FCC standpoint, serving mixed-age children provides a rich environment—this is not necessarily reflected in any of the standards.
- Many FCCs meet Tiers 4 and 5 and want to be acknowledged. Is it better to serve two children at a lower level or one child at a higher level? And finally, Tier 3 as a baseline makes a lot of sense, but is there an additional pot of money to acknowledge those who reach higher quality?
- When you refer to local funds, since you're blending all the funds in the ELS, do you mean not just local funds but City C-wages, etc. any time in your chart are you talking about local dollars? Also, important to clarify—since you can't charge fees for Head Start, and if we're blending funds to provide services—what is the family fee paying for—a certain number of hours out of a six-hour day? Our financial model doesn't work like that. We don't collect family fees for that reason. Finally, regarding simplifying the administrative burden—will that also include C-wages? Is that going to be a split-out contract or included in the ELS contract?
- Since FCCs and Centers have different needs—does the simplified system create inequity? And does more money mean no poverty?
- What's on the quality rating scale and what do we consider to impact quality more? This needs to be considered in terms of the additional challenges to providing quality posed by the location of some centers, along with high need in those particular communities. Many agree that one factor driving quality is the difficulty in finding teachers to staff those sites.
- As a clarification for the group—Question 4 seemed to be about rate factors and morphed into a discussion of quality—I don't think the question about rate factors was answered or addressed.
- Will there be other opportunities to make comments or ask questions after today?

## VI. Summary and Next Steps

Jamillah and September concluded the meeting by describing the next steps in the process, as follows:

- Receive feedback on emerging system improvement strategies
- Bring high level allocation/funding scenarios to CAC in November
- Continue active planning and refinement of strategies
- Prepare the Notice of Funding Availability (NOFA)
  - September clarified that the NOFA should be ready in early 2017, likely in January, so that providers can have commitment letters by early spring 2017.

The next CAC meeting will take place on November 17, 2016.



## Road Map for Today



**Goal:** Share and solicit feedback on the emerging system improvement approaches and strategies

**Objectives:**

- Review Phase 1 timeline
- Present emerging system improvement strategies
- Collect input on priorities and issues
- Share next steps

# Phase 1 Timeline



## Phase 1 Timeline

- Internal, team-based work and feedback from First 5 SF: July – August 2016
- Feedback sessions with providers, stakeholders and Citizen’s Advisory Committee: August - September 2016
- Revised strategies based on feedback: September 2016
- **Partner input sessions: October – December 2016**
- Citizen’s Advisory Committee meeting: October 25, 2016
- **Online questionnaire: November 2016**
- Revised financing and reporting strategies: January 2017
- **Funding application process: Early Spring 2017**
- Funding awards for 2017-2018: Late Spring 2017



## OECE Partner Input Sessions

- San Francisco Child Care Providers Association: October 17
- PFA Roundtables: October 19 - 21
- Family Child Care Association Conference: October 22 (8 am – 3 pm)
- OECE Citizen’s Advisory Committee: October 25 (3:30 – 5:30 pm)**
- Quality Partners/SF QRIS: October 27 (3 – 5:30 pm)
- Information and Matching Focus Group: November 3 (9 – 11 am)
- CDE Contractors: November 10 (3 – 5 pm)
- Family Child Care Association Board: November 17 (6:30–8:30 pm)
- Parent Voices: November 18 (6 – 8 pm)
- Child Care Planning and Advisory Council: December 14 (9 – 11 am)

# System Improvement Strategies



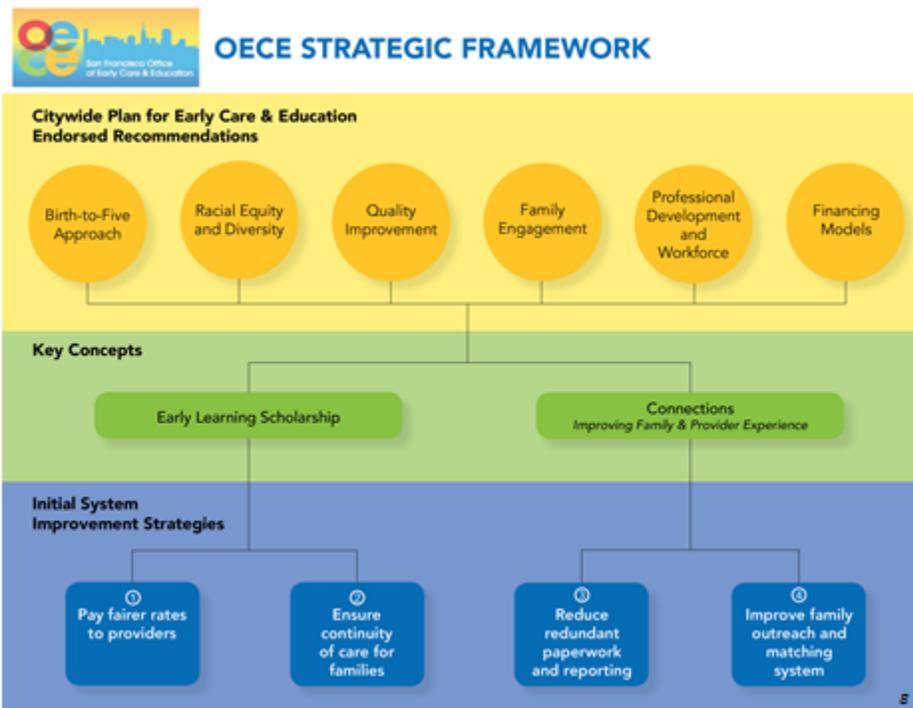
## System Improvement Approach

- **Preserve** what is working
- **Finance** the cost of quality for providers
- **Focus** support on target populations not yet achieving K-readiness
- **Simplify** the system for families and providers



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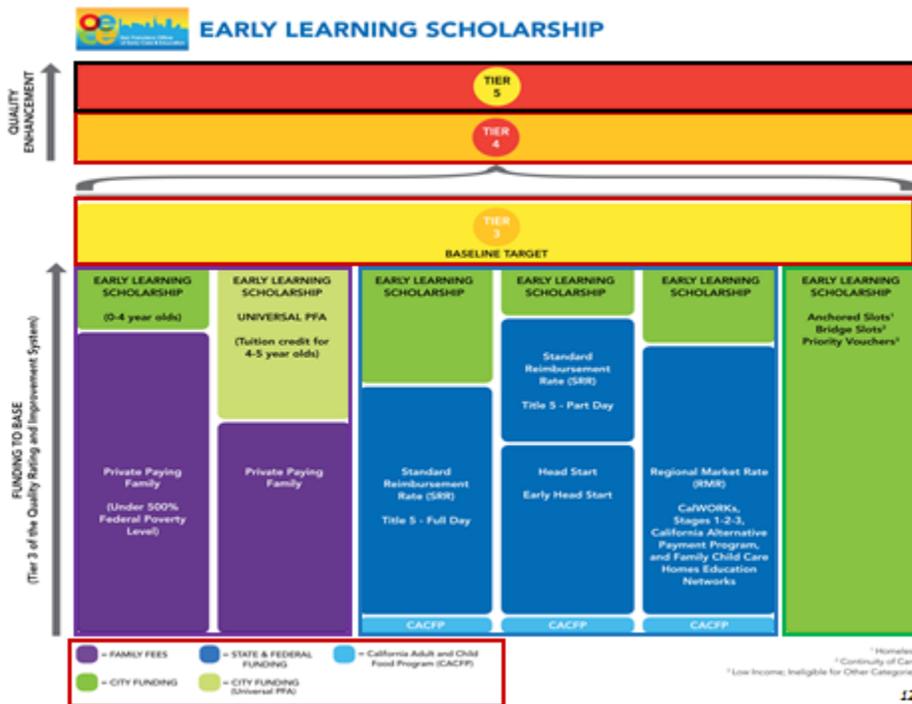
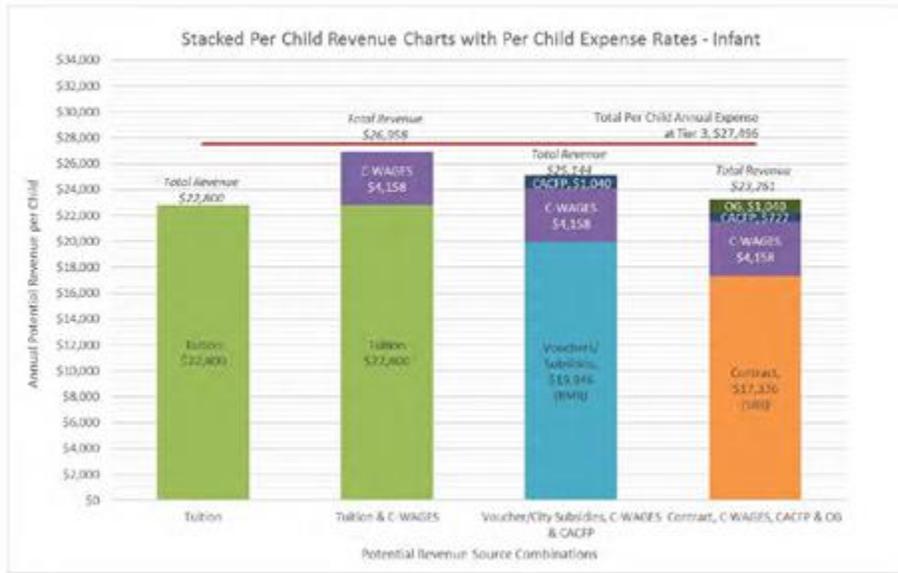
## System Improvement Strategies

- Strategy #1:** Pay fairer rates to providers
- Strategy #2:** Ensure continuity of care for families
- Strategy #3:** Reduce redundant paperwork and reporting
- Strategy #4:** Improve family outreach and matching system



## EARLY LEARNING SCHOLARSHIP STRATEGY 1





## Estimated Tier 3 Cost of Care

	FCCs	Centers
Infants	\$23,572	\$27,496
Toddlers	\$23,572	\$20,935
Preschool	\$20,204	\$17,069

- These annual amounts are **based on a full-day/full-year** program
- OECE staff are currently **working on part-day/part-year adjustments**



### EARLY LEARNING SCHOLARSHIP STRATEGY 2

Ensure continuity of care in high quality early education settings for high-priority populations

#### CURRENT



#### OECE EARLY LEARNING SCHOLARSHIP





### CONNECTIONS: IMPROVING PROVIDER EXPERIENCE STRATEGY 3

Streamline multiple local funding programs into one funding agreement and reduce administrative reporting

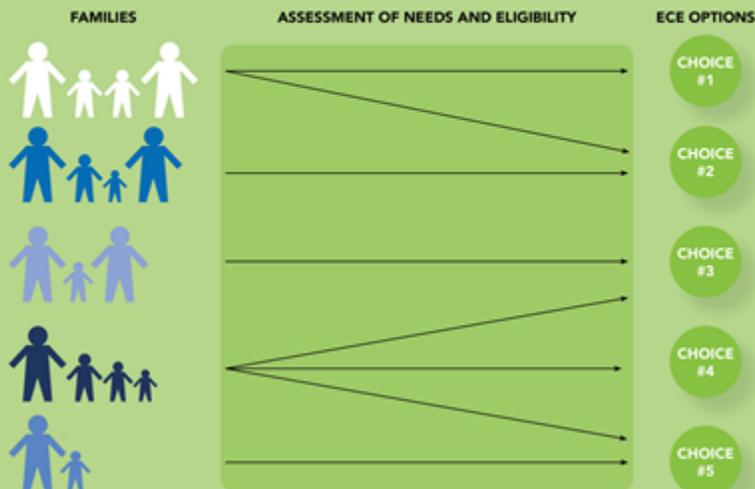


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### CONNECTIONS: IMPROVING FAMILY EXPERIENCE STRATEGY 4

Improve the system by which families are informed of diverse, quality early care and education choices and matched with options to pay for those choices



ECE OPTIONS: Part-Time or Full-Time • Childcare Setting • Location • Curriculum • Subsidy

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# Group Discussion



## Discussion Questions

### Question #1:

Should we focus on **bringing all providers up to a base level** of funding at Tier 3 initially, and then seek to adjust rates for Tier 4 and Tier 5?

**OR**

Should we build in **tiered re-imbursement or incentive** for higher quality levels from Year 1?



## Discussion Questions

### Question #2:

Should we explore strategies to **offset family fees** with local dollars (within state and federal limits)?

OR

Should we **build family fees into our model** up to 110% of Area Median Income?



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## Discussion Questions

In terms of expanding access to address low-income subsidy eligible families on the waiting list:

### Question #3:

Is it preferable to expand access for **low-income infants and toddlers from target populations\*** through kindergarten entry?

OR

Is it preferable to extend preschool access to **low-income 3 year olds**?

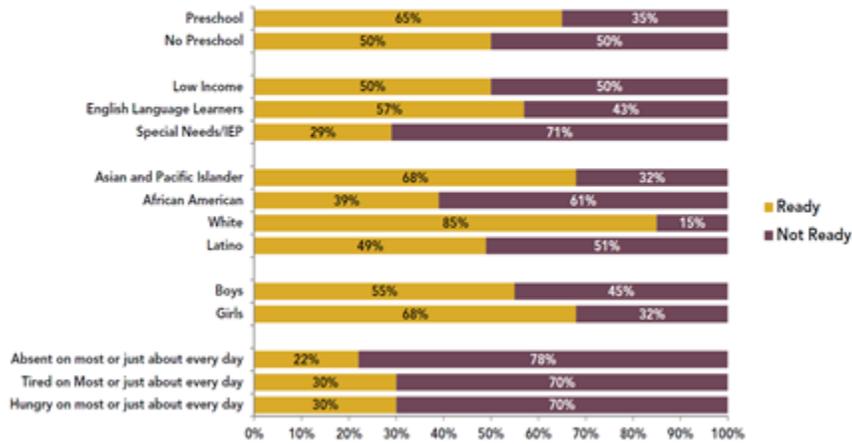
*\* Target populations include African-American children, Latino children, English Language Learners, Children with Disabilities and Low-Income Children.*

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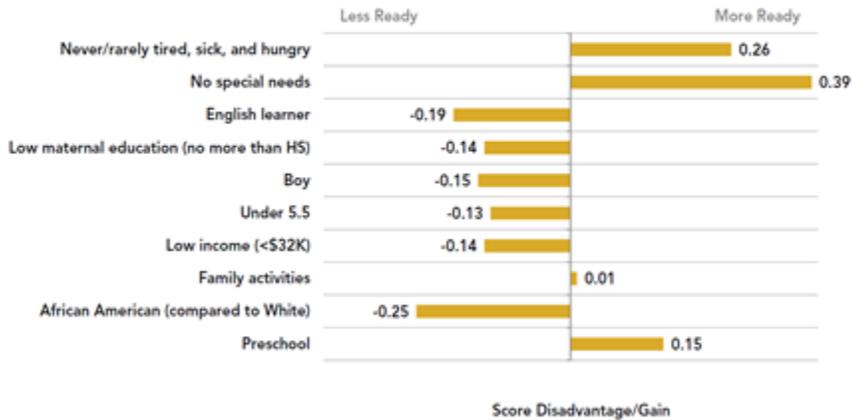
# Kindergarten Readiness

## CHARACTERISTICS WITHIN READINESS LEVELS



# Kindergarten Readiness

## PREDICTORS OF OVERALL SCHOOL READINESS



## Discussion Questions

### Question #4:

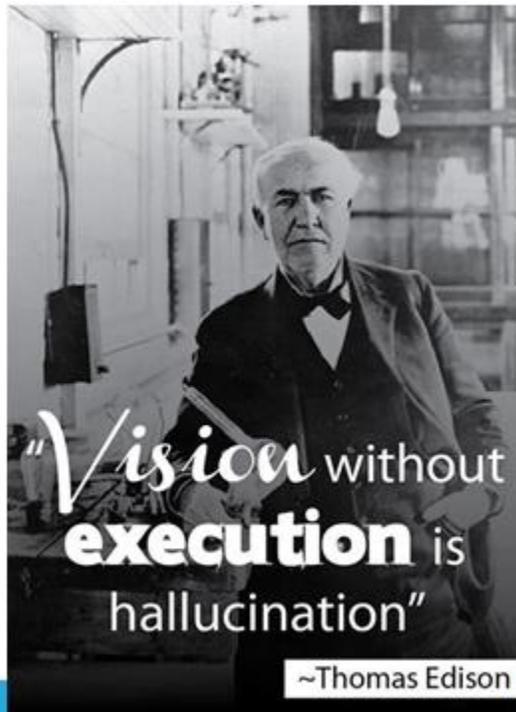
Building on state CDE policy, we are considering rate factors as a Year One approach for more equitably distributing resources to the target populations identified in the city-wide plan.

Are there **other approaches** you would like us to explore?



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