



Edwin M. Lee
Mayor



September Jarrett
Director

Office of Early Care and Education (OECE)
Citizen's Advisory Committee
Minutes of the Meeting of January 19, 2017

Date: January 19, 2017

Time: 4:00 pm – 6:00 pm

Location: 1650 Mission Street, Suite 312, OECE Conference Room

Members Present: Kim Garcia-Meza; Yohana Quiroz; Lygia Stebbing; Meenoo Yashar; Sandee Blechman; Candace Wong; Kathie Herrera-Autumn; Jerry Yang

Members Absent: Meredith Osborn

OECE Staff Members Present: September Jarrett; Michele Rutherford; Sandra Naughton; Graham Dobson; Jason Holthe; Susan Lu;

I. Call to order/Welcome/Agenda Review

Yohana and Candace welcomed Committee Members, OECE staff, partners and members of the public.

- Introduction of Dr. Jerry Yang as a new CAC member.
Mayor Lee appointed Dr. Jerry Yang to fill seat 4 of the OECE Citizen's Advisory Committee in December 2016.

In addition to Committee Members the following were in attendance:

- Dawn Perry, Children's Council of San Francisco
- Sara Hicks-Kilday, San Francisco Child Care Providers Association
- Anthony (Tony) Tyson, Child Care Planning and Advisory Council Jennifer Curran, Mimi and Peter Haas Fund
- Jennifer Martinez, Wu Yee Children's Services
- Fonda Davison, Cross Cultural Family Center

II. Approval of 11/17/16 Minutes

The minutes were approved by the six Committee Members present.

III. Director's Report (See attachment 1)

- Highlights from the Director's report:

- Ms. Jarrett announced that Elise Crane resigned at the end of December to work on the workforce registry statewide, and that Michele Rutherford will be retiring at the end of February 2017.
- Ms. Jarrett reported the 7 open positions in the Office were expected to be filled soon.
- Ms. Jarrett thanked our partners, Children’s Council of San Francisco and Wu Yee Children’s Services for supporting the Family Perspective Project. The final report will be available soon.

IV. Presentation 2017-2018; 2018-2019 Budget Development and Priorities.

- September Jarrett presented the OECE budget development & system improvement updates (see attachment 2).
- Questions & clarification of updates
 - We have \$ 7 million one-time funding from the PEEF last year. How much do we have this year?
 - It is an approximately \$11 million balance of prior year one time money.
 - How much of the Children’s Fund budget is allocated to serving 5 year olds?
 - OECE receives Children’s Fund dollars from DCYF via an interdepartmental agreement called a work order. Currently, the Office understands that the Department of Children, Youth & Their Families is working on Service Allocation Plan to guide areas of investment for the Children’s Fund, for all ages of children and youth.
 - What’s the 7% alignment with the minimum wage?
 - This year’s minimum wage is \$14.00 per hour. 7% is the relative increase in minimum wage from last year to this year.

V. OECE 0-5 system improvement updated & implementation issues

- Early Learning Scholarships reimbursement rates for centers and FCCS (see attachment 3)
- Comments, questions, & clarification of the issues
 - The concept of the tiered reimbursement is to improve ECE quality. What kind of quality can be delivered if the providers cannot pay their staff well? Are there any documents that can support how tiered reimbursement works?
 - The CFA recommended the Tier 3 rate as a base rate, and CAC members endorsed this recommendation. Based on community input, the Office made the decision that we are going to pay the Tier 3 rate as a first priority for all providers who want to be in the quality system, and reach the Tier 3 level. As the QRIS develops and resources are available, we

hope to develop a tiered reimbursement approach which funds high rates for higher levels of quality.

- What's the cost of fully delivering the Citywide Child Care Plan?
 - It is the next level of implementation, and the Office is not at that stage of projection, yet. Toward this goal, our first priority is to pay fairer rates, streamline the funding structure, and make better matches for families. We are building the data infrastructure to understand needs and project system wide costs.
- What are the definitions of the site-based and enrollment-based funding? And what are the differences between these two definitions?
 - C-Wages is a site-based program. The requirement for C-Wages is to serve 25% of low-income families. If a program gets C-Wages, the city supports the compensation of all teachers at the site. Enrollment based funding shifts the funding to specific enrollments for example, low-income families. Currently, some FCCs with C-Wages have zero low-income family enrollments. Unless the FCCs choose to enroll low-income children, they may have a negative financial impact when C-Wages is consolidated into ELS funding. Regarding these FCCs, the Office is planning to provide Transition Funding that may help them to have a smooth transition after C-Wages is consolidated. We hope that quality FCCs will enroll low-income families.
- How can we complete the family income verification? Without C-Wages, FCCs don't have other funding resources like other non-profit agencies. How can the FCCs bridge the funding to pay the staff and cover the real cost of operating a quality FCC program?
 - We will follow up about the income verification process. The Office does not have strong income level data about who we are serving now. We are focusing on the Comprehensive Fiscal Analysis recommendations to standardize the reimbursement rates based on the Tier 3. Second, will be to use the equity lens and increase the child care enrollment for low-income families. Third is to build the bridge from 0-5. According to the Citywide Plan, we will prioritize the funding for infants and toddlers, the lowest-income families, and target populations to build the bridge and provide young children and families continuity in relationships and care settings to maximize their development.
- As one of the members in this committee, when can the committee members know about the details of the ELS NOFA?
 - You play an important role as an advisor, and OECE will share the summary results of the process and reflect on it with you. However, we

- are limited in sharing detailed and specific information on funding notices, as many committee members are applicants for funding.
- Some agencies may have huge cuts that will impact their agency's infrastructure. Some agencies may suddenly get more funding, and then other additional supports need to come soon such as monitoring and T/TA support.
 - OECE is trying to proceed responsibly toward implementing the changes of the plan. Some of the funding will shift due to the equity focus and streamlining, and the transition funding is for the providers and partners who choose not to enroll the priority populations. The Office hopes to understand how to resource providers and partners better over time. The Office is working on enrollment data, especially with the programs that have mixed enrollment model. The Office hopes to have a deeper understanding of what agencies are doing and what families they are enrolling and why, and continue to develop responsive and effective funding approaches.
- The plan is to encourage more agencies to serve the target populations. Some agencies are in Tier 4 & 5 because they have strong infrastructure that take years to build. Now, they are going to lose funding that used to support the teacher's curriculum development. The agencies serving the target population should get the resources they need.
- What is the definition of middle income and low-income? Can we come back and have more committee input? Some children with special needs and some Latino and African-American children who need support are not low-income. How are we going to serve those children in the target populations who do not meet the low-income requirement? Also, some of these children don't enroll until they are preschool age.
 - It is the Office's intention to make sure we have clear and transparent information and serve all populations over time. Regarding continuity of care, the Office is thinking of extending to all ages if the funding allows. The Office is also looking for policy solutions such as 12 months eligibility for the CalWorks program, and 24 months eligibility for Title 5 programs.
- When the cost model came out initially, the calculation model was only for centers. How did we calculate the rate for FCCs?
 - In fact, the FCC rate was included initially, but the Office felt it needed additional development. The CFA created an on-line tool to calculate the FCC's rate. However, using the on-line tool to calculate the rate for FCCs was not sufficient, so the Office did additional work. The staff received field input, and used the tool to calculate an adjusted FCC rate. The Office

used the center calculation model that was created by the CFA to come up with the rate for FCCs at Tier 3. It is adjustable and scalable.

- Why is the rate for a Full Day Full Year center-based program lower than for an FCC?
 - The Full Day Full Year rate for centers and FCCs came from the CFA's cost model and is largely a factor of scale.
- Does the cost model of FCC include the staff's benefits?
 - If an FCC has a paid staff position, all the benefit costs are included in the model.
- The definition of Full Time is 8 hours, but some centers provide services for 10 hours that is called Full Time Plus. The cost of providing services for 10 hours is very different than the cost for 8 hours.
 - The Office understands this issue from a family and provider perspective and will look into this issue in the next implementation.
- How does the calculation model work?
 - The model takes all the costs and divides the costs by the enrollment number. Centers have more scale than the FCCs, so the rates for centers are lower than for FCCs.
- How many non-profit FCCs and centers are in the City?
 - All the CDE providers, the State contractors are non-profit as well as other centers, and FCCs are for profit. However, some for-profit centers and FCCs serve low-income families without making much profit.
- The scale for non-profit agencies is very different than the for-profit agencies, and the difference should be considered in the rate calculation.
- Based on the cost model for preschools, how is the rent calculated? Is it based on the average?
 - It is calculated based on the typical rent.
- The ELS NOFA will be released on January 27th. There are formal information sessions for questions. All the questions and answers in each session and from emails will be available on our website.
- If a provider is a non-English speaker, how can the provider submit the question?
 - The provider can submit the question in their own language.

VI. Public Comment

- How can providers receive the ELS NOFA application?
 - The application will be posted on the OECE website, and there are hard copies for pick up. The ELS NOFA for FCCs will be in English, Spanish, and Chinese. The ELS NOFA for centers is English only.

- The Office shared the one page of the new rates in this CAC meeting. Was the previous rate information shared with the public?
 - No, the previous rates information was not shared with the public.
- Acknowledgement for Michele for her service to ECE and being an exceptional leader in the field.

VII. Closing

The next CAC meeting will take place on March 16, 2017 from 4:00 – 6:00 pm at the Office of Early Care and Education, 1650 Mission Street, Suite 312.



Edwin M. Lee
Mayor



September Jarrett
Director

Attachment 1

To: OECE Citizen's Advisory Committee Members
From: September Jarrett, Director
Date: January 19, 2017
Re: Director's Report

On behalf of OECE, we are excited about bringing about positive systems change in early care and education for San Francisco's children and families in partnership with our provider partners in 2017. It's a dynamic, challenging time of growth for our organization. I am writing to share a few key updates related to our organizational development, policy environment; and 0-5 system improvement implementation for 2017-2018 and beyond.

I. OECE Organizational Development

We have a wonderful new addition to our Citizen's Advisory Committee, as well as staff changes to report.

- **New Citizen's Advisory Committee Member: Dr. Jerry Yang**
Mayor Lee appointed Dr. Jerry Yang to fill seat 4 of the OECE Citizen's Advisory Committee in December. Dr. Yang brings a depth of practitioner experience to our planning table, including in Head Start service delivery, a key component of the city's early care and education system. Please join me in welcoming Dr. Yang!
- **Elise Crane, Senior Analyst Working on Workforce Registry Statewide**
Elise Crane, Senior Analyst, resigned at the end of December to pursue statewide work on the California Workforce Registry. Ms. Crane has led the development of the Registry in SF and LA, and is now poised to work full time to bring the work statewide for the field. We are excited for the Registry to go statewide, and for Ms. Crane to continue to play a leadership role in its growth.
- **Michele Rutherford, Deputy Director of OECE, to Retire in February**
Michele Rutherford, Deputy Director, has announced plans to retire at the end of February following 31 years of service with the City of San Francisco. Michele has been instrumental to the ECE work of the City for nearly two decades, and her commitment to our mission and

work is unparalleled. It's hard to imagine an OECE without Michele! We are working on a retirement celebration fitting of Michele's accomplishments, and will forward an invitation soon!

- **Recruitment in Process for 7 Open Positions: Aim to Hire in February**

We continue to work actively with the Human Resources Division of the Human Services Agency to fill vacant position as soon as possible, given the steps involved in permanent civil service hires. For reference here is a list of open positions and their status:

- 1) 1823 Sr. Administrative Analyst Quality and Workforce (new): Recruitment Closes 1/20
- 2) 1823 Sr. Administrative Analyst, Data and Evaluation: Interview Panels 2/2 or 2/3
- 3) 1823 Sr. Administrative Analyst, Fiscal Strategies: Interview Panels 2/2 or 2/3
- 4) 1822 Administrative Analyst, Data and Evaluation (new): Interview Panels 2/2 or 2/3
- 5) 1822 Administrative Analyst, Fiscal Strategies (new): Interview Panels 2/2 or 2/3
- 6) 1822 Administrative Analyst, Fiscal Strategies (new) : Interview Panels 2/2 or 2/3
- 7) 2916 Drop In Child Care Supervisor (new) : Testing to be completed 1/30

Maya Castleman will join OECE on February 1 and serve as my Executive Assistant as well as hold several projects including serving as CAC Liaison. Ms. Castleman comes to OECE from a program and administrative role at Parent's Place. She will be a wonderful addition to the OECE team.

- **Family Perspectives Project:** We want to thank our partners at Children's Council of San Francisco and Wu Yee Children's Services for supporting our effort to get more direct, family focused information for planning. HSA's Innovations Office partnered with us to describe low-income families' experiences finding and accessing ECE services. OECE and HSA staff interviewed parents with children under 3 who are on CalWORKS or live in a Hope SF public housing site about their child care arrangements, how and why they made their child care choices, and their experience with those choices. R&R staff at Wu Yee and Children's Council submitted data about the types of information low-income families sought. Through both methods, the lead researcher Marc Hebert will synthesize the data to create several family personas that illuminate the characteristics and experiences of different types of families throughout their "journeys" with child care in SF. The final report will be available on our website by the end of January.

II. **Policy Updates**

Board of Supervisors Seated, Hearing on 0 – 5 Services in D11 Called – The Board of Supervisors was seated earlier this month, and there is a strong interest in children and family issues at the Board of Supervisors. In his first meeting, newly elected Supervisor Asha Safai called for a hearing on services for children 0 – 5 in District 11. We are working on preparing for the hearing, with our partners at Department of Children, Youth & Their Families; First 5 San Francisco; and San Francisco Unified School District.

Federal Policy – The landscape continues to be changing at the federal level, and we are seeking to understand direct and indirect impacts on early care and education.

State Policy and Budget - Governor Brown's Proposed Budget for 2017-2018 introduced January 10 struck a blow to the field and San Francisco's focus on increasing reimbursement rates. In his first budget proposal, Governor Brown, "paused" increases to child care funding that were planned for 2017-2018. For the Standard Reimbursement Rate, the scheduled 10% increase has been rolled back to its current level of 5%. This negatively impacts OECE's budget assumptions and rates to "close the gap" on state funding programs. OECE is also concerned about some proposed group size changes to preschool. There were a few streamlining elements that are consistent with our local plan:

- Allowing families to submit electronic applications to receive subsidized child care or preschool.
- Aligning the definition of homelessness used for child care programs with the federal definition under the McKinney-Vento Act.
- Increasing flexibility and reimbursement for part-day state preschool programs to enroll children with special needs.

Local Budget – The Mayor's Budget Office projects a \$119.0 million General Fund shortfall for 2017-2018 and a \$283.4 million shortfall for 2018-2019, based on current operations, staffing levels and estimated revenues. In response, the Mayor's budget instructions request a 3% savings in General Fund support for 2017-2018, as well as 2018-2019. OECE is working to address this guidance as well as potential local impacts of the Governor's budget into our local budget submission which is due February 21.

We are preparing a presentation to share our system implementation considerations and budget priorities for your feedback in our meeting on Thursday, January 19th.

III. **0 – 5 System Improvement Process**

OECE continues to focus on implementation of the San Francisco Citywide Plan for Early Childhood and development of solicitations for early childhood funding for direct services as well as initiatives.

- ***OECE closed a series of 16 fall input sessions*** with a presentation and discussion at the Child Care Planning and Advisory Council (CPAC) meeting on December 14, 2016. OECE sought to bring key design concepts and implementation considerations to diverse early care and education stakeholders through hosting our own sessions, hosting conversations in other field forums, and through a tri-lingual survey. MIG, the consultants who provided support for this process, are preparing a report summarizing the process as well as reflections and lessons learned. We plan to use this report to inform future engagement and planning with our diverse stakeholders, and will share it with you for your feedback when it is complete.
- ***OECE focus has shifted internally, as we work on developing solicitations with the support of the contract's office of the Human Services Agency.*** We are focused on developing procurements for direct services with our provider partners, as well initiatives. We are working diligently to release Notice of Funding Availability (NOFA) to provider partners on our target date of January 27. Please see Exhibit A for a full list of the planned procurements and timing.

- ***OECE is balancing several priorities as we seek implement the Citywide Plan for Early Care and Education within our budget projections for 2017-18; and 2018- 2019.*** We are preparing a presentation on some of these key issues for discussion which include:
 - 1) Implementing Fair Rates Based on the Comprehensive Fiscal Analysis Approach
 - Leveraging underlying financing which is complicated
 - Adapting rates to part day, part year scenarios; Head Start agencies
 - Offering transition funding to mitigate negative impacts
 - 2) Advancing Continuity of Care
 - CalWORKS pilot to provide 12 month eligibility
 - Requested 24 month eligibility through CDE Subsidy Pilot
 - Extending local Bridge program for all ages, focus on target populations
 - 3) Continuing, Improving Key Initiatives
 - ECE Integrated Services
 - Pathways
 - 4) Budget Expansion(s) or Unmet Needs
 - Infant and toddler care
 - Workforce Compensation
 - Preschool for All – hours of service (from 4 – 6.5 hours; inclusive of 3 and 4 year olds)
 - Tiered reimbursement for QRIS 4, 5

We appreciate your advice as we continue to implement our mission, work on 0 – 5 system implementation, and develop budget priorities for 2017 – 2018.

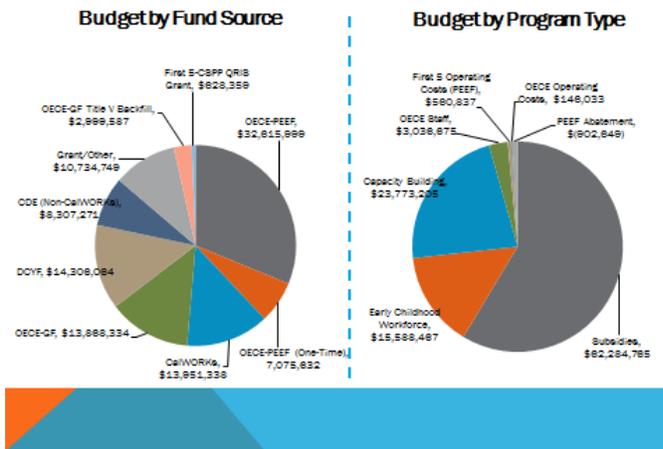


FY16-17 Highlights

- Growing our staff : new positions in Data & Evaluation and Finance
- Public Education & Enrichment Funding (PEEF) from First 5 SF is now at OECE, including administration of the Preschool for All Program since October 1
- Focused on implementation of recommendations of Comprehensive Financial Analysis, recommendations of San Francisco Citywide Plan for Early Care and Education



FY16-17 OECE BUDGET: \$104,487,333



Mayor’s Budget Instructions for FY17-18 and FY18-19

- For FY17-18, agencies are to propose ongoing General Fund reductions of 3% **\$1.5 Million for HSA**
- For FY18-19, agencies are to propose ongoing General Fund reductions of an *additional* 3% **\$3.2 Million for HSA**
- Agencies should not add staff or FTE

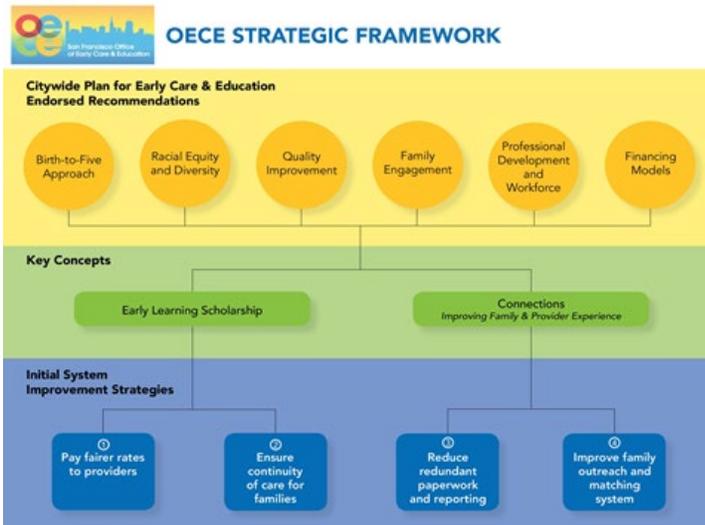
Agencies are to reflect the Citywide Strategic Initiatives:

- Residents and families that thrive
- Clean, safe, and livable communities
- Diverse, equitable, and inclusive City
- Excellent City services
- City and region prepared for the future



2017 -2018 REVENUE PICTURE

- Largely status quo
- Approximately \$800,000 growth in PEEF
- Programming \$2.5 million previously held in contingency reserve
- Programming \$11 million reserve to meet onetime costs (\$7 million programmed in 16-17)
- Requesting \$2.4 million in minimum wage implementation be folded into OECE budget (as opposed to Mayor's Office)



FY17-18 OECE Budget Priorities

Prioritizing funding to providers through Early Learning Scholarship

- ELS – Gap (enhanced rate for subsidies)
- ELS – City (full cost of care paid locally)
- ELS – Bridge (to ensure continuity, using one-time funding)
- Quality Grants (one-time funding)
- Keeping other initiatives status quo due to budget limits
 - Child Care Facilities
 - Field Building
 - ECE Integrated Services
 - Education Pathways
 - Performing Arts, Literacy



FY17-18 Budget Unmet Community Needs

- Subsidized infant and toddler care to serve the waitlist (1,536 as of December 2016)
 - Homeless children (101 under 3; 48 ages 3-5)
- Higher rates for Tier 4 and Tier 5 quality
- Higher rates for improved workforce compensation
 - 7% to align with minimum wage increase; or more toward parity goals
- Preschool for All Expansion (to 6.5 hours; or to 3 year olds)
- Early Learning Scholarships for moderate income families
- We are developing scenarios for policy consideration



SYSTEM IMPROVEMENT UPDATES

- **Implementing Comprehensive Fiscal Analysis Recommendations**
 - Big transition; learning ahead
- **Prioritizing Fair Rates**
 - Moving from site based funding, to enrollment based funding
 - Transition funding will be available to mitigate change(s)
- **Focusing on Low-Income Families**
- **Advancing Continuity of Care**
 - Policy work to provide 12 month eligibility for CaWORKs Stage 1 and 24 month eligibility for CDE-funded programs
 - Extending Bridgefunding to ensure program year completion for all; and until kindergarten entry for target population families
- **Streamlining**
 - One funding agreement with agencies



COMPREHENSIVE FISCAL ANALYSIS

Analysis includes:

- **Recommendations**
- **a catalogue of local, state and federal funding supporting ECE services in San Francisco**
- **revenue and expense models for Centers and Family Child Care homes**
- **child financing profiles**
- **a review of the Bay Area Quality Rating Improvement System (QRIS), and**
- **a brief description of the early care and education systems in Chicago, New York, and Seattle, as comparisons for San Francisco**



COMPREHENSIVE FISCAL ANALYSIS

- **Direct service funding should have a base level of quality for all providers**
- **Determine rates that make up for insufficient federal and state funding**
- **Streamline requirements related to City funding**



NEXT STEPS

- **Issue NOFA on January 27th**
 - Information Sessions Jan 30 - Feb 3
- **Continue Budget Development for Submission 2/22/17**
- **Advancing Continuity of Care Policy Work**
 - Policy work to provide 12 month eligibility for CaWORKs Stage 1 and 24 month eligibility for CDE-funded programs



Early Learning Scholarships Reimbursement Rates - Centers	
	ELS Center Full Day/Full Year Rates
Infants	\$ 27,496
Toddlers	\$ 20,935
Preschoolers	\$ 17,069
	ELS Center Full Day/Part Year Rates
Infants	\$ 19,560
Toddlers	\$ 14,893
Preschoolers	\$ 12,143
	ELS Center Part Day/Full Year Rates
Infants	\$ 15,123
Toddlers	\$11,514
Preschoolers	\$ 9,388
	ELS Center Part Day/Part Year Rates
Infants	\$ 10,758
Toddlers	\$ 8,191
Preschoolers	\$ 6,678
Early Learning Scholarships Reimbursement Rates - FCC	
	ELS FCC Full Day/Full Year Rates
Infants	\$ 20,707
Toddlers	\$ 20,707
Preschoolers	\$ 19,494
	ELS FCC Full Day/Part Year Rates
Infants	\$ 14,731
Toddlers	\$ 14,731
Preschoolers	\$ 13,868
	ELS FCC Part Day/Full Year Rates
Infants	\$ 11,389
Toddlers	\$ 11,389
Preschoolers	\$ 10,722
	ELS FCC Part Day/Part Year Rates

Infants	\$ 8,102
Toddlers	\$ 8,102
Preschoolers	\$7,627

