



**Build Back Better,  
Even Better...**

**FY 2022-23  
Spending Overview**

**Department of Early Childhood**



# Review of Fiscal Years 2020-22

**Over the past two years, during a time where the City's economic stability was tenuous, OECE/DEC was able to do the following:**

- Maintained child enrollment with planned growth.
- Subsidy programs were kept whole.
- Ramped up existing investments in compensation for the ECE workforce.
- Quickly move to distribute Prop F funding to support new initiatives, expand services and programs, and keep existing programs operating during the pandemic.
- Start a community-led strategic planning for early childhood in the City with initial Baby Prop C funds.

# Investments in Early Childhood

- Added \$45 million to existing childcare funding to bolster the ECE system and to assist families returning to the workforce.
- Invested \$25 million in economic recovery funding for all licensed early care settings in the City.
- Carved out \$5 million of General Funds for 26 Family Resource Centers (FRCs) for increased family needs, such as information and referrals, basic needs, food banks, and mental health.
- Made \$35 million available in the CARES 2.0 Teacher Stipend program.

# City Budget Overview

# Mayor's Budget Overview and Priorities

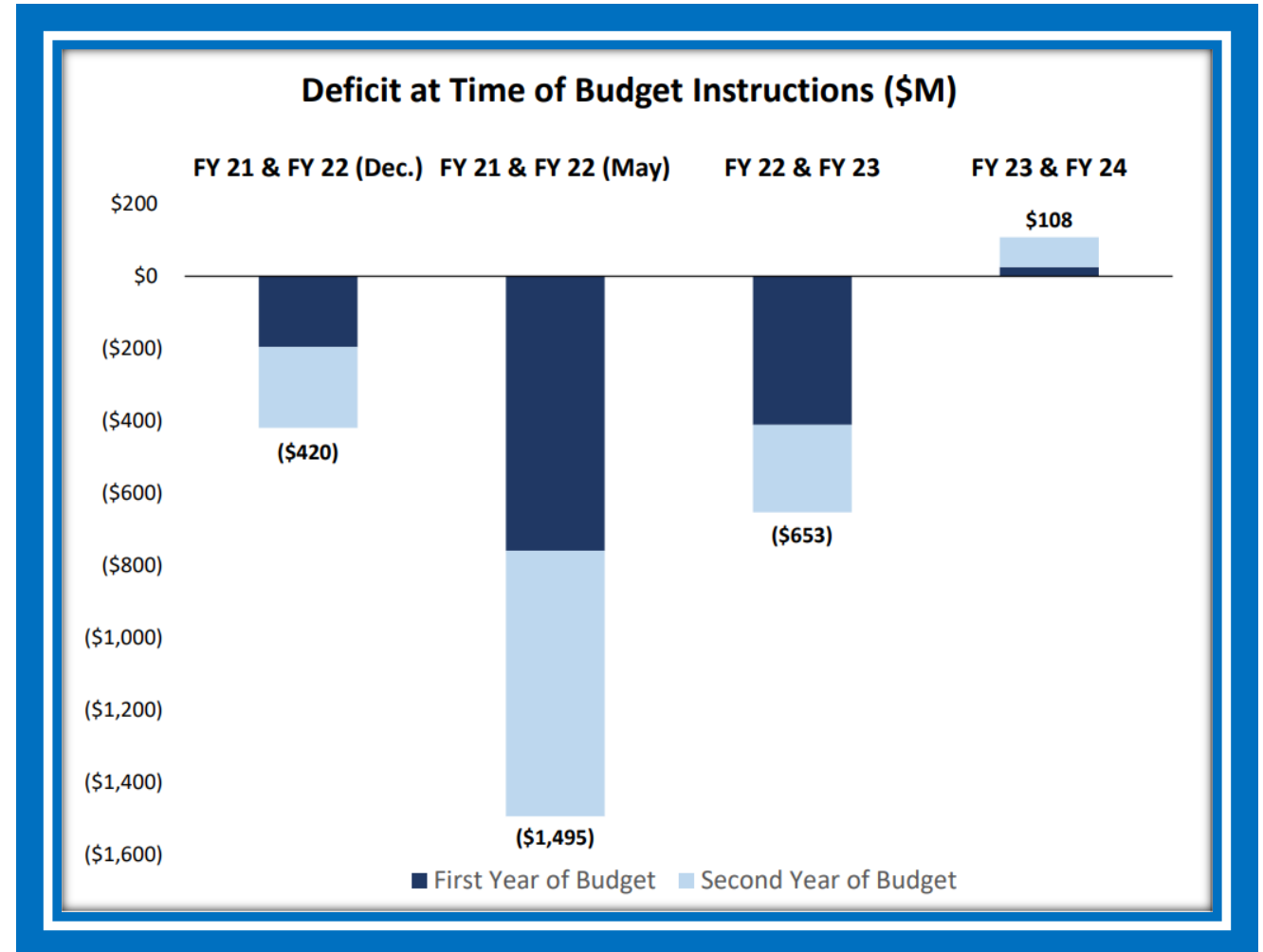
- The City's is projecting a \$108.1 million surplus over the next two budget years.
- There are no mandatory reductions but no increase to General Fund support.
- Departments need to prioritize restoring San Francisco's vibrancy, recovery, accountability, and equity.
- The Mayor is emphasizing getting "back to basics" and improve core service delivery within our existing budgets.

# Overview: Citywide Fiscal Outlook

Financial forecast projects a **\$108.1 million surplus** over the upcoming two budget years

Key Drivers:

- Overall growth in revenue
- Significant ongoing savings in retirement due to record returns
- Constrained ongoing cost growth



# Risks to Positive Outlook Remain

- COVID-19 variants and public health response
- Pace of recovery and continued impact on local economy
- Market volatility impacting pension returns
- State and local ballot measures
- Ongoing risk to excess ERAF at state level



# Department of Early Childhood Spending Plan Priorities FYs 2022-24



# Utilizing the Baby Prop C System Building Blocks

## ACCESS

Expand access to high-quality, free/affordable ECE, with greater support for low- to moderate-income families

## BUILD CAPACITY

Finance infrastructure to build and sustain the growth needed in access/workforce.

## WORKFORCE

Recruit and retain educators thru increased compensation and provide prof/educational pathways.

**Emerging Vision for DEC:** All young children in San Francisco, and those who care for them, will be healthy, valued, thriving members of strong communities and equitable systems of care; able to reach their full potential and prepared for lifelong success.

- Increasing access to high-quality, free/affordable early care and education
- Ensuring an early childhood workforce that is valued, supported, and well-compensated
- Promoting healthy pregnancies, births, and child development and addressing concerns at earliest point possible
- Recognizing all families as key decision-makers and ensuring they have the resources and supports they need to thrive

# 2022 OECE/DEC Budget Priorities

**RFPs to be released in early Spring 2022; effective 7/1/22 with increases for Early Childhood spending that includes:**

- **Access - \$35 million:** fund universal preschool for families below 110% AMI for children ages 3's/4's to help reduce economic impact of transitional kindergarten on community-based preschools.
- **Build Capacity - \$25 million:** increase investment in childcare facilities for infant/toddler capacity including conversion of preschool spaces to infant/toddler.
- **Workforce: - \$45 million:** increase teacher compensation, benefits and salary parity for BA/MA teachers; more educational opportunities with pathways for BA/MA that includes scholarships, tutoring/mentoring; and substitutes for school/planning time. Multi-phase phase funding to provide program time to plan/implement.

# DEC Draft budget as of 1/20/2022

	2022-23	2023-24
Salaries & benefits	12,219,744	12,094,211
Non-personnel	3,493,228	3,321,732
Materials & supplies	96,153	96,153
Interdepartmental Services	1,227,512	1,185,012
Programmatic:		
Early Care & Education	244,349,120	245,589,593
Family Support	28,886,048	21,998,048
Child Health	7,983,283	7,983,283
<b>Total Expenditure:</b>	<b>298,255,088</b>	<b>292,268,032</b>

This is a combined OECE and First 5 draft budget

# DEC Budget Timeline & Key Dates

<b>January 20</b>	Citizen's Advisory Committee – DEC Public budget meeting #1
<b>January 26</b>	First 5 Fiscal Committee – DEC Public budget meeting #2
<b>February 9</b>	Child care Planning & Advisory Cmte – DEC Public Budget Meeting #3
<b>February 2</b>	First 5 full Commission – DEC Public budget meeting #4 (tentative)
<b>February 22</b>	Department budget submission due
<b>May 1</b>	Department budgets introduced
<b>June 1</b>	Mayor proposes balanced budget to Board of Supervisors
<b>June</b>	Budget and Finance Committee hearings
<b>July</b>	Budget considered at Board of Supervisors