



London Breed
Mayor

Committee Members

Sandee Blechman
Fonda Davidson
Meredith Osborn
Yohana Quiroz
Lygia Stebbing
Pat Sullivan
Candace Wong
Jerry Yang
Meenoo Yashar



Ingrid Mezquita
Executive Director

OECE Citizens Advisory Committee

February 6, 2020

4:00 - 6:00 pm

1650 Mission Street, Suite 312

Meeting Minutes

Members Present: Yohana Quiroz, Pat Sullivan, Meenoo Yashar, Fonda Davidson

Members Absent: Lygia Stebbing, Jerry Yang

Staff Members Present: Ingrid Mezquita, Maya Castleman, Graham Dobson, Dan Kaplan (HSA), Kaitlyn Rourke (HSA), Emily Gibbs (HSA), JJ Burch (HSA), Licette Montejano (representing CPAC)

Members of the Public Present: Jennifer Curran (MPHF), Elia Fernanda (Parent Voices), Sara Hicks-Kilday (ECESF), Maria Luz-Torre (Parent Voices), Lourde Alarcon (Parent Voices), Naima Fach (Parent Voices), Jaqueline Keys (Parent Voices), Jennifer Brooks (Children's Council)

I. Call to Order and Agenda Review

- A. Chair Quiroz welcomed attendees, called the meeting to order, and reviewed the agenda.

II. HSA Budget Presentation *(see attachment 1; slides 1-3)*

- A. Dan Kaplan, Deputy Director of Finance and Administration for the San Francisco Human Services Agency, provided an overview of the City's budget process and cycle. He presented on FY20-21 and FY21-22 Budget Projections as well as the Mayor's budget instructions and how they pertain to the overall Human Services Agency budget.

III. OECE Budget Presentation *(see attachment 1; slides 4-17)*

- A. Director Mezquita presented OECE's proposed budget including revenue and expenditure projections and categories as well as potential state budget impacts on local budgeting.
- B. CAC member Davidson asked about the progressive step-down of ERAF funding and whether or not additional revenue would be available to allocate to teacher stipends.

San Francisco Office of Early Care & Education

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- i. Deputy Director Kaplan highlighted that the ERAF allocation is one-time revenue.
 - ii. Director Mezquita explained that legislators hoped that “Baby Prop C” revenue would be available by the time ERAF funding was spent down.
- C. CAC Member Yashar asked if the Mayor’s instructions to reduce budgets would directly impact OECE.
 - i. Deputy Director Kaplan explained that decreases are accounted for at the agency level and that OECE’s department budget will remain intact.
- D. CAC members discussed increasing enrollments and the upcoming expiration of current Early Learning Scholarship program agreements and the impacts that will have on OECE’s budget.
 - i. Director Mezquita clarified that OECE has the option to extend initial ELS agreements for an additional two years. Expanding enrollment not only creates additional costs for enrollment but also for the entire system of supports including mental health supports, early intervention, curriculum enhancements etc. Budget challenges created by a growing system and decreasing revenue will need to be addressed through a community-based process of joint strategic planning.
- E. CAC members commented that perhaps the OECE/First 5 merger could create cost savings.
 - i. Deputy Director Kaplan responded that the goal of the merger is not to create administrative savings but to improve the early learning system.
- F. Public Comment
 - i. There are not enough ELS programs to serve all eligible children and there are not enough programs available that offer non-traditional hours. Additional revenue should be allocated to expand Family Child Care participation in the ELS network as they are more likely to offer non-traditional hours of care.
 - ii. Question to clarify what the State “Master Plan” is. State funding often focuses only on school districts and preschool and the City should advocate for state support for infants and toddlers.
 - iii. Question regarding DCYF budget, Children’s Fund allocation, and public hearing for DCYF budget.

IV. Director’s Updates

- A. OECE / First 5 Alignment: Director Mezquita presented on current thinking and planning around the OECE / First 5 alignment and potential merger (*See attachment 2*).

- i. CAC member Sullivan asked what the alignment process meant for the future of the Citizen’s Advisory Committee as an oversight body.
 - 1. Director Mezquita responded that the answer is to be determined as the process moves forward and will be informed by legal parameters provided by the City attorney.
 - ii. Chair Quiroz asked if the departments are considering engaging with consultants as part of this process.
 - 1. Director Mezquita responded that yes, there will likely be consultants involved, especially in the strategic planning process which is time sensitive based on funding cycles.
 - iii. Public Comment
 - 1. Request to provide rough timeline for each phase of the process
- B. OECE CAC Vacancies and Appointments: Char Quiroz requested an update from Director Mezquita on CAC vacancies and pending appointments. Director Mezquita explained that seats 1, 2, and 4 are awaiting Mayoral appointment and seats 6, 8, and 9 are awaiting a Rules Committee hearing date for appointment by the Board of Supervisors. Director Mezquita further explained that OECE has submitted all seat applications and other requested documents to both the Mayor’s appointments clerk and the clerk of the Rules Committee and that Rules Committee agenda items are scheduled at the discretion of the Committee Chair.
 - i. Chair Quiroz commented that she is deeply concerned by the amount of time it has taken to fill vacancies and feels that it is critical vacancies are filled immediately. She requested information regarding who is in charge of appointments at the Board of Supervisors and Mayor’s office as well as a list of all current vacancies.
- C. Public Comment
 - i. Request that all information regarding CAC vacancies and appointments also be sent to all members of the public in attendance.

V. Closing

- A. Meeting Adjourned at 5:40pm.

Next scheduled meeting: March 19, 2020, 4pm-6pm.

For questions or assistance, please contact Maya Castleman

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**Know Your Rights Under the Sunshine Ordinance: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. (415) 554-7724 / fax (415) 554-5163
sotf@sfgov.org

Attachments:

I. OECE Budget Presentation

II. OECE-First5 Multiphase Planning Process Presentation

Attachment I: OECE Budget Presentation

CITY & COUNTY OF SAN FRANCISCO
HUMAN SERVICES AGENCY



FY20-21 & FY21-22 Budgets



Citizens Advisory Committee Meeting
February 6, 2020



CITY & COUNTY OF SAN FRANCISCO

Mayor's FY20-21 & FY21-22 Budget Projections

Rising expenses outpace slowing revenue growth.

Citywide Projected Shortfall (in millions)	FY20-21	FY21-22
Total Revenue Increase	89.0	346.0
Total Expenditures	(284.3)	(570.1)
Salary & Benefits:	(167.9)	(269.6)
Baselines & Reserves:	(45.5)	(54.0)
Departmental Costs:	(3.9)	(78.8)
Citywide Uses*:	(66.9)	(167.8)
Cumulative Shortfall	(195.4)	(224.1)

*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service), and capital/equipment/IT investments.

CITY & COUNTY OF SAN FRANCISCO
HUMAN SERVICES AGENCY

2

Mayor's Budget Instructions

- Departments must reduce ongoing General Fund budgets by 3.5% in FY20-21, as well as an additional 3.5% in FY21-22
- For HSA this translates into reductions of:
 - **\$2,200,219 in FY20-21**
 - **\$4,400,439 in FY21-22**
- Growth in allocations sufficient to meet target
- Departments should not grow their FTE counts
- Prioritize core functions, minimize service impacts, and avoid layoffs
- Mayor will target expansions and new funding to core priorities: homelessness, mental health and clean streets

State Budget Context

- Department of Early Childhood Development
 - The Governor's Budget establishes the new department under the California Health and Human Services Agency.
 - Several child care funding streams will be consolidated under the new department, including Stage One Child Care and the Emergency Child Care Bridge Program.

How does state context impact local context?

- New Department of Early Childhood Development is in process of establishing a “Master Plan for Early Learning and Care” expected by October 2020
- The “Master Plan” will help guide policy and resource allocations for state RFPs.
- Impact to San Francisco county is unknown at this time.

What makes up our (local) Budget for OECE?

- **Revenue:** State/Federal Pass-through, with a combination of general funds and general funds set aside, e.g., PEEF
- **Expenses:** Administration, Operations, Child Enrollment, Infrastructure and Capacity Building

Budget Categories Include

- **Revenue**

- Public Education & Enrichment Fund
- Children’s Fund
- CalWorks*: Stage 1 & 2
- Calif. Alternative Payment Program*
- General Funds
- Educational Revenue Augmentation Fund (ERAF)

*Pass-through funds

Budget Categories Include

- **Administration and Operations**

- Staff Salaries and Benefits
- Materials and Supplies
- Translation
- Communications/Outreach
- CalWorks Supports

Budget Categories Include

- **Child Enrollment**
 - Quality Grants
 - Early Head Start/Head Start
 - SFUSD
 - Early Learning Scholarships
 - Preschool for All

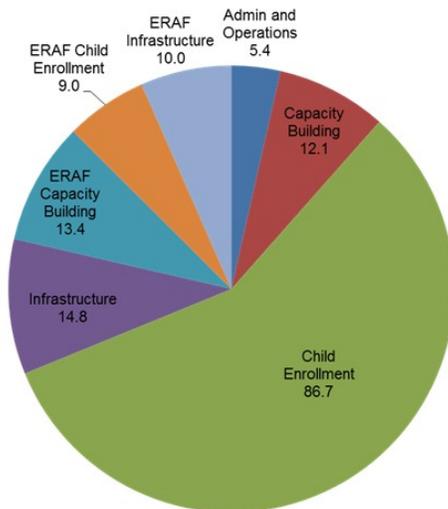
Budget Categories Include

- **Infrastructure**
 - Assessments/Ratings
 - Child-Family Data Systems and Evaluation
 - Childcare Facility Development
 - Childcare Provider Associations
 - Resource & Referral Agencies; Subsidy Administration

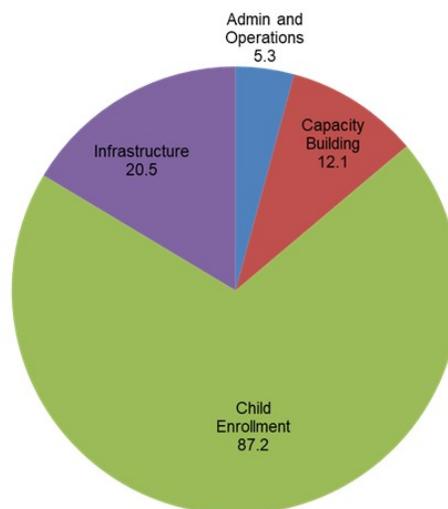
Budget Categories Include

- **Capacity Building and Supports**
 - Workforce Development, e.g., ECE Teacher Stipends, FCC Quality Network, Professional Development
 - Child Health & Developmental Supports, e.g., Mental Health
 - Family Supports, e.g., ACCESS; Homeless Shelters
 - Classroom Curricula Enhancements

**OECE FY19/20 Original
(151.4 Million)**



**OECE FY20/21 Proposed
(125 Million)**



ERAF* 3-Year Spending Plan

Program Investment	Total	FY19/20	FY20/21	FY21/22
Child care Facilities	10.0 M	3.5 M	3.5 M	3.0 M
Teacher Stipends	32.9 M	15.0 M	12.9 M	5.0 M
Child care Subsidies	9.0 M	3.0 M	3.0 M	3.0 M

Notes

- Supplemental funding for three-year period with a step down every year until funding ends in FY 2022/23.

*Educational Revenue Augmentation Funds

Increasing Access

- Past 10-years planning for new sites in South/Mission Bay; Bayview, Mission and Excelsior neighborhoods.
- Build child care in Hope SF (Public Housing) & Affordable Housing Units.
- City moving towards universal access.



San Francisco's Early Learning System

Current Enrollment

Enrollment	FY 19-20
Infants	1,200
Toddlers	1,400
Preschool	5,400
Totals	8,000



New Capacity:

- FY 2020-21 400
- FY 2021-22 168
- FY 2022-23 171
- FY 2023-24 175

Total 914

- New childcare facilities opening will add more capacity to the city.
- City funds may have some share of these

OECE Highlights

- PEEF base growth in FY20/21 of \$2.5 million.
- Proposed Rate increase in line with CODB
- Enrollment growth at new facilities.
- Exploring First 5 Merger
 - Beginning with co-location of space at 1650 Mission in the fall of 2020
- Preparing strategic and resource allocation plan for next RFP cycle beginning in 2021

HSA FY20-21 & FY21-22 Budget Timeline

- Dec 12 Mayor's Budget Instructions Released
- Feb 6 CAC meeting
- Feb 21 Agency Proposed Budget due to Mayor
- June 1 Mayor submits budget to Board of Supervisors (BoS)
- June BoS Budget Committee Hearings
- July Budget Considered at BoS

Attachment II: OECE/First 5 Multiphase Planning Process

OECE / First 5 Multi-phased Planning and Stakeholder Engagement Process

Overall Planning Process Goal: **Jointly create** the **ideal structure** to advance an **equitable** early childhood **system of care**.

