



London Breed
Mayor

Committee Members

Fonda Davidson
Yohana Quiroz
Lygia Stebbing
Pat Sullivan
Jerry Yang
Meenoo Yashar



Ingrid Mezquita
Executive Director

OECE Citizens Advisory Committee January 21, 2021 4:00 - 6:00 pm Virtual Convening **Meeting Minutes**

Members Present: Pat Sullivan, Fonda Davidson, Jerry Yang, Meenoo Yashar, Lygia Stebbing, Yohana Quiroz (arrived 4:30pm)

Members Absent: None

I. Call to Order, Agenda Review, Zoom Norm-Setting

- A. Vice Chair Yang welcomed attendees, called the meeting to order, reviewed the agenda, and discussed zoom webinar norms. Vice Chair moved Agenda Item 2 – CAC Meeting Minutes of December 3, 2020 – to the end of the meeting to allow quorum to be established.

II. FY 21-22 and 22-23 Budget Presentation

- A. Daniel Kaplan, Deputy Director of Finance and Administration for the San Francisco Human Services Agency (HSA), presented FY21-22 and 22-23 budget and COVID-19 impact on California state revenue, citywide projected revenue, expenditures, and deficits as well as Mayor Breed's priorities and budget instructions (*See attachment 1; slides 1-5*).
 - i. A member of the public asked if anticipated federal relief from the incoming Biden Administration might help offset State and City deficits.
 1. HSA Deputy Director Kaplan responded federal government has yet to finalize state allocations. Once state county allocations are determined, this funding may offset HSA's overall reductions.
- B. OECE Director Mezquita presented a high level overview of OECE's budgeting direction and allocation planning including spending strategies for "Baby" Prop C (2018) / Prop F (2020) as well as overall budget priorities within the context of COVID-19 and related revenue shifts (*See attachment 1; slides 6-9*).
 - i. Chair Quiroz asked if the \$0.5 million allocated from Prop F funds to OECE staffing intended to address existing staffing gaps or expanded workload associated with new Prop F revenue.

1. Director Mezquita responded that OECE staff capacity is thin. In order to effectively program and disburse new revenue from Prop F, OECE requires staff capacity.
 - ii. Member Sullivan expressed concern that shifting priorities due to COVID-related City revenue losses may result in Prop F allocations that fall outside of the original intent of Baby Prop C legislation to support workforce compensation and expand access to ECE. She asked why OECE is using Prop F funds to support Family Resource Centers.
 1. Director Mezquita responded that Baby Prop C legislation and OECE's Board-approved spending framework focused on three priority areas including workforce compensation and expanded access while including other services to support the physical, emotional, and mental well-being of children birth to five. She expressed the importance of further community conversation around what a comprehensive early childhood system of care looks like beyond silos of services for young children in ECE settings, family support, and child health that bridges these services to contribute to the well-being of the whole child in ways that truly impact child outcomes.
 - iii. Vice Chair Yang asked if the \$10 million in one-time Prop F funding allocated to subsidies would expand enrollments or if it would backfill losses of other revenue.
 1. Director Mezquita responded that in previous budget years OECE allocated one-time ERAF dollars to support subsidies. The one-time \$10 million allocation of Prop F funding would balance the loss of ERAF funding and keep existing enrollments "whole" at City-funded sites.
- C. Public Comment
 - i. Much of the discussion around Prop F budgeting focused on one-time funds but legislation language includes ongoing funds even if the City loses the Baby Prop C litigation.

III. Director's Update

- A. Director Mezquita provided updates on the launch of the Early Education Economic Recovery Program, upcoming multi-stakeholder engagement opportunities for strategic planning and long-term compensation strategy planning, and COVID-19 Vaccine rollout (*See attachment 2*).
 - i. Member Sullivan asked if there would be identification requirements for early educators in order to prove their eligibility to receive the vaccine
 1. OECE Deputy Director Corvino responded that DPH has not yet decided if or how early educators would need to verify their eligibility. However, OECE and First 5 are working with DPH's

childcare hub to think this issue through and come up with potential solutions.

- ii. Member Davidson suggested the City could use the CA ECE Workforce Registry as a means of sending out invitations for vaccine appointments, which could help with outreach and eliminate the need for further verification.
- iii. Members of the CAC and the public thanked OECE and First 5 for their advocacy and efforts to make sure early educators were included in Tier 1b of the vaccination priority categories. However, Chair Quiroz also pointed out that while the City must follow State guidelines around prioritization, the City still has the power to prioritize those within a specific tier further. She urged both OECE and the community to continue advocating for early educators, who have been providing essential services and working in the classroom with children throughout the pandemic, to be more highly prioritized to receive the vaccine than K-12 educators who are working remotely.

IV. December 3, 2020 CAC Meeting Minutes

- A. Chair Quiroz motioned to approve December 20, 2020 meeting minutes. Vice Chair Yang seconded, Member Davidson carried. *December 3, 2020 meeting minutes approved.*

V. Final Public Comment

- A. No further comments.

VI. Closing

- A. Chair Quiroz thanked members of the CAC, OECE staff, and members of the public for their attendance and participation.
- B. OECE's CAC Coordinator informed CAC members that she would be reaching out to reschedule March meeting to mid-February in order to accommodate timely discussion of OECE and First 5 SF's Joint Strategic plan.
- C. Meeting Adjourned at 5:35pm.

Next scheduled meeting: Mid-February TBD.

For questions or assistance, please contact Maya Castleman
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Attachments:

I. FY 21-22 and 22-21 Budget Presentation

II. Director's Update Presentation

Attachment 1: FY 21-22 and 22-23 Budget Presentation



OECE FY21-22 & FY22-23 Budgets

Human Services Agency
 The Office of Early Care and Education Citizens
 Advisory Committee Meeting

January 21, 2021



Mayor’s FY21-22 & FY22-23 Budget Projections

Citywide Projected Shortfall (in Millions)	FY21-22	FY22-23
Total Revenue Increase	(117.6)	268.5
Total Expenditures	(293.6)	(510.6)
Salary & Benefits:	(150.8)	(233.4)
Baselines & Reserves:	(54.4)	(157.7)
Departmental Costs:	(67.0)	(111.2)
Citywide Uses*:	(21.4)	(8.2)
Cumulative Shortfall	(411.1)	(242.1)
*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service), and capital/equipment/IT investments.		

Mayor's Budget Drivers

- Slow revenue growth in FY21-22; accelerating growth in subsequent years
 - Transfer, hotel, sales, and business taxes most negatively impacted
 - Does not include impacts of December 2020 or subsequent Federal stimulus/relief measures
 - Propositions I (Real Estate Transfer Tax) and L (Overpaid Executives Tax) sources of new future revenue
- Salary and Benefits – assumes MOU and CPI-based wage increases in future years
- Citywide Costs
 - COVID-19 response (Shelter-in-Place hotels and feeding services)
 - Debt & capital, inflation on non-personnel
- Reliance on one-time sources in short-term driving up deficit in out-years

Mayor's Budget Instructions

- Departments to reduce ongoing General Fund budgets by 7.5% in both FY21-22 and FY22-23
- For HSA, this translates into reductions of:
 - **\$7,328,543 in FY21-22**
 - **\$7,328,543 in FY22-23**
- Departments should not grow FTE counts
- Prioritize core services and programs, and present clear tradeoffs
- Emphasize Mayoral priorities of recovery and equity

Federal And State Budget Context

- State revenues better in FY20-21 than forecasted
 - Robust income tax from high-wage earners
 - Strong stock market
- Aid caseload growth slower in FY20-21 than expected
 - CARES Act stimulus and unemployment benefits increase helped
 - December stimulus bill may continue effects of CARES Act
- Many funding allocations higher than expected in FY20-21 due to prioritization of safety net services
 - Medi-Cal, CalFresh, CalWORKs
 - Based on the Governor's Budget, Allocation levels should improve in FY 21-22
- Year-end federal COVID relief bill included an est. \$1 Billion to California for child care; the State has not released plans yet for this funding. There is also potential for further federal child care relief in the new Biden administration.

ECE for All (“Baby” Prop C) Spending Strategy

- Pending litigation remains a threat to account for.
- Funding strategy must balance one-time funding with smaller projected ongoing funds.
- Strategy must also consider the larger organization strategic planning, as well as other sources of funding, such as the depletion of other funds, like the one-time ERAF funding.

Baby Prop C Spending

- In December the Board of Supervisors approved \$42 million of Baby Prop C dollars be released from reserve.
- The release of this funding enables OECE to make critical investments including:
 - \$25 million for the Economic Recovery Grant and Loan initiative;
 - \$10 million to expand subsidies for enrollment at City-funded sites;
 - \$3 million to support families receiving emergency supports through the FRCs;
 - \$1.3 million to provide additional resources to ECE educators; And
 - \$0.5 million to increase the Office's capacity necessary to effectively manage expanded programing and increased distribution of resources.

OECE Budget Priorities

- OECE is **prioritizing ECE system stability and targeted investments in capacity** to address consequences of our uncertain economy threaten by the pandemic.
 - **The economic toll of the pandemic on the General Fund and PEEF projections** eliminates guarantee of CODB's and/or rate increases, which prior budgets afforded.
 - **Our ECE community's hard-fought Baby Prop C funding will prove critical** in the face of falling revenues and the depletion of one-time funding such as ERAF.
- **Specifically, OECE current planning addresses:**
 - Enrollment outlays through the MRA and **subsidy programs are kept whole**; And,
 - Ramp up existing investments in **compensation for the ECE workforce**.

OECE FY21-22 & FY22-23 Budget Timeline

- Dec 17 Mayor's Budget Instructions Released
- Jan 21 OECE CAC meeting– First OECE Budget Meeting
- **Feb 10 CPAC meeting– Second OECE Budget Meeting**
- Feb 22 Agency Proposed Budget due to Mayor
- June 1 Mayor submits budget to Board of Supervisors
- June Board of Supervisors Budget Committee Hearings
- July Budget Considered at Board of Supervisors

OECE Citizen's Advisory Committee

Director's Report – January 21, 2021



Early Education Economic Recovery Fund



176 responses to so far to the Early Education Recovery Fund Interest Form:

- 87 English
- 70 Chinese
- 19 Spanish

Outreach and promotion continues

Administrator Roundtables



Discussion on Compensation and Future of CARES 2.0.

Centers:

Session 1: February 4, 2021 4-6pm

Session 2: February 5, 2021 12-2pm

Family Child care: February 9th
6:30-8pm.

Conducted in Spanish, Chinese & English. More sessions to be added...

Teacher Sessions: announced soon!

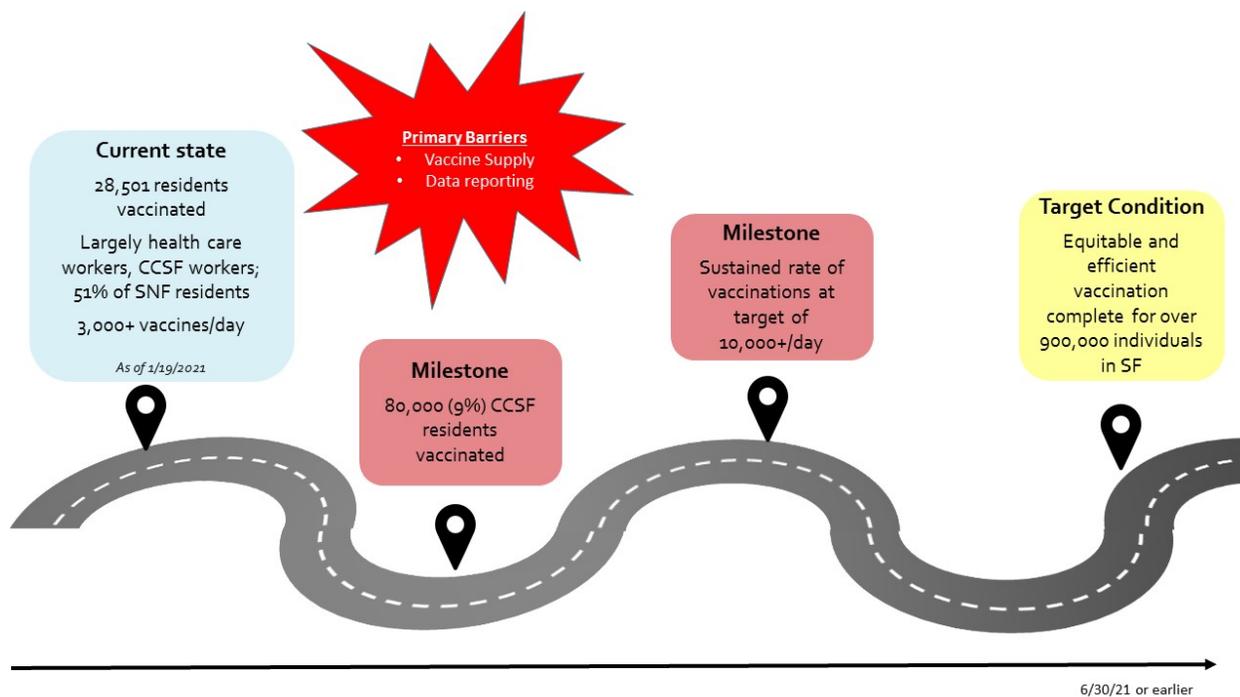
Vaccine Distribution



Who gets it first?



- San Francisco has the most ambitious vaccine distribution effort in our City's history.
- The chief obstacle **is not enough doses.**
- Partnering with hospital systems to quickly and efficiently get people vaccinated.
- Committed to getting the vaccine moving as soon as as supply increases.
- Ensuring most impacted by the virus have access to the vaccine – **that includes ECE!**



Visit <http://sf.gov/vaccinenotify> to sign up to get notified by text or email when you're eligible for a vaccination in San Francisco. Right now, vaccines remain very limited, but as we receive more from the federal and state government we're ready to distribute 10,000 doses a day.