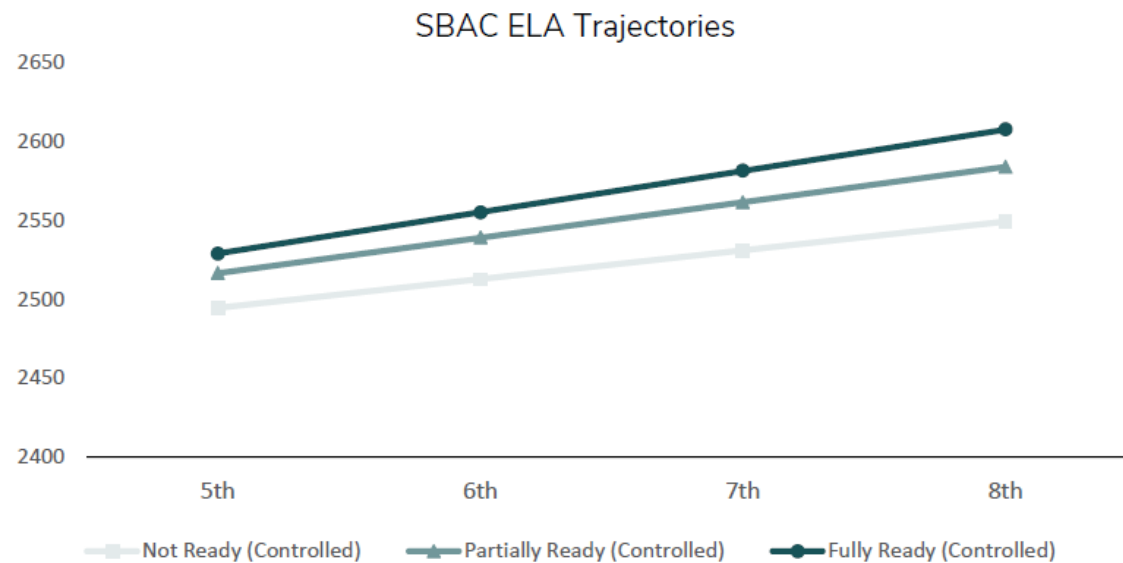


Kindergarten Readiness and DEC Year in Review

Challenges, Opportunities, and
Achievements

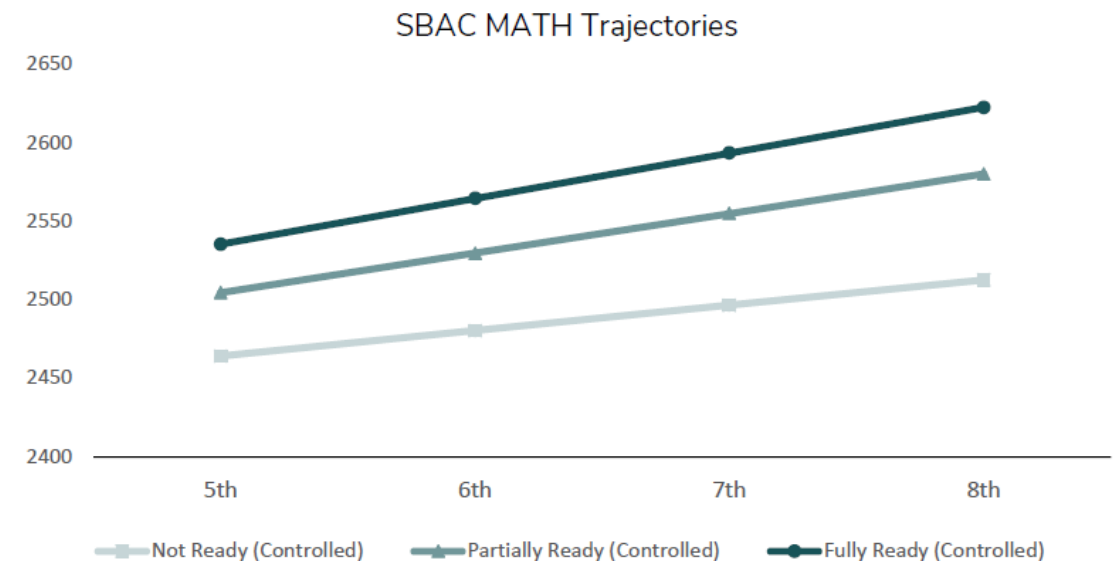
Kindergarten readiness strongly predicts future academic outcomes

Figure 9. SBAC ELA Scores Trajectories by Readiness Group



Note. N=272-289. The following variables were entered as controls: English Learner status and special education status (measured throughout the years from 2015 to 2018), gender, race/ethnicity, family income, single parenting, and ECE experiences (measured in 2009).

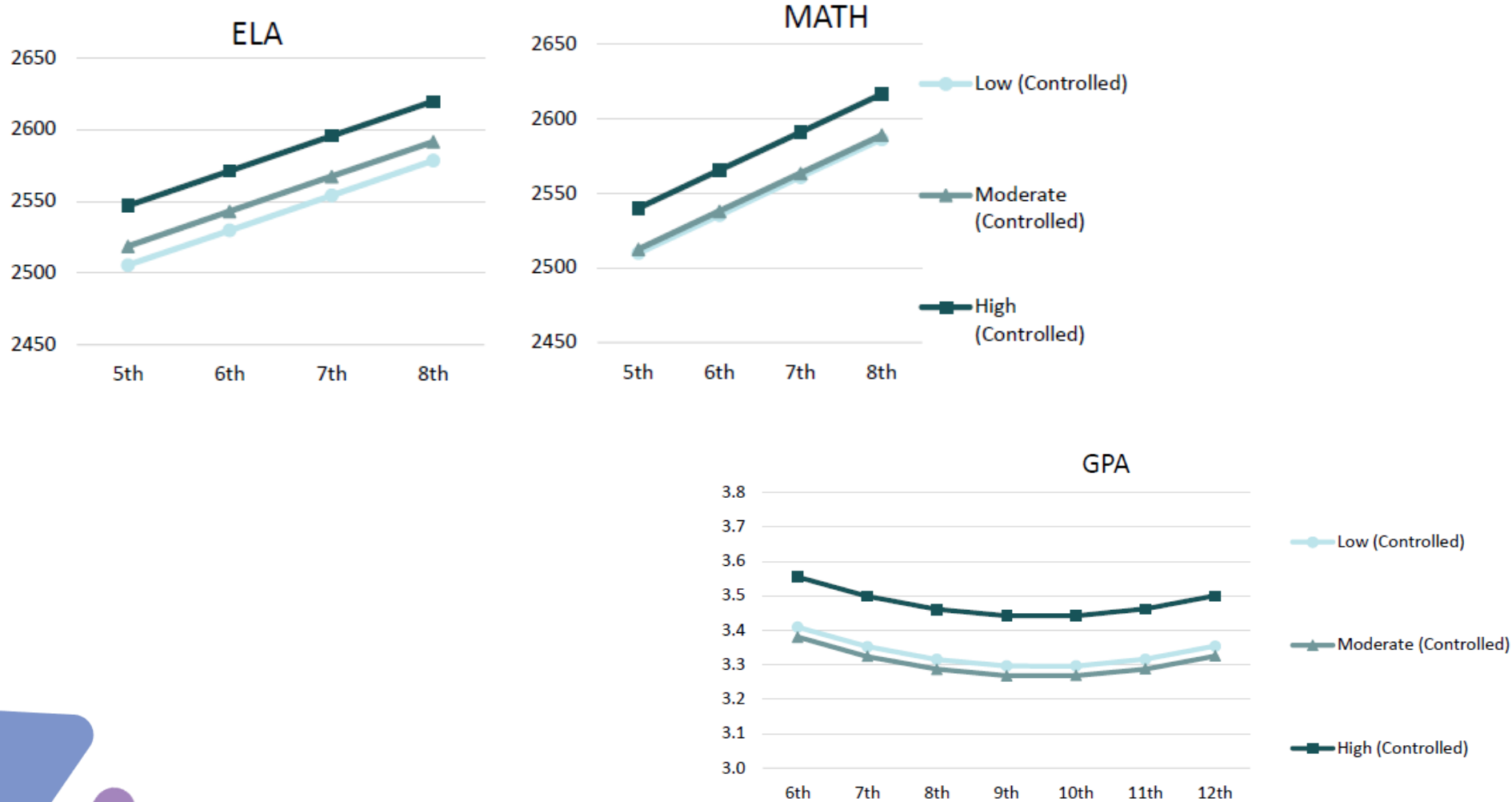
Figure 11. SBAC MATH Scores Trajectories by Readiness Group



Note. N=272-289. The following variables were entered as controls: English Learner status and special education status (measured throughout the years from 2015 to 2018), gender, race/ethnicity, family income, single parenting, and ECE experiences (measured in 2009).



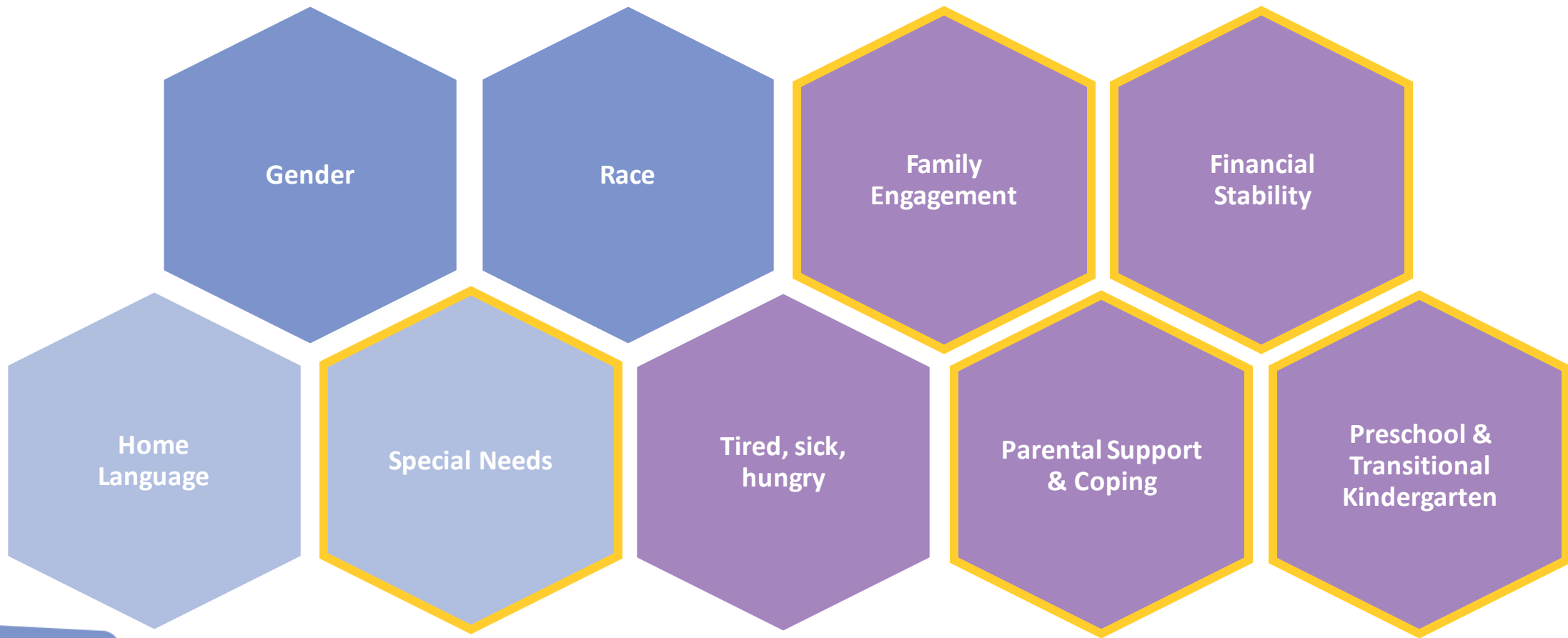
Family engagement leads to similar outcomes



Note. N=272-289. Scores were estimated given the sociodemographic factors were considered equal and on the average.



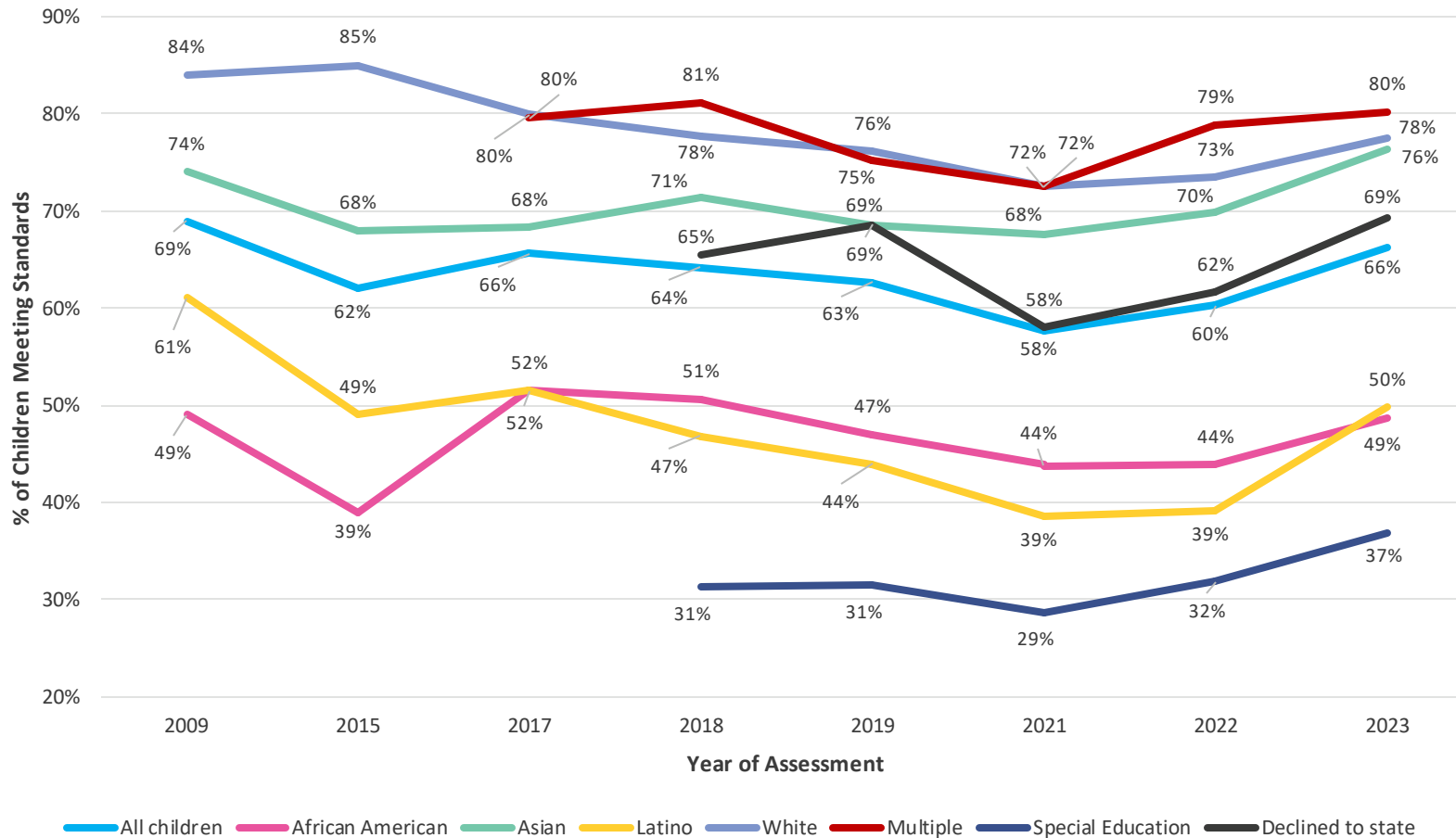
Factors Contributing to Readiness



Race and special needs are strong predictors

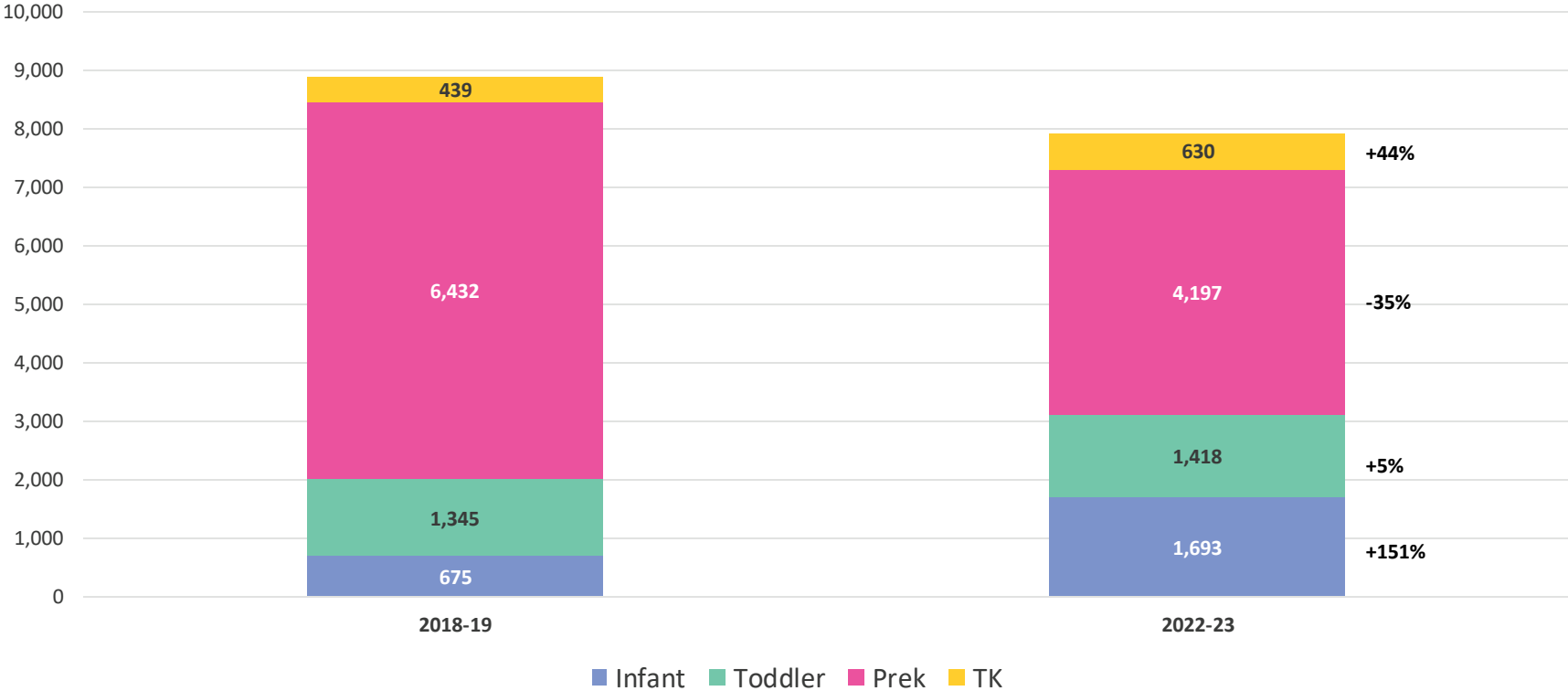
**Kindergarten Readiness of Entering SFUSD Students
by Race/Ethnicity and Special Needs, 2009-2023**

(Kindergarten Observation Form for 2009 and 2015, Kindergarten Readiness Inventory for 2017-2023)



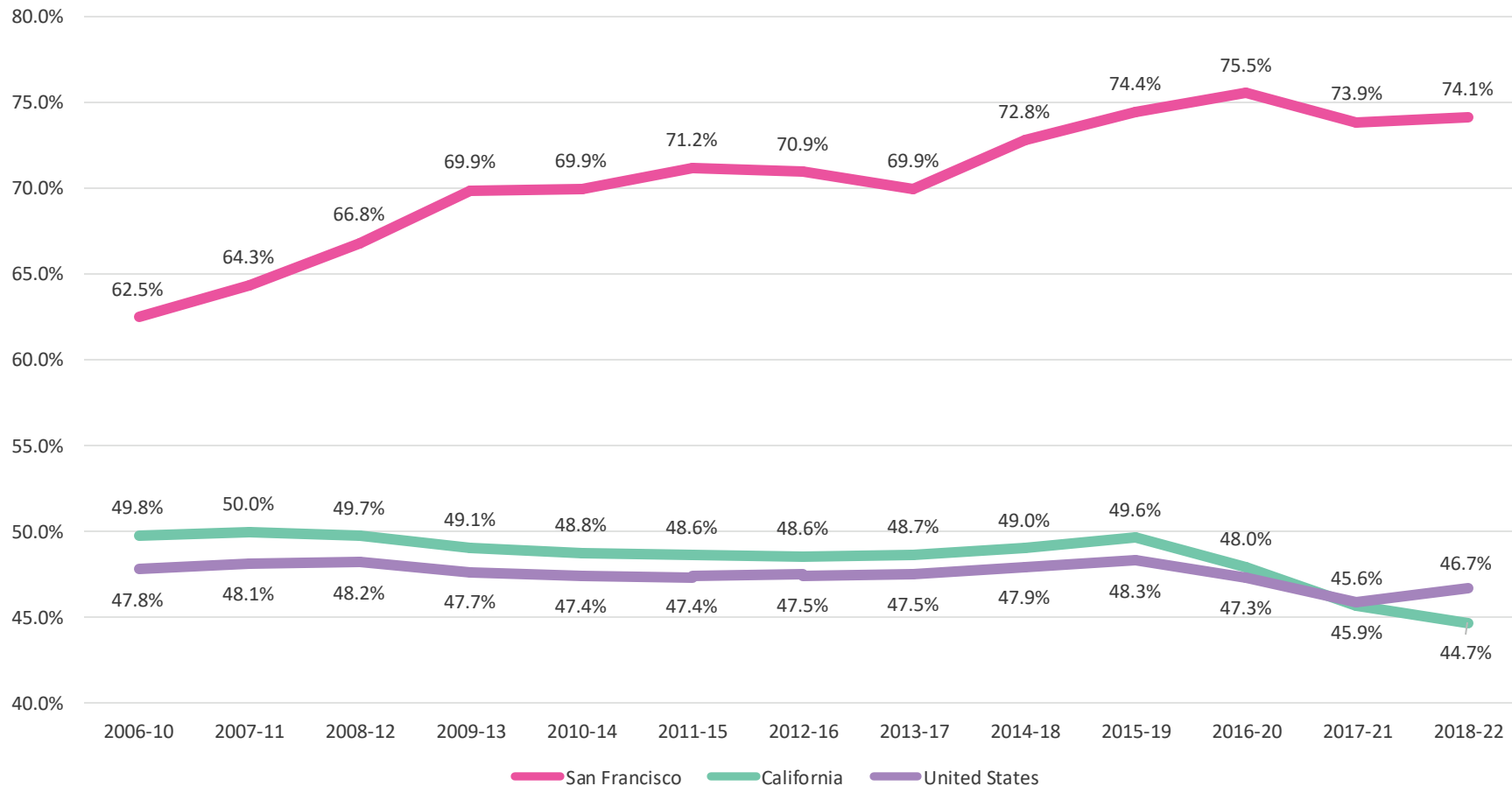
ECE enrollment is recovering and the age mix has shifted

Enrollment in ELS and TK, 2018-19 vs. 2022-23
(DEC and SFUSD administrative data)

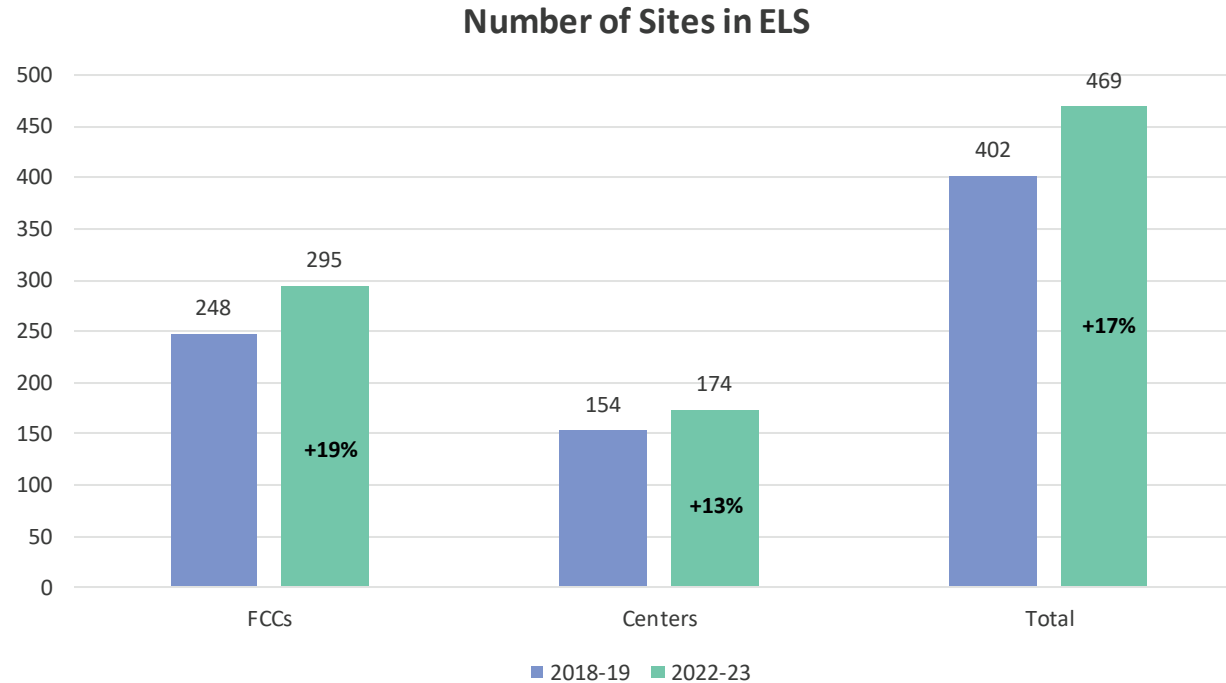


San Francisco still leads the nation in preschool enrollment

Proportion of 3- and 4-Year-Olds Enrolled in School, 2006-10 to 2018-22
American Community Survey 5-Year Estimates



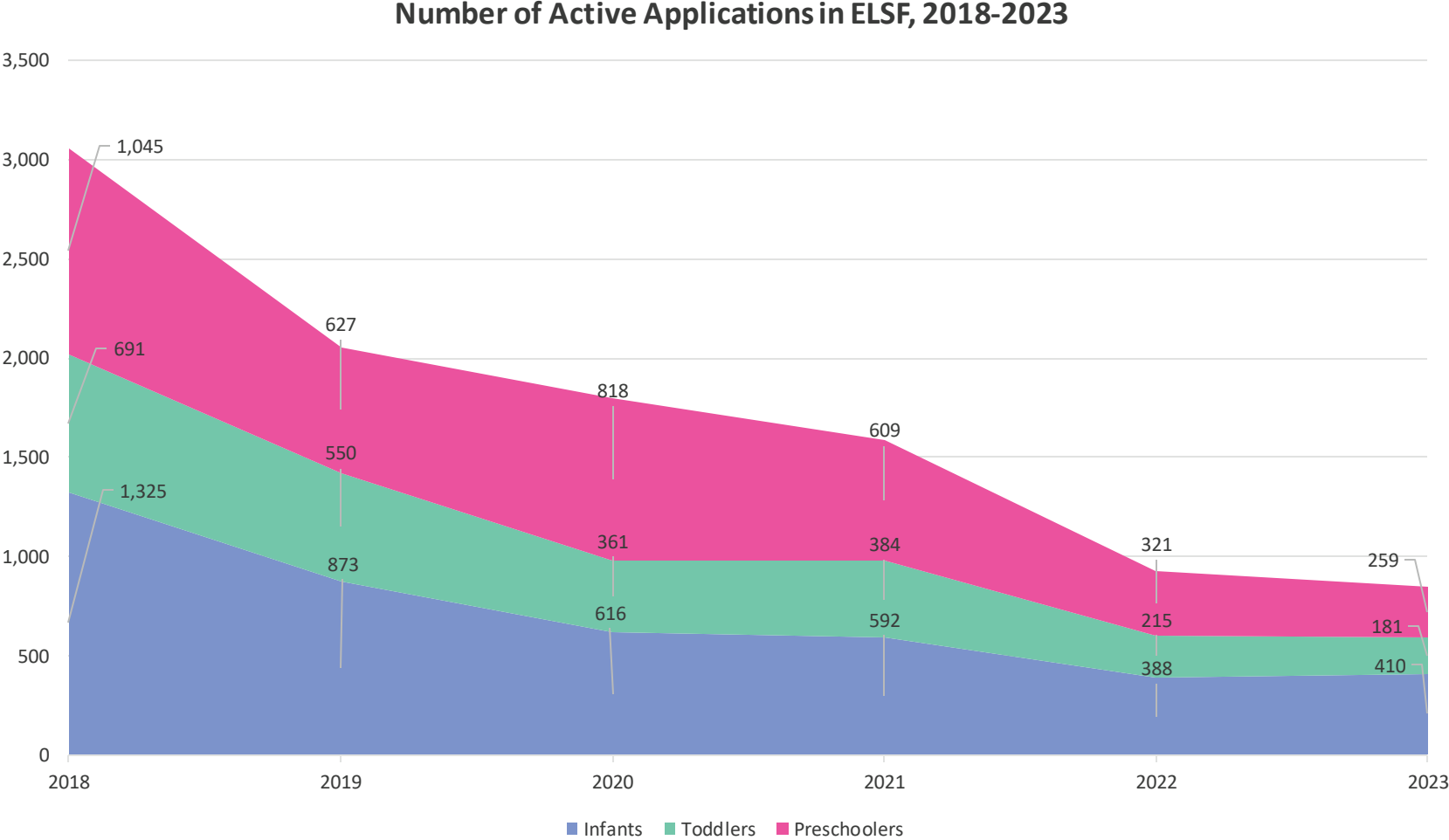
DEC Expanded its ELS network



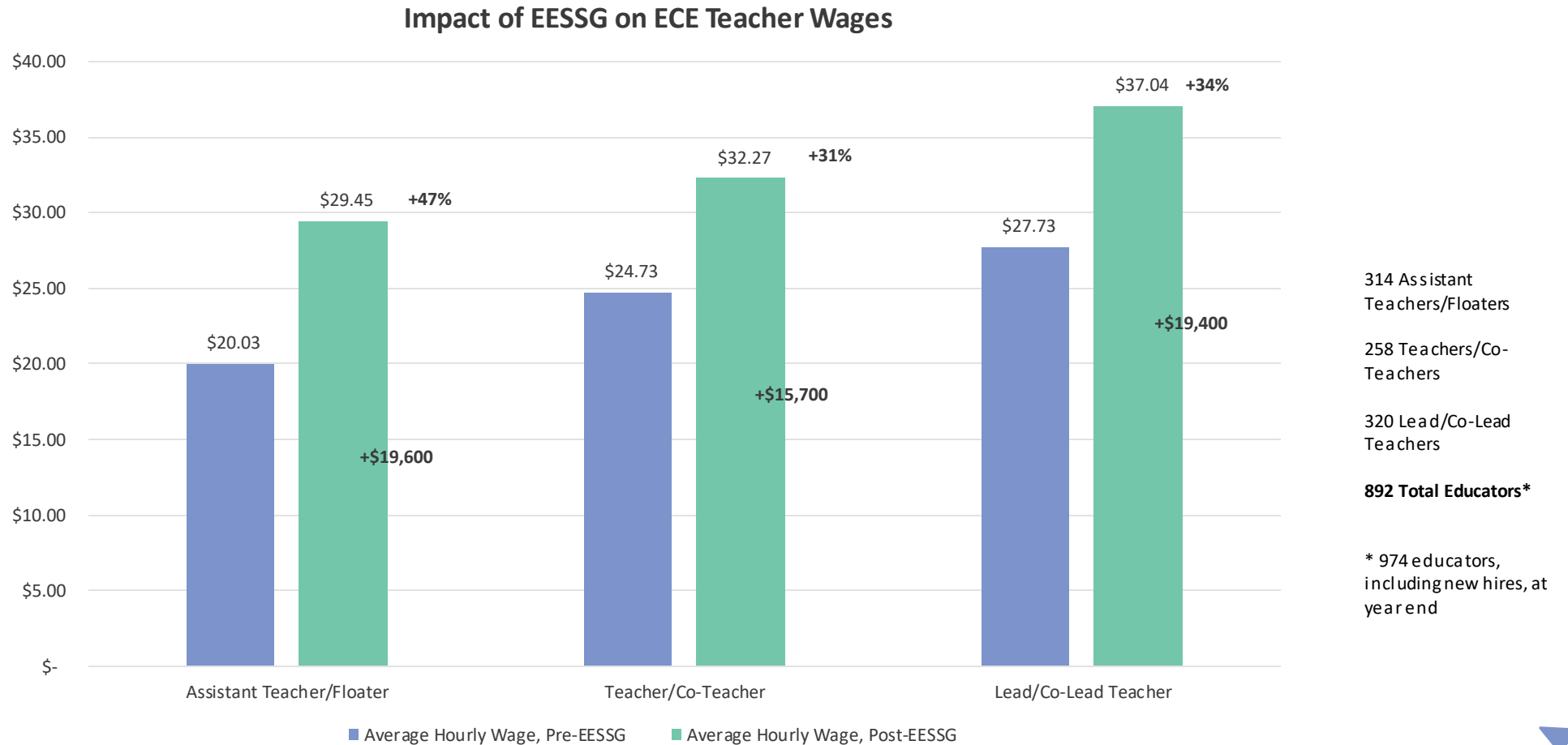
2022-23 Facilities Activity	Center-Based Grants	Family Childcare Grants	New Infant and Toddler Spaces Planned	New Preschool Spaces Planned
Number of Grants Supporting New Spaces	14	3	323	229
Total Grant Funding Awarded Supporting New Spaces	\$13,140,380	\$38,443		



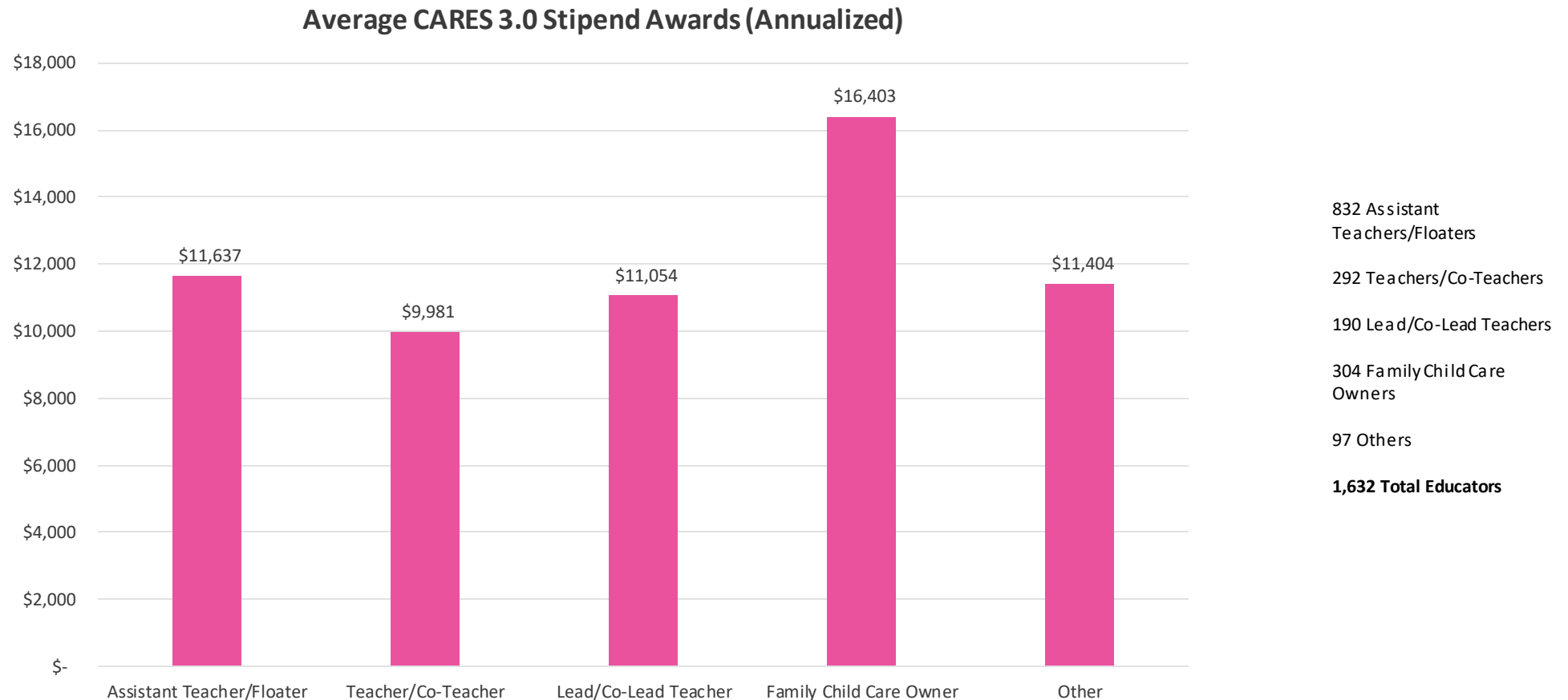
The ECE “wait list” is much smaller



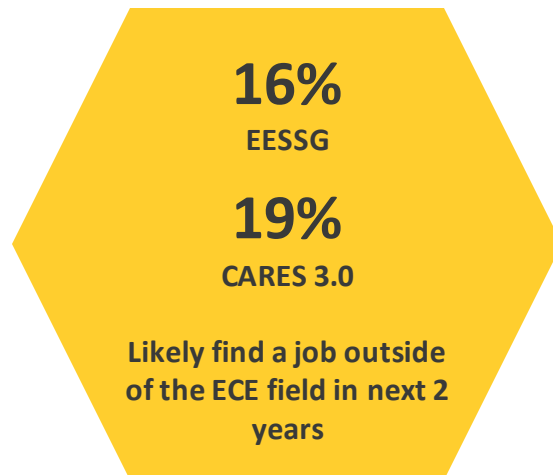
DEC boosted early educator wages for teachers serving highest need students



CARES 3.0 stipends also substantially raised early educator compensation



Compensation initiatives have stabilized the workforce, improved conditions for educators



Department of Early Childhood: FY25 & FY26 Expenditure Plan

February 14, 2024



San Francisco Department of
Early Childhood



Budget Timeline



- Complete Public Presentation: Budget Priorities
- Complete Technology project proposals due
- **February 13/14 Public Presentation: Expenditure Plan**
- February 21 Department Phase Budget Submission
- May 31 Mayor proposes Citywide Budget
- May/June Department presentations to BOS
- July 31 Last day for BOS to adopt budget

DEC Budget Priorities

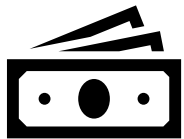
Continuing a strong foundation



Continue DEC's historic and first-of-its-kind investment in ECE Workforce Compensation (CARES 3.0 & EESSG)



Preserve access through local Early Learning Subsidies for low-middle class families up to 110% AMI



Fund improvements, maintenance, and new construction of early learning family childcare homes and centers



Maintain investment in Family Resource Centers (entering a new funding cycle)



DEC Budget Priorities

Narrowing the K-Readiness Gap



Infant & Toddler Wellbeing

High-quality, culturally and linguistically responsive infant & toddler early care and education (“ECE”) is accessible and affordable.



Workforce Quality & Capacity

San Francisco early educators serving the most vulnerable children are highly educated and fairly paid with a workforce that reflects the community.



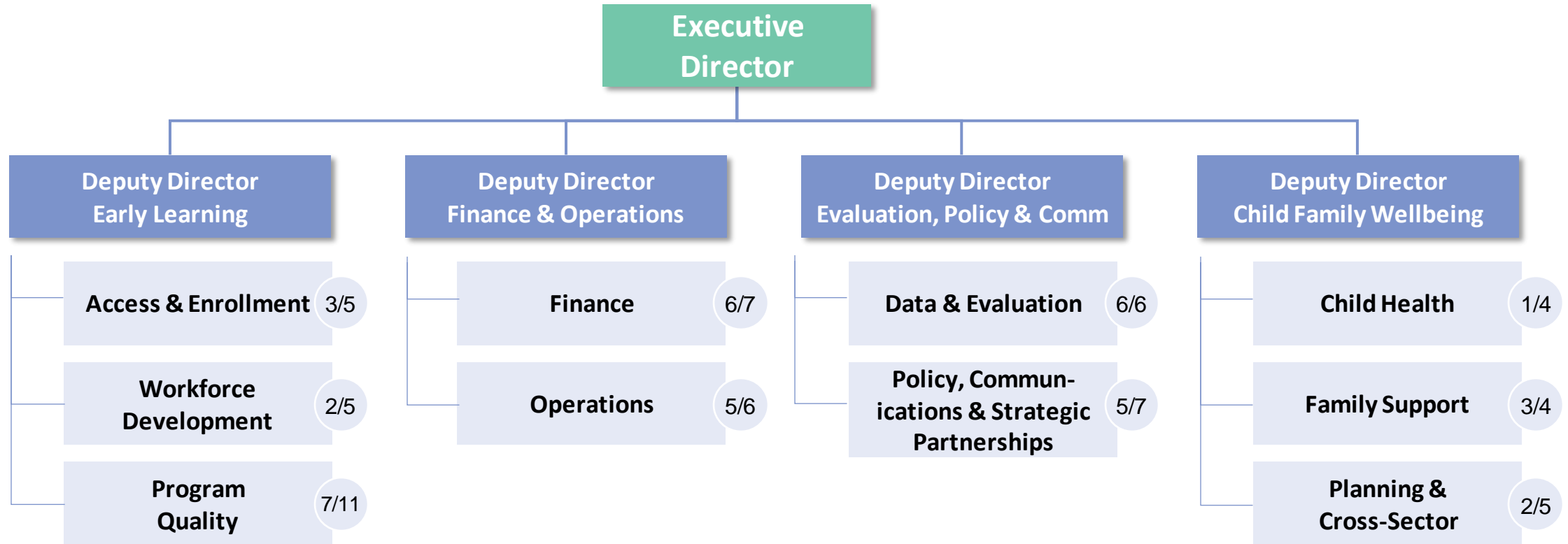
Inclusion

Developmental delays and learning differences are identified early, and families are supported in accessing identified interventions in a timely way.

Connecting resources and systems so that caregivers feel informed, engaged, and empowered to support their young children through the most formative years

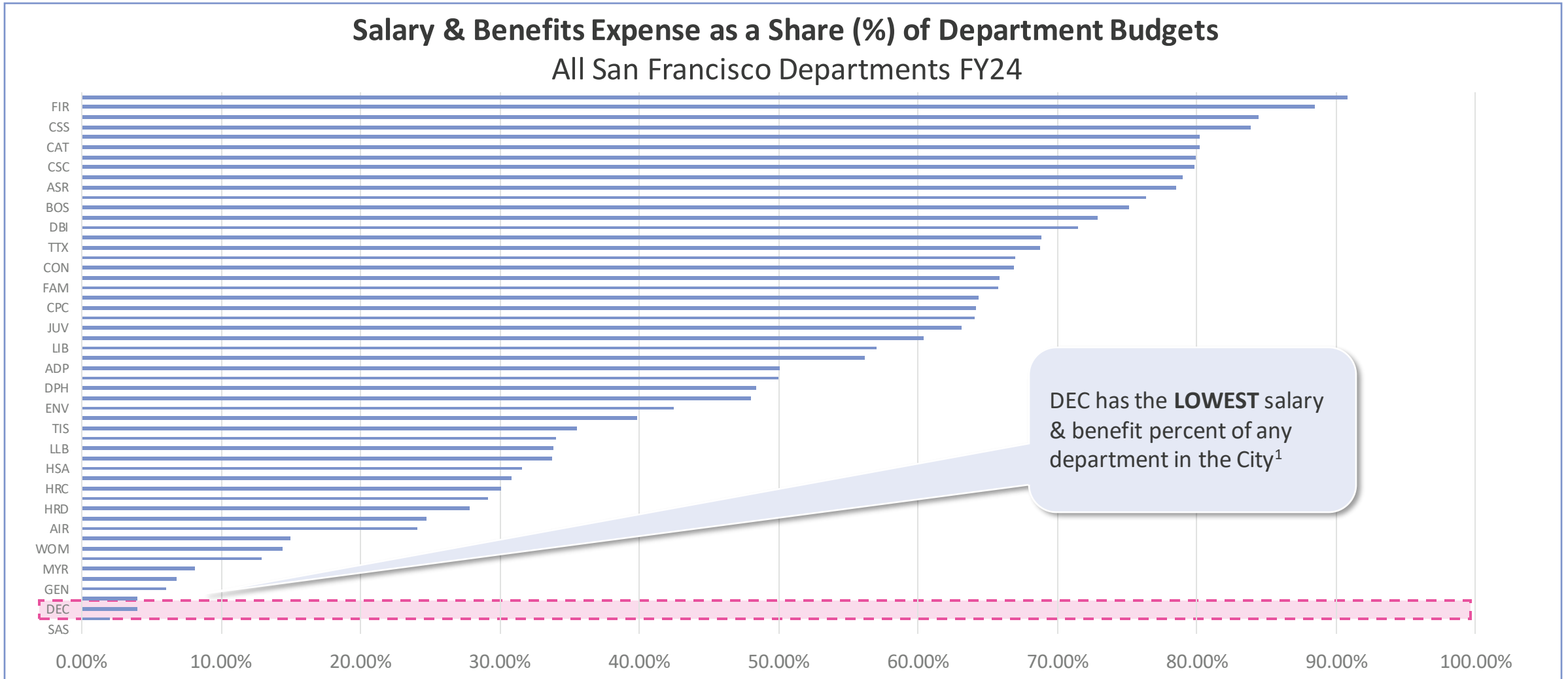


DEC Budget Priorities Organization Building



- As of today DEC has a total of 44 employees hired, an increase of 8 employees compared to a year ago.
- DEC is continuing its recruitment efforts to fill vacancies as quickly as possible.
- DEC's plan is to complete essential hiring by the end of 2024 (65 FTEs).
- Budget requests total of 69.95 FTEs of which 4.95 FTEs are for temporary staff.

All DEC Positions are Essential



Based on FY24 department budgets

Mayor's Budget Instructions

- General Fund departments requested to make 10% cuts in FY24-25 and 10% cuts in FY25-26 with an additional 5% contingency identified.
- No new FTEs (discouraged for non-GF departments with rigorous justification required for consideration)
- Departments asked to hold non-essential vacancies for savings

Key Budgetary Changes

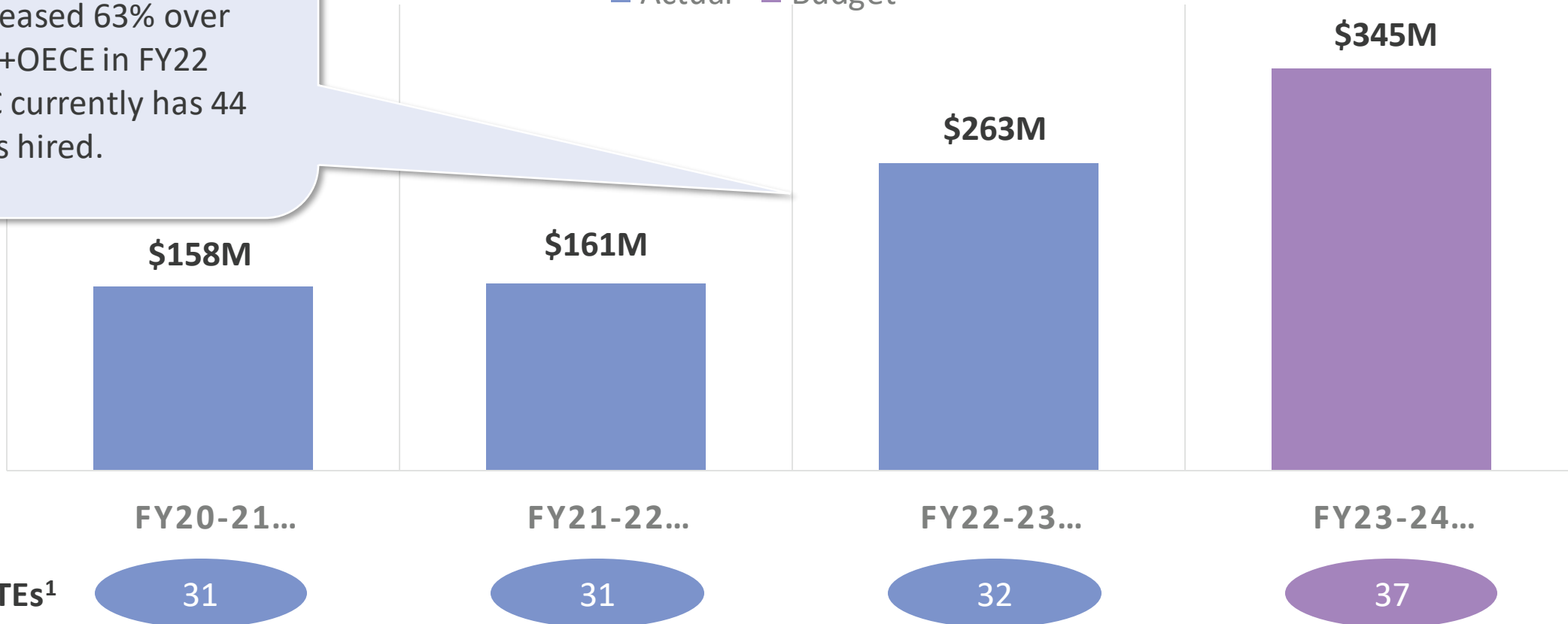
- In total, DEC's funding sources remain relatively steady through this budget cycle (2.1% decline in FY26 versus FY24), with incremental growth in PEEF and State/Fed Subsidies offsetting declines in Prop C, Prop 10, and Childcare Capital.
- Use of Prop C Interest in FY25 credits a \$10M reduction in the ECE baseline/General Fund support; use of interest is phased out in FY26, and general fund is restored.
- MBO's requested General Fund is cut \$1,380,000 per year for FY24-25 and FY25-26 (Baseline implications have not been addressed at is time).
- DEC standardized its approach to use of fund balance across ECE and CFC, resulting in a \$714k reduction in Prop 10 balance appearing in budget versus prior AAO (\$6.7M Prop 10 balance expected to be applied across FY25 & FY26).
- DEC to become performing department for the Early Childhood Mental Health Consultation Initiative (previously DCYF, HSA and DEC work ordered funding to DPH), resulting in an increase in workorder revenues (\$2.7M) and a decrease in workorder expenditures (\$2M).
- Some changes anticipated prior to final department submission 2/21/24.

DEC expenditure capacity is growing quickly

DEC EXPENDITURE TRAJECTORY

Actual Budget

- Expenditures in FY23 increased 63% over CFC+OECE in FY22
- DEC currently has 44 FTEs hired.



Filled FTEs¹

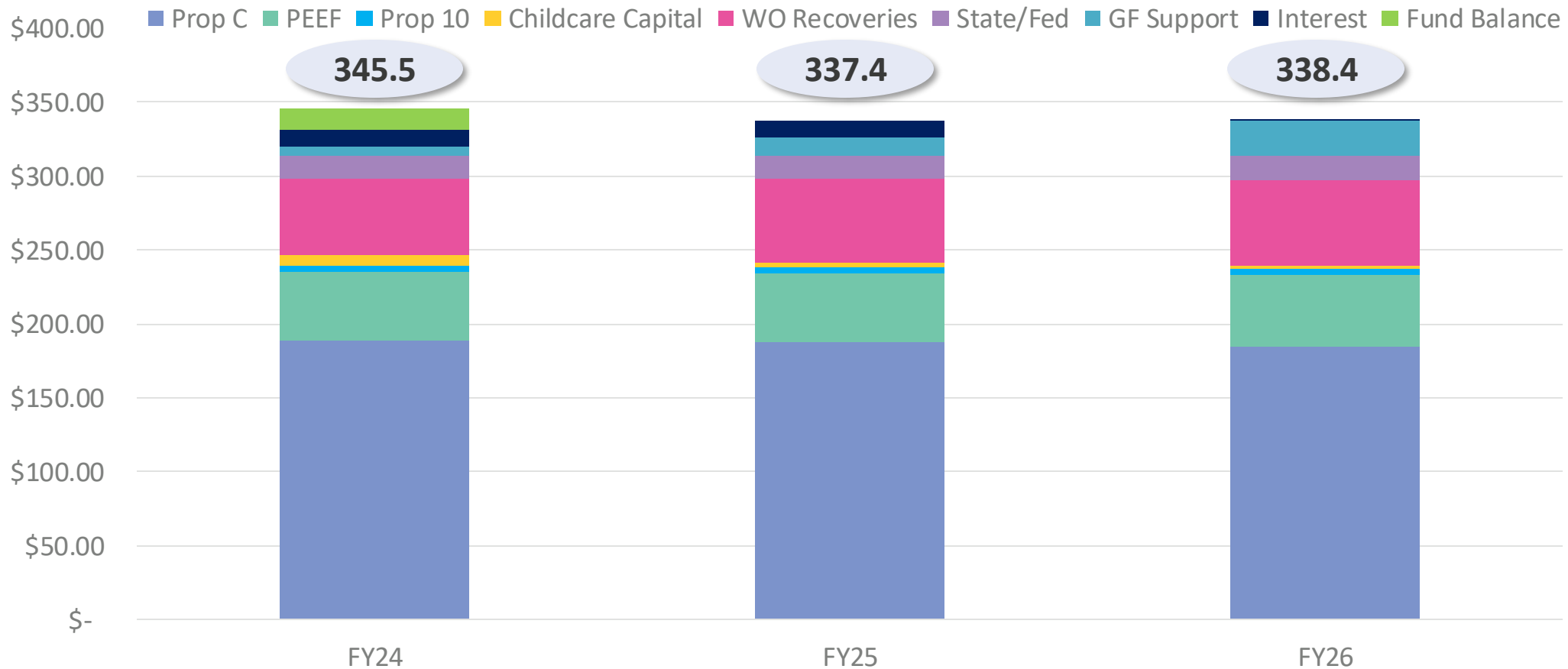
1. Number of filled FTEs at the beginning of each fiscal year
2. FY23-24 FTEs based on People & Pay 10/13/23 pay period end date
3. FY23 Expenditure reconciled to final FY23 CBO expenses



DEC Proposed Budget - DRAFT

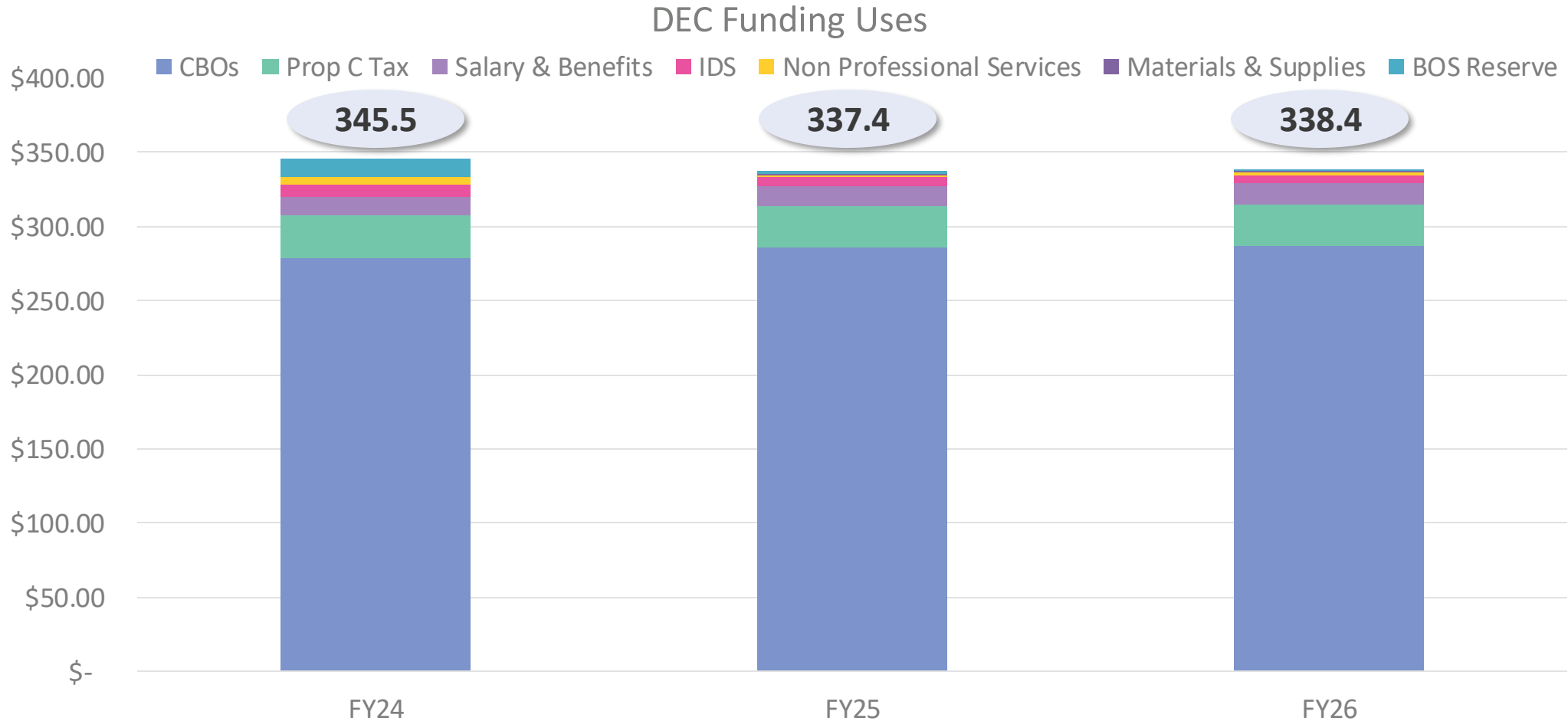
FY25 & FY26 Proposed Sources

DEC Funding Sources



DEC Proposed Budget - DRAFT

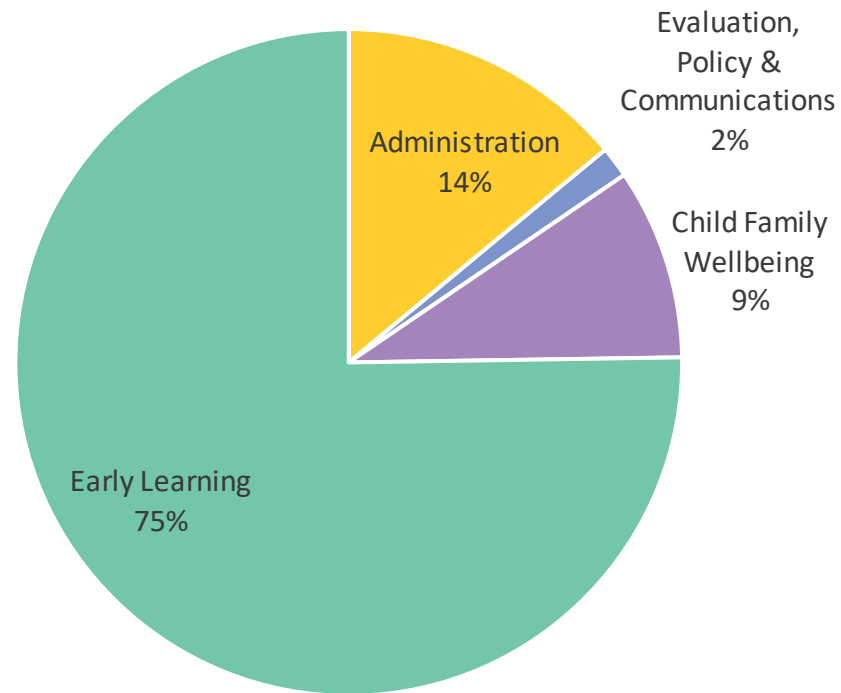
FY25 & FY26 Proposed Uses



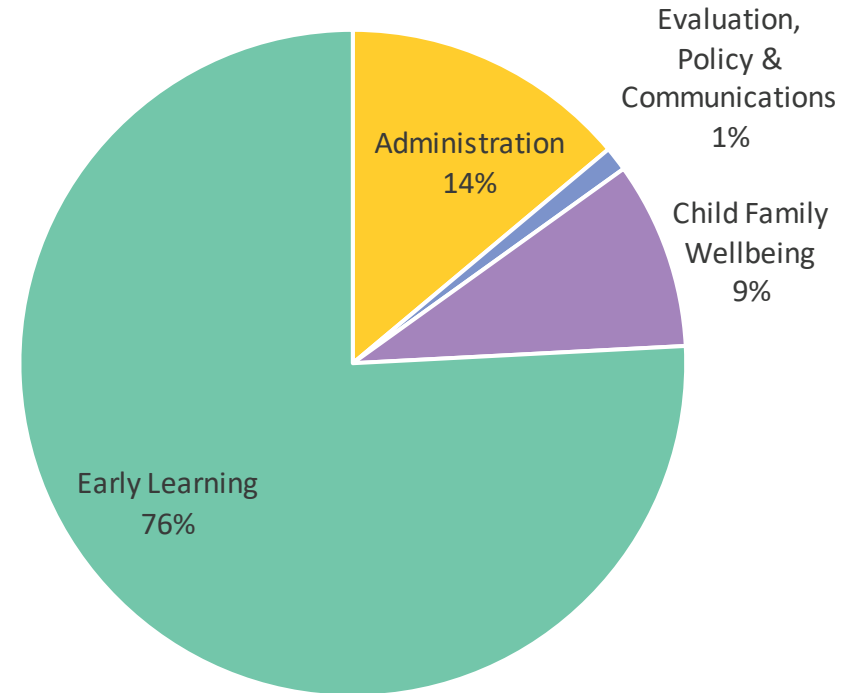
DEC Proposed Budget - DRAFT

Expenditure Breakdown

FY25 Proposed Expenditure Breakdown



FY26 Proposed Expenditure Breakdown



DEC Proposed Budget - DRAFT

Proposed Budget – Summary by Div.

	Program	Budget (\$M)		
		FY25	FY26	Balance
Child Family Wellbeing	• Child Health	12.2	12.2	---
	• Family Support	19.1	18.6	4.9 ¹
Early Learning	• Workforce Development	71.5	71.2	30.0 ²
	• Childcare Capital/ Expansion	13.8	13.8	34.0 ²
	• Training & Technical Assistance	9.3	10.1	---
	• Access & Enrollment	159.4	161.8	---
Evaluation, Policy & Communications	• Policy & Communications	2.8	1.0	---
	• Data & Evaluation	2.3	3.0	1.7 ¹
TOTAL – DEC Non-Admin Proposed Budget		290.5	291.5	70.6

1 Use of Prop 10 fund balance

2 Use of Prop C balance (OTO funds)

3 Use of rounding may result in a difference in subtotal versus the sum of initiatives listed



DEC Proposed Budget - DRAFT

Division Budget by Funding Source

DEC FY25 Budget Area (2.13.24)	FY25 Budget	WO	Prop 10	GF	PEEF	Baby C	State/Fed	Other	Balance/cfwd	TOTAL
Total Program Budget	\$ 290,484,743	\$ 57,573,195	\$ 1,533,260	\$ 12,799,856	\$ 41,078,368	\$ 159,543,202	\$ 15,456,862	\$ 2,500,000	\$ 37,884,733	\$ 328,369,476
Subtotal - Family Child Wellbeing	\$ 31,328,378	17,004,036	1,413,260	5,500,000	3,911,082	3,500,000	-	-	2,164,733	33,493,111
Child Health	\$ 12,183,165	2,694,090	577,993	1,500,000	3,911,082	3,500,000	-	-	-	\$ 12,183,165
Family Support	\$ 19,145,213	14,309,946	835,267	4,000,000	-	-	-	-	2,164,733	\$ 21,309,946
Subtotal - Early Learning	\$ 254,027,955	\$ 40,551,663	\$ -	\$ 7,299,856	\$ 36,050,257	\$ 152,169,317	\$ 15,456,862	\$ 2,500,000	\$ 34,000,000	\$ 288,027,955
Workforce Development	\$ 71,489,249	-	-	-	-	71,000,000	489,249	-	15,000,000	\$ 86,489,249
Childcare Capital/Expansion	\$ 13,780,185	692,325	-	587,860	-	10,000,000	-	2,500,000	17,000,000	\$ 30,780,185
Training & Technical Assistance	\$ 9,339,636	650,893	-	-	6,850,727	-	1,838,016	-	-	\$ 9,339,636
Access & Enrollment	\$ 159,418,885	39,208,445	-	6,711,996	29,199,530	71,169,317	13,129,597	-	2,000,000	\$ 161,418,885
Subtotal - Evaluation, Policy & Communications	\$ 5,128,410	17,496	120,000	-	1,117,029	3,873,885	-	-	1,720,000	6,848,410
Policy & Communications	\$ 2,818,885	-	-	-	-	2,818,885	-	-	-	\$ 2,818,885
Data & Evaluation	\$ 2,309,525	17,496	120,000	-	1,117,029	1,055,000	-	-	1,720,000	\$ 4,029,525

1 Use of fund balance reflects anticipated FY25 only





Division Details: Child Family Wellbeing

- Child Health
- Family Support
- Planning & Cross-Sector



DEC Proposed Budget - DRAFT

Child Family Wellbeing Priorities

- Implementing the fourth funding cycle of the Family Resource Center Initiative
- Establishing and growing a system of early identification and early intervention
- Completing hiring of programmatic staff for the division
- Bolstering partnerships with pediatric sector and supporting cross-sector initiatives between family support, early care and education, health and mental health.



DEC Proposed Budget - DRAFT

Child Family Wellbeing Budget

	Program	Budget (\$M)		
		FY25	FY26	Balance
Child Health	• Early Learning Mental Health Supports (Mental health consultation & inclusion coaching)	5.9 ¹	5.9 ¹	---
	• Developmental screening data systems and early intervention programs	6.1	6.1	---
Family Support	• Family Resource Center (FRC) Initiative	16.4	15.8	4.9 ²
	• Family First Prevention Services Act pilot	2.2	2.2	---
	• County-based Medi-Cal Administrative Activities	0.5	0.5	---
	• SF Family Support Network (training)	0.1	0.1	---
	• DPH Workorders (Triple P Parenting Class, FRC health linkages, referrals/training)	0.2	0.2	---
SUBTOTAL³ – Child Family Wellbeing		31.3	30.8	4.9

9.3%

9.1%

Share of Budget

1 DPH workorder funding not confirmed

2 Use of Prop 10 fund balance applied over two years

3 Use of rounding may result in a difference in subtotal versus the sum of initiatives listed





Division Details: Early Learning

- Workforce Development
- Childcare Capital/Facilities
- Training & Technical Assistance
- Access & Enrollment



DEC Proposed Budget - DRAFT

Early Learning Priorities

- Workforce – establish a portfolio of programs to support professional development, recruitment and retention of teachers.
- Facilities – maximize construction of new infant and toddler spaces and support conversion of pre-K spaces to infant and toddler.
- Training & technical assistance – standardize practices across coaches to maximize impact to programs.
- Access and Enrollment – respond to immediate needs for Early Childhood Programs to plan for future child enrollment, inform operating costs and provide appropriate levels of funding for the fiscal year, while working towards mid- and long-term refinement of policies to streamline funding and enrollment both from the parent and provider side (develop a model to optimize available funding that will take into consideration enrollment, holding providers harmless, preschool for all and rate increases).



DEC Proposed Budget - DRAFT

Early Learning (1/2)

Workforce Development

- Workforce Compensation
- PD Pathways
- Tuition Support
- Permit Advising + Registry

Childcare Capital/Facilities

- Site Expansion, Renovation & Repair
- Infant & Toddler Expansion
- DEC Childcare Sites

Program	Budget (\$M)		
	FY25	FY26	Balance
• Workforce Compensation	70.9	70.6	---
• PD Pathways	---	---	30.0 ¹
• Tuition Support	---	---	5.0 ¹
• Permit Advising + Registry	0.6	0.6	---
• Site Expansion, Renovation & Repair	13.1	13.1	20.0 ¹
• Infant & Toddler Expansion	---	---	14.0 ¹
• DEC Childcare Sites	0.6	0.6	---

¹ Use of Prop C balance (OTO funds)



DEC Proposed Budget - DRAFT

Early Learning (2/2)

	Program	Budget (\$M)		
		FY25	FY26	Balance
Training & Technically Assistance	• QRIS Block Grant	0.8	0.8	---
	• Training & Technical Assistance + Assessments	8.5	9.3	---
Access & Enrollment	• Enrollment - Local	121.1	122.0	---
	• Enrollment – State/Fed	32.1	32.1	---
	• Access (e.g., Help Desk, R&R, Homeless Case Management, Emergency Backup Childcare)	6.2	7.6	3.0 ¹
	SUBTOTAL² – Early Learning	254.1	256.8	72.0
	Share of Budget	75.2%	75.8%	

1 Use of Prop C balance (OTO funds)

2 Use of rounding may result in a difference in subtotal versus the sum of initiatives listed





Division Details: Evaluation, Policy and Communications

- Policy, Communications & Strategic Partnerships
- Data & Evaluation



Evaluation, Policy and Communications Priorities

- Executing fully funded data and evaluation services contracts awarded through RFP in FY24, which will enable external program evaluation of all major initiatives, facilitate planning and development of new data systems to support initiatives, establish best-practice standards and protocols for data governance across programs, and strengthen DEC's tracking of population-level outcomes in kindergarten readiness and family outcomes.
- Ramping up DEC's data warehousing capabilities by integrating child, family, and program participation data from three internal and external early care and education (ECE) subsidy data systems to facilitate timely, unified reporting related to ECE enrollment.
- Planning a next-generation grants management system to manage increased grant and contract case loads and higher volumes of financial and administrative data; begin transition from outdated, legacy systems by July 1, 2025
- Increasing transparency by sharing DEC program data in interactive, public-facing dashboards on our web site.

Evaluation, Policy and Communications Priorities

- Continuing to build out DEC's web site, especially those parts that provide information to parents of young children to help them understand child development and navigate the complex web of programs and services for young children and new parents
- Continuing marketing of DEC and its programs and services to parents of young children through place-based and digital advertising
- Strengthening information resources for DEC's grantees to facilitate stronger, more effective program implementation
- Advancing DEC's policy platform and leveraging DEC's experience and expertise to inform state and federal early childhood policies
- Creating an internal communications infrastructure to strengthen information sharing and collaboration within DEC's growing staff
- Share the good news about DEC's development and impact and get the word out to families about the expanded range of programs available to them through stronger media outreach
- Document DEC's impact by gathering stories from the field and disseminating data and research

DEC Proposed Budget - DRAFT

Evaluation, Policy & Communications

	Program	Budget (\$M)		
		FY25	FY26	Balance
Communications & Public Engagement	• Customer relationship software	0.03	0.03	---
	• Communications	0.4	0.4	---
	• ECE Community Building	0.4	0.4	---
	• Dream Keepers Initiatives	2.0	0.6	---
Data & Evaluation	• CMAA Implementation Support	0.1	---	---
	• Comprehensive Evaluation Services	2.0	2.0	---
	• Data warehouses/systems	0.16	0.96	---
	• Contract Management	0.3	0.3	1.7 ¹
SUBTOTAL – Evaluation, Policy & Communications		5.1	4.0	1.7

Share of Budget

1.5%

1.2%

.

¹ Use of previously appropriated funds for new contract management system.





Division Details: Finance & Operations

- Finance
- Operations



DEC Proposed Budget - DRAFT

Finance & Operations Priorities

- Complete the hiring and onboarding of essential financial support staff. Then develop a program to cross-train the new staff to support budgeting, procurement, contracting, and accounting.
- Develop and standardize departmental fiscal and operational policies and procedures that will streamline workflows for all department staff, as well as support the planning, implementing, and managing of all program initiatives.
- Establish workflows, guidelines, and requirements that will provide transparent contract management, fiscal compliance, and fiscal reporting.
- Develop the department's long-range sustainability plan.
- Develop internal policies that will provide a safe, fair, and equitable environment for all staff to work.



DEC Proposed Budget - DRAFT

DEC Administration (1/2)

	Program	Budget (\$M)		
		FY25	FY26	Balance
Employee Related Costs	• Staff salaries/benefits (69.95 FTEs)	13.8	14.3	---
	• Travel, training & field expenses	0.3	0.3	---
Office Costs	• Audit services	0.05	0.05	---
	• Materials & supplies (e.g., postage, copying)	0.5	0.5	---
	• Subscriptions & membership dues	0.05	0.05	---
Prop C Tax	• Prop C 15% Tax to GF	28.1	27.7	---
	• Tax Collector (work order)	1.5	1.5	---



DEC Proposed Budget - DRAFT

DEC Administration (2/2)

	Program	Budget (\$M)		
		FY25	FY26	Balance
Citywide Interdepartmental Services (work orders)	• City administration & infrastructure (e.g., city attorney, Controller)	0.7	0.7	---
	• Human Resources support	0.5	0.5	---
	• Information & technology (e.g. telecom)	0.5	0.5	---
	• Rent, renovation, reproduction & mail services	0.7	0.7	4.0
BOS Reserve	• Unappropriated savings	0.5	0.4	---
SUBTOTAL - Administration		47.2	47.1	4.0
Share of Budget		14.0%	13.9%	





Prop C Proposed Expenditures

Category	FY 2024-25	FY 2025-26
Salaries & Benefits	\$ 7,380,979	\$ 7,656,164
Non-Professional Svcs	\$ 694,130	\$ 1,494,130
City Grants	\$ 156,405,781	\$ 143,867,755
Materials & Supplies	\$ 267,410	\$ 267,410
Work Orders	\$ 3,102,703	\$ 2,065,544
15% Tax to GF	\$ 28,100,000	\$ 27,700,000
BOS Reserve	\$ 1,348,997	\$ 1,348,997
Grand Total	\$ 197,300,000	\$ 184,400,000

	<u>FY25</u>	<u>FY26</u>
Enrollment	\$ 71.0	\$ 59.7
Workforce Development	\$ 71.0	\$ 70.7
Facilities/Expansion	\$ 10.0	\$ 10.0
Access	\$ 0.2	\$ -
Child Wellbeing	\$ 3.5	\$ 3.5
Evaluation, Policy & Comms.	\$ 0.7	\$ -



Prop C Balance/Reserves - Uses



- Average cost to build 1 ECE slot = \$78,750¹
- More than 4,100 ELS slots needed²
- Two-year average construction period per slot (preceded by multi-year planning)
- Current community capacity for 300-400 new slots per year



- Recruiting new ECE teachers (more than 1,000 teachers needed to staff new slots)
- Professional development for the workforce (education & permit support)
- Incentivizing Infant & Toddler expertise
- Ensuring diversity of the ECE workforce

¹ Estimate in FY24 dollars; costs will increase over time

² Assumes current population under 5 serving up to 200% AMI

Next Steps

- February 21 Department Phase Budget Submission
- May 31 Mayor proposes Citywide Budget
- May/June Department presentations to BOS
- July 31 Last day for BOS to adopt budget

