

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.

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

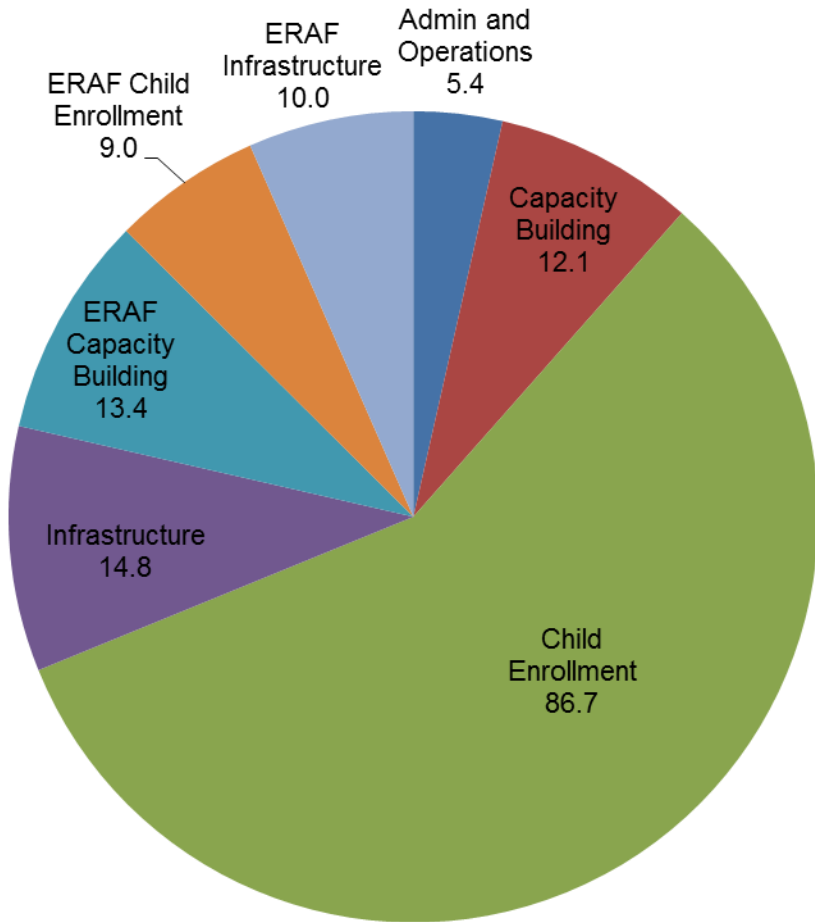
- **Infrastructure**

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

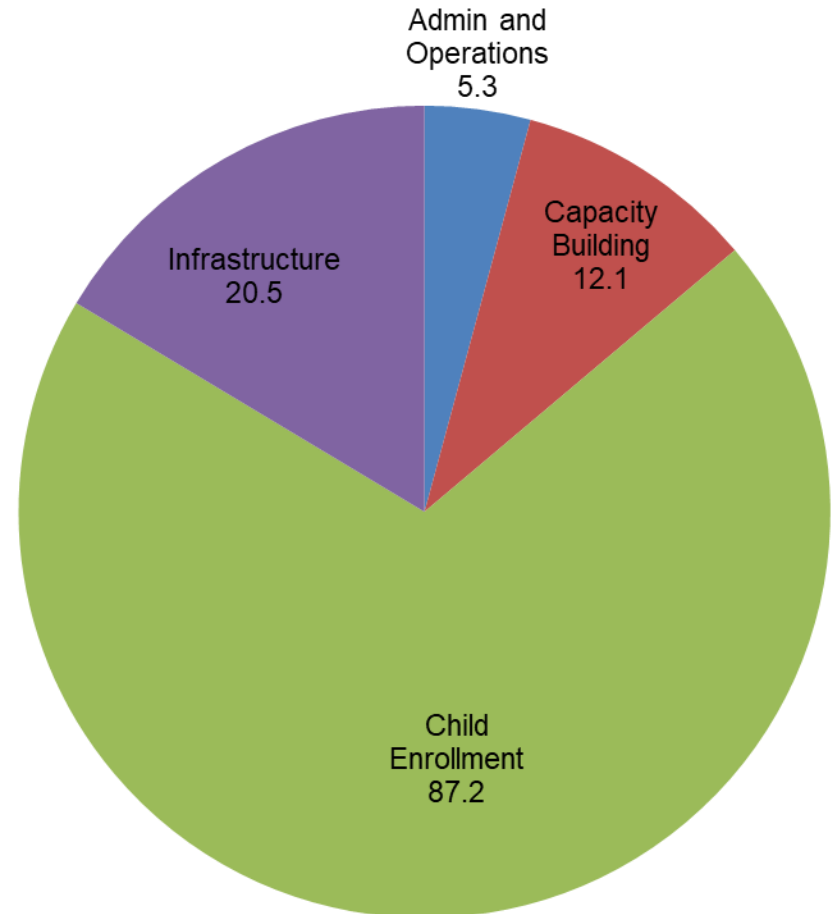
Budget Categories Include

- **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.
- \$19.5 million budgeted in FY18/19

**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