



Mark Farrell
Mayor



September Jarrett
Director

February 26, 2018

John Arntz
Director
Department of Elections
1 Dr. Carlton B. Goodlett Place
City Hall, Room 48
San Francisco, CA 94102-4689

RE: Analysis of Ballot Measure Tax on Commercial Rents to Fund Child Care and Education

Dear Mr. Arntz:

The San Francisco Office of Early Care and Education (OECE) has reviewed the above referenced Ballot Measure and submits the following analysis to the Ballot Simplification Committee.

In April 2016, the Mayor and San Francisco Board of Supervisors endorsed [The San Francisco Citywide Plan for Early Care and Education](#) which is our city's guiding document for sustaining and improving the system of early care and education for children, families and the community.

90% of brain development occurs in the early years of life from birth to age five. The environments in which young children grow up and the relationships they have with the adults in their lives make a strong and lasting impact on their lifelong trajectory. Research has shown that for every \$1 invested in high quality early care and education (ECE) which supports families and maximizes child development, the public benefits \$7 or more through savings from avoided costs such as remedial education, welfare, and incarceration.

San Francisco is home to an estimated 44,000 young children under the age of five who are growing up in households where all adults are working, creating a high demand for quality early care and education.

In reference to the Ballot Measure, OECE offers the following:

The Way It Is Now:

- More than half of households with young children under the age of five struggles to afford the cost of quality early care and education, which can be higher than college tuition.¹

- The state and federal government offers low-income families assistance but does not sufficiently fund access, resulting in a waitlist of more than 2,400 children under the age of five as of January 2018.ⁱⁱ
- According to census data, an estimated 17,670 children from newborn to the age of three earn 200% or less of Area Median Income.
- Early care and education professionals do some of the most important and demanding work in our city, and receive some of the lowest wages of any profession. Current, available data suggests average annual earnings for teachers of \$31,052.
- The City of San Francisco invests approximately \$35 million annually in local funding to provide access to high quality, half- day preschool for all four year olds, as well as services to meet the physical, emotional and cognitive development of children ages zero to five enrolled in city supported early care and education programs.
- San Francisco has established an Early Learning Scholarship program to provide financial assistance to families to access a citywide network of quality Family Child Care homes and ECE centers.

The Proposal:

If the tax passes, San Francisco could expand the Early Learning Scholarship program in order to:

- Clear the early care and education waitlist for the lowest income children and their families who earn 85% or less of State Median Income (for example a family of three earning less than \$63,240);
- Expand city financial assistance for infants and toddlers of families who earn 200% or less of Area Median Income (for example a family of three earning less than \$207,500);
- Invest in services that support the physical, emotional and cognitive development of children newborn to five; and
- Increase compensation for people who provide early care and education for children from newborn through age five from the current annual average of \$31,052.

On behalf of the young children and families of San Francisco, I appreciate the Department of Elections and Ballot Simplification Committee's consideration of this important matter.

Sincerely,

September Jarrett
Director

ⁱ In fiscal year 2017-2018, OECE has the following average reimbursement rates based on the estimated cost of quality by age:

Average of Family Child Care and Child Care Center Cost (Blended)			
	Full- Time Monthly	Full-Time Annual - 9 Month	Full-Time Annual - 12 - Month
Infant	\$2,065.74	\$18,591.66	\$24,788.88
Toddler	\$1,778.70	\$16,008.26	\$21,344.34
Preschooler	\$1,473.88	\$13,264.92	\$17,686.56

ⁱⁱ As of January 2018, San Francisco Child Care Connections (SF3C) reported a total of 2,402 children of low-income families waiting for financial assistance for child care comprised of 783 infants, 904 toddlers, and 715 preschool age children. For the purposes of determining eligibility for state and federal child care assistance, low-income is defined as earning 85% of State Median Income or less, adjusted for household size. A family of three, for example, would need to earn \$63,240 annually, or less, to qualify for state and federal assistance.