

May 8, 2020

San Francisco Board of Supervisors
San Francisco City Hall
1 Dr Carlton B Goodlett Pl,
San Francisco, CA 94102

To San Francisco Board of Supervisors:

As a coalition of San Francisco early care educators, parents, child care resource and referral agencies, and child care stakeholders we write to advocate for essential local, statewide and federal financial support during the COVID-19 pandemic, and during recovery.

Our top priority as San Francisco early care and education (ECE) advocates is to stabilize funding for existing child care educators and programs, as well as provide increased funding for the reduced child to staff ratios, sanitation, and PPE required to continue service to essential workers, vulnerable populations, and reopen to support San Francisco's return to work.

In San Francisco the projected financial loss for Family Child Care (FCC) sites and child care centers is \$73,698,200 from March 16 through June 30—an amount that represents the livelihood of our early childhood educators, and covers the fixed costs to keep sites afloat. Our child care infrastructure was already tenuous pre-pandemic, barely recovered from the 2008 recession, and remains on life support. The impact of the pandemic has been severe. The National Association for Education of Young Children and Early Care Education Consortium data show that since the pandemic, child care has lost upwards of 70 percent of daily attendance and that most providers have just a week until they will close their doors, in many instances, permanently.

The economy will not be able to recover from this economic downturn without the child care industry. Already in San Francisco, there was a shortage of child care throughout the city which has led to low-income and at-risk families waiting years to receive child care. If we lose more sites, individuals with children under the age of 5 will be in a financial quandary as the state of California and city of San Francisco begin to open up. Nearly a third of San Francisco's workforce simply cannot return to work without access to child care.

Child care is the highest cost in a family's budget, and is a challenge for both low- and middle-income families at the best of times. With the ongoing need for reduced ratios and numbers of children served by each program, both fee-based and subsidized child care programs, both centers and FCC sites, are challenged. During the work closures, many fee-based sites were faced with the hard decision of continuing to charge their families although they were only able to provide remote service, or not pay their teachers. Now these sites must decide which of these families that sustained them during Shelter in Place may not be able to be re-enrolled.

As of July 1, 2020, San Francisco's minimum wage will be \$16.07, yet the average child care cost is \$2,000. A parent that works in a low-wage job will save money by staying home instead of working—not only is this harmful to a family's long-term earning potential and our economy—many of these low-wage jobs are the essential work we all now recognize is needed to keep our community fed and cared for. There will not be a workforce to lead San Francisco and California out of this economic downturn without a proper investment in safe child care. Despite being among the lowest-paid workforce, child care educators are among the essential workers, and the backbone of San Francisco's economy, as well as a support to families.

With the shelter-in-place order, and continued higher costs during the pandemic, family child care businesses—already struggling to keep their doors open pre-pandemic, are now faced with the possibility of having to close their doors for good AND lose their homes. Family child care sites are often run by women of color business owners that function on thin margins. They serve families and children in our most low-income neighborhoods.

Centers and Family child care sites will not be able to survive off the decreased revenue that results from new social distancing requirements (halving their enrollment numbers). Additional public funds must be allocated to keep current providers afloat. For businesses to regain capacity, and the one-third of our county's workforce members who have children to be able to return to their jobs, the early care and education system must not only remain intact, but be able to provide service in smaller groups and with a greater amount of space..

ECE centers and family child care sites can not sustain a prolonged closure without significant economic support, including ongoing funding to retain educators—both currently working and furloughed. While some action to provide immediate relief to the child care and education system has been taken, more is needed at every level to ensure our early care and education system remains intact —alongside K12 schools—to support families and children as the shelter in place order is lifted and we move into recovery. To this end, we request your vocal and adamant support for the San Francisco child care community. The Board of Supervisors must make every effort in securing the below funding for the child care industry, including but not limited to, a resolution in line with the following request to:

- **Release the \$503 Million one time funding allocated for the child care system in the 2019 - 2020 State budget:** This one-time ECE money is earmarked to be spent primarily on facilities and workforce needs for the child care system in California. These funds can be immediately redirected to support child care for essential workers and child care providers.
- **A Federal investment of \$100 Billion to the child care industry in the next stimulus package** to rescue the child care industry from pandemic-related closures and cost, and to invest in long term recovery needs. During the pandemic, child care providers need additional funds to support safe classrooms and liveable provider wages. With decreased class sizes, providers need additional support to continue their businesses. With most child care providers already operating on thin margins, decreased class sizing due to social distancing will result in many closed businesses. Recent research by the National Women's Law Center shows an investment of this magnitude is of critical importance.

- **Maintain the Office of Early Care and Education Budget.** Child care is essential to San Francisco's workforce and the wellbeing of children. California's economy and future cannot afford to not meet the needs of the child care industry in our high-cost city. Any lack of local investments into child care will result in mass closures. OECE funding supports are an essential component of child care and education in San Francisco.
- **Maintain and expand State child care funding.** Due to COVID-19, child care sites for the foreseeable future will need to operate at reduced capacity. Most centers and family child care sites operate on a thin margin; any decrease in income will result in closures. The State must maintain funding for programs to cover fixed costs, additional cleaning, safety, and staffing needs, and hazard conditions due to COVID-19.
- **Release Prop C funds.** The current funds in the Babies and Families First Fund (Prop C - June 2018) are needed now more than ever. The city should work with the business community to release the needed funds to the child care community.

This crisis makes clear the deep, systemic problems in the sector, namely the gross under-investment in this critical service. In these times of hardship, we are thankful to have state representatives that understand the importance of early childhood education as a public good supporting families, children, and California's economy. We urge your swift action to allocate substantial flexible funding directly to the child care and education system.

Sincerely,

San Francisco Early Care and Education COVID-19 Response Coalition