

File No. 120192

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date May 9, 2012

Board of Supervisors Meeting

Date _____

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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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Completed by: Victor Young Date May 4, 2012

Completed by: Victor Young Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Administrative Code – Board Approval of Grants and Grant Increases Over \$100,000]

1
2 **Ordinance amending the San Francisco Administrative Code by amending**
3 **Section 10.170-1, to set a threshold of \$100,000 or more for Board of Supervisors**
4 **approval of the acceptance and expenditure of grants or increases in grants.**

5
6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are *strike-through italics Times New Roman*.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Section 10.170-1, to read as follows:

13 **SEC. 10.170-1. GRANT FUNDS - ACCEPTANCE AND EXPENDITURE.**

14 *(a) Any department, board, or commission that seeks to accept and expend federal, State, or*
15 *other grant funds must comply with any applicable provisions of this Section.*

16 *(b) The acceptance and expenditure of federal, State, or other grant funds in the*
17 *amount of \$100,000 or more is subject to the approval by resolution of the Board of Supervisors.*
18 *If, as a condition of the grant, the City is required to provide any matching funds, those funds shall be*
19 *included in determining whether the grant meets the \$100,000 threshold. ~~or by ordinance as~~*
20 *required under subsection (b), in the following manner: This subsection shall also apply to an*
21 *increase in a grant where the increase, alone or in combination with any other previous*
22 *increases to that grant, would raise the cumulative total amount of the grant to \$100,000 or*
23 *more.*

1 (a) ~~The Any~~ department, board, or commission requesting that requests the approval to
2 accept and expend grant funds by the Board of Supervisors shall submit the following documents to
3 the Board prior to its consideration:

4 (1) A proposed resolution approving the acceptance and expenditure of grant
5 funds, or a proposed ordinance as required under subsection (b), signed by the department
6 head, the Mayor or his or her designee, and the Controller;

7 (2) A completed "Grant Information Form." The Clerk of the Board shall
8 prepare the form; it shall include a disability access checklist, indirect cost recovery, and other
9 information as the Board of Supervisors may require;

10 (3) A copy of the grant application;

11 (4) A letter of intent to award the grant or acknowledgment of grant award from
12 the granting agency; and;

13 (5) A cover letter to the Clerk of the Board of Supervisors substantially
14 conforming to the specifications of the Clerk of the Board.

15 (c) Grants or Increases to Grants of Less Than \$100,000. The Controller may prescribe
16 rules for the acceptance and expenditure of federal, State, or other grant funds in amounts less than
17 \$100,000, or for increases to grants where the increase, alone or in combination with any other
18 previous increases to that grant, would not raise the cumulative total amount of the grant to
19 \$100,000 or more. The Controller may also prescribe rules for the acceptance and
20 expenditure of increases to grants, where the original grant or any subsequent increase to the
21 grant has been approved by the Board of Supervisors under subsection (b) or (d) and where
22 the latest increase would be in an amount less than \$50,000.

23 (d) ~~(b)~~ **Grant Funded Positions.** No position funded by a grant, regardless of the
24 amount of the grant, shall be authorized or filled unless the classification, duration, and number
25 of positions to be funded by the grant are specifically set forth in an ordinance approving

1 acceptance and expenditure, which ordinance shall also contain appropriate amendments to
2 the annual salary ordinance to reflect the positions proposed to be funded through the grant.

3 ~~(e)~~ **Recurring Grants.** Grants that provide funding to departments or programs of
4 the City and County in a recurring manner or continue funding from one year to the next shall
5 be included in the annual budget submission by the Department.

6 The Department budget submission shall also include a budget detail, explanations
7 and substantiations of the grant funding. If it is not possible for the Department to include
8 recurring grant funds in its annual Department budget submission, the acceptance and
9 expenditure of a recurring grant shall follow the procedure set forth in paragraph (a) of this
10 Section.

11 ~~(f)~~ **Indirect Costs.** Every grant shall contain provisions for the reimbursement of
12 indirect costs. Such indirect cost provisions shall reimburse the City and County from grant
13 funds for administrative services that are necessary for the administration and performance of
14 the project or program. Every department, office, board or commission shall establish a rate
15 for such indirect costs that is approved by the Controller and fixed in accordance with a
16 directive issued by the Controller. The indirect cost rate shall be included in the grant budget
17 that is submitted to the Board of Supervisors and in the authorizing resolution.

18 The receipt and expenditure of grant funds shall not be approved by the Board of
19 Supervisors unless the Controller has certified that provisions for appropriate indirect cost
20 reimbursement is included in the grant budget.

21 If indirect costs are not allowed by the funding agency, or for other reasons indirect
22 costs cannot be included in the budget, these reasons shall be stated in the authorizing
23 resolution. Upon approving acceptance and expenditure, the Board of Supervisors may waive
24 the requirement for the inclusion of reimbursement of indirect costs.

1 ~~(g)~~ ~~(e)~~ **Grant Budget.** Every department, board, commission, agency, or office
2 submitting a budget for a grant of public funds to the Board of Supervisors pursuant to this
3 Section shall submit such budget in a format that conforms to and provides the detail
4 substantiation that is required of similar appropriations in the annual budget for the City and
5 County. The mission and goals statement, which is required as part of the annual budget, is
6 not required by this Section for submittal of a grant budget.

7 ~~(h)~~ ~~(f)~~ **Grant Budget Revision.** A department, agency, or office may reallocate or
8 transfer funds of line item expenditures within an approved grant budget, if such reallocations
9 or transfers are within the total of the approved budget and are allowed by the granting
10 agency. If any line item of a Federal or State grant is modified or increased by more than 15
11 percent, copies of documentation of such modification or increase which are transmitted to
12 Federal or State agencies shall also be transmitted to the Board of Supervisors.

13 ~~(i)~~ ~~(g)~~ **Grant Draw Down of Funds.** Departments, agencies, boards, and
14 commissions shall promptly draw down grant funds from a Federal, State, or other funding
15 agency and deposit such funds in the Treasury of the City and County of San Francisco to
16 minimize the displacement of City funds that support grant activities.

17 ~~(j)~~ ~~(h)~~ **Grant Transportation Authority.** The provisions of this Section shall not be
18 applicable to applications for or expenditure of funds from the San Francisco County
19 Transportation Authority. The Controller shall prescribe rules for the acceptance and
20 expenditure of such funds.

21 ~~(k)~~ ~~(i)~~ **Certain Transportation Funds (Proposition 1B Funds).** The voters of
22 California adopted Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and
23 Port Security Bond Act of 2006, at the November 7, 2006 California General Election. Under
24 the Proposition, the State will appropriate two billion dollars (\$2,000,000,000) into the Local
25 Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006

1 ("Proposition 1B Local Street and Road Improvement Funds"). These funds will be distributed
2 to cities and counties for improvements to transportation facilities that will assist in reducing
3 local traffic congestion and further deterioration, improving traffic flows, or increasing traffic
4 safety that may include, but not be limited to, street and highway pavement, maintenance,
5 rehabilitation, installation, construction and reconstruction of necessary associated facilities
6 such as drainage and traffic control devices, or the maintenance, rehabilitation, installation,
7 construction and reconstruction of facilities that expand ridership on transit systems, safety
8 projects to reduce fatalities, or as a local match to obtain state or federal transportation funds
9 for similar purposes. The Proposition requires that the funds distributed to the City be
10 deposited in a local account that is designated for the receipt of state funds allocated for local
11 streets and roads.

12 (1) The Board of Supervisors finds that while there are a range of projects
13 involving various City departments that could benefit from the Proposition 1B Local Street and
14 Road Improvement Funds, implementing a coordinated planning process for use of those
15 funds will help ensure the effective and efficient expenditure of funds in a manner that will
16 maximize the benefit to the City and its residents.

17 (2) The Board of Supervisors further finds that given the range of projects and
18 the Citywide impact of transportation-related projects, it is appropriate for the Board to review
19 proposed expenditures of Proposition 1B Local Street and Road Improvement Funds, and to
20 be kept apprised of the progress on projects that are receiving Proposition 1B Local Street
21 and Road Improvement Funds.

22 (3) The Board of Supervisors shall not to appropriate any Proposition 1B Local
23 Street and Road Improvement Funds, as referenced above, until the Board has received from
24 the department or departments requesting the appropriations a specific and detailed spending
25 plan for the funds. The Spending Plan (the "Plan") shall set forth projects, programs and

1 other improvements to be funded over the next ten years (10) years by Proposition 1B Local
2 Street and Road Improvement Funds, and shall include a budget, scope, and schedule, as
3 well as any other information requested by the Board. The Plan should also address the
4 relative need or urgency, cost effectiveness, and fair geographic distribution of resources,
5 taking into account the various needs of San Francisco's neighborhoods. The Plan shall be
6 coordinated with other relevant City agencies including the Planning Department and the
7 Municipal Transportation Agency, as well as the San Francisco Transportation Authority. The
8 Plan should identify attempts to leverage or match Proposition 1B Local Street and Road
9 Improvement Funds with funding from other sources, including any other state or federal
10 funds. No City Department shall expend or encumber any Proposition 1B Local Street and
11 Road Improvement Funds without approval from the Board of Supervisors pursuant to this
12 ordinance. Any Proposition 1B Local Street and Road Improvement Funds received by the
13 City and County of San Francisco will be deposited into a local account named "The
14 Proposition 1B Local Account," and shall remain in such account until the Board of
15 Supervisors approves a department's specific spending plan. Under no circumstances will
16 Proposition 1B Local Street and Road Improvement Funds be mixed with other funds prior to
17 the approval of the spending plans as outlined in this paragraph. Proposition 1B Local Street
18 and Road Improvement Funds can be appropriated as part of the annual budget process only
19 if the requirements of this paragraph are met. The Board of Supervisors further encourages
20 any department seeking such an appropriation to consult and work with its commission if any,
21 the public, and the Board on the development of such spending plans.

22 (4) Any department that receives an appropriation of Proposition 1B Local
23 Street and Road Improvement Funds shall report back to the Board of Supervisors beginning
24 six months from the date of the appropriation, and at six-month intervals thereafter until the
25 appropriation has been spent. The report required by this Section shall state the amount of

1 Proposition 1B Local Street and Road Improvement Funds expended as of the reporting date
2 and shall describe the progress on the project, the projected date of completion, and such
3 additional information as the Board may require as a condition of the appropriation.

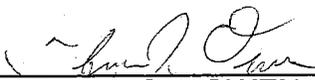
4 (5) The Controller shall perform an audit every two years of all Proposition 1B
5 Local Street and Road Improvement Funds that are allocated, whether expended or not, to
6 determine what projects were actually funded. Any Department receiving Proposition 1B
7 Local Street and Road Improvement Funds shall cooperate with the Controller's Office in the
8 performance of the audit.

9
10 Section 2. Effective Date. This ordinance shall become effective 30 days from the
11 date of passage.

12
13 Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to
14 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,
15 punctuation, charts, diagrams, or any other constituent part of the Administrative Code that
16 are explicitly shown in this legislation as additions, deletions, Board amendment additions,
17 and Board amendment deletions in accordance with the "Note" that appears under the official
18 title of the legislation.

19
20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22
23 By: _____


24 THOMAS J. OWEN
25 Deputy City Attorney

Supervisor Wiener
BOARD OF SUPERVISORS

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5/2/2012

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revised on: 5/1/2012 - n:\govern\as2012\1200344\00770965.doc

LEGISLATIVE DIGEST
(Amendment of the Whole, dated 5/2/2012)

[Administrative Code – Board Approval of Grants and Grant Increases Over \$100,000]

Ordinance amending the San Francisco Administrative Code by amending Section 10.170 1, to set a threshold of \$100,000 or more for Board of Supervisors approval of the acceptance and expenditure of grants or increases in grants.

Existing Law

Before a City department may accept and expend a state, federal, or other grant, the Board of Supervisors must approve the action by resolution.

Amendments to Current Law

The proposal would amend the Administrative Code to provide that departments would only need Board approval to accept and expend grants of \$100,000 or more (including any required City matching funds), or to accept and expend later increases to a grant that raised the cumulative total amount of the grant to \$100,00 or more.

The proposal would also authorize the Controller to adopt rules for departments to accept and expend grants of less than \$100,000, or later increases to the grant that did not raise the cumulative total amount to \$100,00 or more.

If a grant had been previously approved at any point by the Board, the department could accept and expend without further Board action any individual increases of less than \$50,000.

A grant that included the creation of a position in City service would still have to be approved by ordinance of the Board of Supervisors, regardless of the amount of the grant.

* * * * *

This amendment of the whole, dated 5/2/2012, differs from the legislation on file, dated 3/13/2012, as follows: First, it adds a provision to Section 10.170-1(b) stating that Board approval would still be required if a later increase to a grant raised the cumulative amount of the grant to \$100,00 or more. Second, it adds a provision to Section 10.170-1(c) explaining

that the Controller may adopt rules for departments to accept and expend later increases to a grant without getting Board approval if the cumulative amount of the grant remained below \$100,00. And if any grant, in its original amount or following a later increase, was approved by the Board under Section 10.170-1, the department could accept and expend without further Board action any further increases of less than \$50,000 apiece.