

File No. 111084

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: October 26, 2011

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget & Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |

OTHER

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Completed by: Victor Young

Date: October 21, 2011

Completed by: Victor Young

Date: _____

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

1 [Appropriating \$1,900,000 of Children's Fund Contingency in the Department of Children,
2 Youth, and their Families to Fund Subsidized Child Care for Low Income Families in FY2011-
3 2012]

4 **Ordinance appropriating \$1,900,000 of Children's Fund Designated Contingency to the**
5 **Department of Children, Youth, and their Families to allow California Department of**
6 **Education Title Five Contractors to provide subsidized child care funding for low**
7 **income families in order to mitigate State cuts in FY2011-2012.**

8
9 Note: Additions are single-underline italics Times New Roman;
10 deletions are ~~strikethrough italics Times New Roman~~.
11 Board amendment additions are double underlined.
12 Board amendment deletions are ~~strikethrough-normal~~.

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

14 Section 1. The sources of funding outlined below are herein appropriated to reflect the
15 funding available for Fiscal Year 2011-2012.

16
17 **SOURCES Appropriation**

Fund	Index/ Project	Subobject	Description	Amount
2S CHF NPR	235002	098CT	Designated for Contingencies	\$1,900,000
Children's Fund – Non- Project				
Total SOURCES Appropriation				\$1,900,000

18
19
20
21
22
23
24 Section 2. The uses of funding outlined below are herein appropriated in Subobject
25 081SS (GF – Social Services) and reflects the projected uses of funding to support the

1 Department of Children, Youth and Their Families in providing subsidized child care funding
2 for low income families through California Department of Education Title 5 contractors in order
3 to mitigate State cuts in Fiscal Year 2011-2012.
4

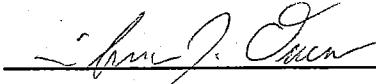
5 **USES Appropriation**

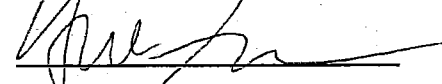
Fund	Index/ Project	Subobject	Description	Amount
2S CHF NPR	235002	081SS	Work Order to	\$1,900,000
Children's Fund – Non-			Human Services	
Project			Agency	
Total USES Appropriation				<u>\$1,900,000</u>

13 Section 3. The Controller is authorized to record transfers between funds and adjust
14 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
15 conform with Generally Accepted Accounting Principles.
16

17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
Ben Rosenfield, Controller

19 By: 
20 Deputy City Attorney

By: 
Date: September 30, 2011

Item 4
File 11-1084

Department:
Department of Children, Youth and Their Families (DCYF)

EXECUTIVE SUMMARY

Legislative Objective

- Ordinance appropriating \$1,900,000 from the Children's Fund Designated Contingency for the Department of Children, Youth, and Their Families (DCYF), to fund 196 slots in childcare programs provided by 15 non-profit Community Based Organizations (CBOs) to offset State funding reductions in FY 2011-12.

Key Points

- The State of California provides grant funds to non-profit CBOs that provide childcare services to low-income families under Title 5 of the California Education Code. In FY 2010-11, the State provided \$16,331,246 in Title 5 grants to 15 San Francisco non-profit CBOs to fund 1,834 slots in childcare programs, based on an estimated cost of \$8,900 for each childcare slot. These child care programs generally provide care and education for children from birth to five years of age. In FY 2011-12, the State reduced funding to the 15 San Francisco CBOs by \$2,316,625, from \$16,331,246 to \$14,014,621, equivalent to 1,575 slots in childcare programs, based on an estimated cost of approximately \$8,900 for each slot in the childcare program. The reduction in State funding in FY 2011-12 compared to FY 2010-11 resulted in approximately 259 fewer slots in childcare programs.
- The FY 2011-12 DCYF budget, as previously approved by the Board of Supervisors, contained a Children's Fund Designated Contingency of \$2,600,000 to offset estimated reductions in State funding for youth and children's programs, including childcare programs. DCYF is now requesting the appropriation of \$1,843,125 in Children's Fund Designated Contingency funds, which would fund a work order between DCYF and the Human Services Agency (HSA). HSA would use such monies to pay for 196 slots in childcare programs provided by the 15 CBOs based on an estimated cost of approximately \$9,258 per childcare slot (excluding program administrative costs) and to pay for program administrative costs.

Fiscal Impacts

- The Budget and Legislative Analyst recommends reducing the proposed appropriation request by \$56,875, from \$1,900,000 to \$1,843,125 to reflect the requested costs of funding the 196 slots in the Title 5 childcare programs.
- According to Ms. Tara Madison, DCYF Operations and Budget Director, DCYF has no immediate plans at this time to request appropriation of the balance of Children's Fund Designated Contingency amount of \$756,875 (\$2,600,000 less \$1,843,125). However, due to the possibility of additional State reductions for other youth and children's programs, including childcare programs, DCYF may submit another request to the Board of Supervisors if additional monies are needed.

Recommendation

- Amend the proposed ordinance to reduce the appropriation by \$56,875, from \$1,900,000 to \$1,843,125.
- Approve the proposed ordinance, as amended.

MANDATE STATEMENT**Mandate Statement**

Charter Section 9.105 requires that amendments to the Annual Appropriation Ordinance be approved by ordinance of the Board of Supervisors.

DETAILS OF PROPOSED LEGISLATION

The Department of Children, Youth, and Their Families' (DCYF) FY 2011-12 budget, as previously appropriated by the Board of Supervisors, included a Children's Fund Designated Contingency of \$2,600,000 to offset estimated reductions in State funding for youth and children's programs, including childcare programs. The proposed ordinance would appropriate \$1,900,000 in Children's Fund Designated Contingency monies to pay for an estimated 196 slots in childcare programs, previously funded by the State of California. Child care programs generally provide care and education for children from birth to five years of age.

The State provides grant funds directly to non-profit Community Based Organizations (CBOs) that provide childcare services, including slots in childcare programs, to low-income families under Title 5 of the California Education Code.¹ In FY 2010-11, the State provided 15 San Francisco CBOs \$16,331,246 in Title 5 grants to fund 1,834 slots in childcare programs, based on an estimated cost of approximately \$8,900 for each slot in the childcare program.

In FY 2011-12, the State reduced funding to the 15 San Francisco CBOs by \$2,316,625, from \$16,331,246 to \$14,014,621, to fund 1,575 slots in childcare programs, with an estimated cost of approximately \$8,900 for each slot in the childcare program. This represented a reduction of 259 slots in childcare programs in FY 2011-12 compared to FY 2010-11.

In accordance with the budget submitted by DCYF, the estimated cost to fund 196 slots in childcare programs is \$1,814,722 (see Attachment I), which is an average cost of approximately \$9,258 for each slot in an childcare program². Additionally, DCYF is requesting \$28,403 (see Attachment II) for the administrative costs related to this program, for a total request of \$1,843,125.

FISCAL IMPACTS

Although the proposed ordinance appropriates \$1,900,000 in Children's Fund Designated Contingency funds, DCYF has provided a budget for \$1,843,125 as follows:

¹ Title 5 of the California Education Code provides definitions of facilities designated for childcare and the process by which Community Based Organizations can apply for State funding through grants. This is separate from the CalWORKS voucher funding for childcare that the State also provides.

² The estimated cost per slot in a childcare program is based on the CBO's operating and administrative costs for providing the program, including salaries, materials, facility costs, and other operating and administrative costs.

<u>Sources of Funds</u>	
Children's Funds Designated Contingency	\$1,900,000
<u>Uses of Funds</u>	
Childcare Services Provided by CBOs	1,814,722
Program Administrative Costs	<u>28,403</u>
	1,843,125
Unallocated Amount	\$56,875

According to Ms. Taras W. Madison, Budget and Operations Director for DCYF, under the proposed ordinance, \$1,843,125 in Children’s Fund Designated Contingency funds would be work ordered to HSA. HSA would enter into new grant agreements with the 15 CBOs, for the expenditure of \$1,814,722 in Children’s Fund monies to pay for the childcare slots. The balance of \$28,403 would pay for the program’s administrative costs.

Attachment I, provided by Ms. Madison, provides details of the allocation for each of the 15 CBOs, totaling \$1,814,722, under this requested appropriation. As shown in Attachment I, the requested amount of \$1,814,722 from the Children’s Fund Designated Contingency would pay for an estimated 196 slots in childcare programs, or an estimated amount of \$9,258 for each slot in the childcare program.

Attachment II, provided by Ms. Madison, provides details of the \$28,403 requested for the program’s administrative costs.

The Budget and Legislative Analyst recommends amending the proposed ordinance to reduce the appropriation by \$56,875, from \$1,900,000 to \$1,843,125 to reflect the requested costs of financing the 196 slots in childcare programs and the related HSA administrative costs.

Although the reduction of State funding in FY 2011-12, as compared to FY 2010-11, resulted in 259 fewer slots in childcare programs, DCYF is requesting appropriation of Children’s Fund Designated Contingency funds sufficient to fund 196 slots in childcare programs (63 less than in FY 2010-11). According to Ms. Madison, the \$1,814,722 in requested Children’s Fund monies to pay for 196 slots in childcare programs is based on the 15 CBOs’ response to DCYF’s Notice of Funding Availability (NOFA). Ms. Madison states that the 63 unfunded childcare slots will be addressed by other identified funding, such as filling slots in childcare programs with private payers or using other funds to supplement the costs of subsidized slots in childcare programs, and will result in the same level of service in FY 2011-12 as in FY 2010-11.

The requested appropriation amount of \$1,843,125 in Children’s Fund Designation Contingency would leave an unappropriated balance of \$756,875 (\$2,600,000 less \$1,843,125). According to Ms. Madison, DCYF has no immediate plans, at this time, to request appropriation of the balance of the Children’s Fund Designated Contingency amount. However, due to the possibility of additional State reductions, DCYF may submit another request to the Board of Supervisors if additional monies are needed.

RECOMMENDATIONS

1. Amend the proposed ordinance to reduce the appropriation by \$56,875, from \$1,900,000 to \$1,843,125.
2. Approve the proposed ordinance, as amended.

Community Based Organization	FY10-11 Total State Contract Amount	Approximate Childcare Slots for FY10-11	FY11-12 Total State Contract Amount	Approximate Childcare Slots for FY11-12	State Reduction from FY 2010-11 to FY 2011-12	Amount Requested from City	Approximate Slots From Requested City Amount	Approximate Total Number of Slots Under Proposed Ordinance
Catholic Charities	\$418,418	47	\$360,043	40	\$58,375	\$58,375	6	46
Chinatown Community	424,245	47	365,057	41	59,188	50,000	5	46
Compass Children's Center	639,121	72	549,955	62	89,166	89,166	10	72
Economic Opportunity Council	2,886,491	325	2,483,344	280	403,147	261,097	29	309
Florence Crittenton/WY	2,639,337	297	2,270,981	256	368,356	281,392	31	287
Frandelja	424,494	47	365,270	41	59,224	59,224	6	47
Family Services Agency	1,279,293	144	1,100,815	124	178,478	140,000	15	139
Good Samaritan FRC	282,265	31	242,604	27	39,661	39,661	4	31
Janet Pomeroy Center	723,883	81	617,388	69	106,495	104,965	11	80
Mission CC Consortium	2,047,471	230	1,761,822	198	285,649	285,649	32	230
Mission Neighborhood Centers	1,419,533	160	1,190,403	134	229,130	35,120	3	137
South of Market Child Care	607,194	68	522,482	58	84,712	67,000	7	65
Telegraph Hill	143,300	16	123,207	13	20,093	20,093	2	15
True Sunshine	313,163	35	269,473	30	43,690	31,719	3	33
Wu Yee Children's Services	2,083,038	234	1,791,777	202	291,261	291,261	32	234
TOTAL	\$16,331,246	1,834	\$14,014,621	1,575	\$2,316,625	\$1,814,722	196	1,771

Children's Council of San Francisco

H.S.A

Attachment II

SF Title 5 (SFT5)

Draft 5 - Budget

July 1, 2011 to June 30, 2012

PERSONNEL

Salaries	Annual Rate	FTE Prct	Mod.	Budget
Fiscal Department Manager	\$ 85,014	4.00%	1.00	\$ 3,401.00
Staff Accountant-Ordaz Cabrera, J- L-6	45,767	17.00%	1.00	7,780.00
Systems Admin. Manager	78,517	1.20%	1.00	942.00
Total Salaries		22.20%		12,123.00
		Operating FTE		
FRINGE BENEFITS				
FICA		7.65%		927.00
SUI		1.05%		127.00
Workers' Compensation		2.05%		249.00
Retirement		3.00%		364.00
Medical Benefits		15.39%		1,866.00
Total Fringes		29.14%		3,533.00
Total Personnel				15,656.00
Start-up Costs				
Systems Admin. Manager	78,517	2.00%		1,570.00
Fringes	Rate	29.14%		457.00
Total Start-up Costs				2,027.00
Other Administrative Costs				
Office Supplies				697.00
Printing and Photocopying				356.00
Software and License Fees				400.00
Postage				455.00
Telephone				515.00
Repair and Maintenance				529.00
Rent and Utilities				3,937.00
Total Non Personnel Expenses		24%		6,889.00
Administrative Cost		11%		3,256.00
Direct Program Expenses				
Bank Fees				500.00
Translations				-
Local Travel				75.00
Training/Conference				
Total Direct Program Expenses				575.00
Total Administrative Costs				\$ 28,403.00
Pass-through				
Provider Payments	Avg. per month	151,226.83		1,814,722
				1,814,722
Total Costs				\$ 1,843,125

