

**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

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**TO:** Budget and Finance Committee   
**FROM:** Budget and Legislative Analyst  
**SUBJECT:** January 9, 2013 Budget and Finance Committee Meeting

**TABLE OF CONTENTS**

<b>Item</b>	<b>File</b>	<b>Page</b>
1	12-1167 Accept and Expend Grant – Code for America Labs, Inc. - \$105,000 .....	1-1
5	12-1139 Lease and Use Agreement – China Airlines, Limited .....	5-1
6	12-1170 Real Property Lease Amendment – Autodesk, Inc. – Pier 9.....	6-1
7	12-1169 Contract Amendment – Aon Insurance Services West, Inc. – Central Subway Project – Not to Exceed \$8,280,000.....	7-1

<b>Item 1</b> <b>File 12-1167</b>	<b>Department:</b> Human Services Agency (HSA) Department of Technology (DT)
<b>EXECUTIVE SUMMARY</b>	
<p><b>Legislative Objective</b></p> <ul style="list-style-type: none"> <li>• Resolution authorizing the Human Services Agency to retroactively accept and expend a \$105,000 grant from Code for America Labs, Inc., a nonprofit organization, toward the cost of participating in the 2013 Code for America Fellowship Program, which has selected HSA to receive technology design services from Code for America to increase access to public benefits by the City's lowest income residents.</li> </ul> <p><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• Under the proposed 15-month grant, three individuals selected as fellows for Code for America would be assigned to San Francisco to research and develop technology-based solutions for improved access to public assistance benefits for HSA clients. Under the terms of the proposed grant agreement between the City and Code for America, the proposed Fellowship Program would be for a total of \$360,000, including \$105,000 from Code for America Labs, Inc. and \$255,000 of required City matching funds from HSA and the Department of Technology (DT).</li> </ul> <p><b>Fiscal Impacts</b></p> <ul style="list-style-type: none"> <li>• The proposed \$105,000 Code for America grant would provide 29% of the total \$360,000 Code for America Fellowship Program, and the City would provide the balance of the \$255,000 or 71% of matching funds with (a) \$75,000 of General Fund revenues from HSA's FY 2012-13 budget and (b) \$180,000 of workordered revenues from DT's FY 2012-13 budget.</li> <li>• The proposed resolution requests that the Board of Supervisors waive the inclusion of indirect costs (the City's costs to administer the grant), which are estimated at approximately 12 percent or \$12,600, which would be absorbed by HSA and DT, in order to maximize the use of available grant funds on program expenditures.</li> <li>• Although specific savings cannot be calculated at this time, this project has the potential to generate workload efficiencies at HSA due to (a) a reduction in caseload churning and (b) the use of technology to facilitate client outreach and communication. However, such efficiencies and cost savings may be partially offset by future ongoing operating expenditures required to sustain the technology solutions developed as part of this project.</li> </ul> <p><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed resolution is a policy decision for the Board of Supervisors as outlined in the Policy Consideration section below.</li> </ul>	

## MANDATE STATEMENT / BACKGROUND

### Mandate Statement

Administrative Code Section 10.170-1 provides that the acceptance and expenditure of federal, state or other grants of \$100,000 or more are subject to approval by resolution of the Board of Supervisors.

### Background

Code for America Labs, Inc. is a nonprofit organization, often referred to as the “peace corps for geeks”, which is dedicated to helping governments work better for everyone through people and the power of the web. As part of Code for America Labs Fellowship Program, Code for America Labs recruits individuals who (a) are experts in web technology, (b) can dedicate a year to public service, and (c) are interested in creating innovative technology solutions to civic problems. These individuals are then matched with applicant cities that (a) demonstrate strong leadership to overcome bureaucratic obstacles, (b) have identified real cost-saving projects, (c) can provide funding to support the project, (d) promote transparency, and (e) provide community participation.

The City of San Francisco, through the Mayor’s Office, the Human Services Agency, and the Department of Technology applied and was selected through a competitive process to participate in the 2013 Code for America Labs Fellowship Program.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the Human Services Agency to retroactively accept and expend a grant for \$105,000 from Code for America Labs, Inc. toward the cost of participating in the 2013 Code for America Fellowship Program, which has selected HSA to receive technology design services from Code for America to increase access to public assistance benefits by the City’s lowest income residents. Under this grant, three individuals selected as fellows for Code for America would be assigned to San Francisco to research and develop technology-based solutions for improving access to public assistance for recipients of HSA benefits and services, such as the homeless, MediCal recipients and CalFresh<sup>1</sup> clients.

According to Mr. David Curto, Director of Contracts for HSA, the working problem posed to Code for America, that would be addressed under the proposed grant, is that (a) not all San Franciscans that are eligible for public assistance benefits are enrolled, and (b) those San Franciscans that are enrolled frequently “churn” on and off of HSA public benefit caseloads, creating significant workload inefficiencies for HSA and service gaps for clients. Under the proposed grant, the Code for America fellows would research, identify and develop strategies that facilitate the cross-enrollment of HSA clients who are participating in one set of HSA

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<sup>1</sup> CalFresh is the name for the Food Stamps Program.  
SAN FRANCISCO BOARD OF SUPERVISORS

services into other HSA services for which those clients may be eligible. Mr. Curto advises that the specific technology solutions to these problems are yet to be determined, but the applications developed would potentially be for use by HSA staff, community-based service providers and/or current and prospective clients.

The term of the subject grant is 15 months, retroactive from October 1, 2012 through December 31, 2013. Under the terms of the proposed grant agreement between the City and Code for America, the proposed Fellowship Program would be for a total of \$360,000, including \$105,000 from Code for America Labs, Inc. and \$255,000 of required City matching funds from HSA and the Department of Technology.

Under this grant, the three fellows would receive an initial one-month intensive training from Code for America support staff working with City staff in government, industry and technology, including the specific issues affecting San Francisco, HSA and the specific clients to be served. This one-month training period is anticipated to occur in January of 2013. During February, the three fellows would conduct interviews with City staff and HSA clients to gain a better understanding of the specific problems and issues. During the remainder of the 15-month grant period, the three fellows would research potential solutions and then focus their attention on developing and implementing specific web-based applications for this project. During the last two months, the three fellows would develop plans to sustain their solutions on an ongoing basis.

## FISCAL IMPACTS

As shown in Table 1 below, the proposed \$105,000 Code for America grant would provide 29% of the total \$360,000 Code for America Fellowship Program funds. As also reflected in Table 1 below, the City would provide the balance of the \$255,000 or 71% of matching funds with (a) \$75,000 of General Fund revenues from HSA's FY 2012-13 budget and (b) \$180,000 of revenues allocated to DT's FY 2012-13 budget through workorders from other City departments. According to Mr. Ken Bukowski, Chief Financial Officer for the Department of Technology, approximately 70% or approximately \$126,000 of the total \$180,000 workordered funds are General Fund revenues. Therefore, the City's matching funds include approximately \$201,000 (\$75,000 + \$126,000) of General Fund revenues.

**Table 1: Funding Sources for \$360,000 Code for America Fellowship Program**

<b>Funding Sources</b>	<b>Amount</b>	<b>Percentage</b>
HSA General Fund	\$75,000	21%
DT Workordered Funds	180,000	50%
<b>Subtotal</b>	<b>\$255,000</b>	<b>71%</b>
Code for America Grant	\$105,000	29%
<b>Total</b>	<b>\$360,000</b>	<b>100%</b>

According to Mr. Curto, the \$75,000 included in HSA's FY 2012-13 budget, as previously approved by the Board of Supervisors, is a general line item included for information technology and software programming purposes to support agency operations, which is the intent of the subject grant. According to Mr. Bukowski, the \$180,000 included in DT's FY 2012-13 budget, as previously approved by the Board of Supervisors, was originally budgeted for various innovation projects, with the expectation that the City might receive this Code for America grant.

As shown in Table 2 below, most of the \$360,000 project costs would pay for salaries and benefits for the three Code for America Fellows and Code for America support staff. The overall budget also includes \$56,000 to cover office space and equipment at Code for America headquarters, located at 155 9th Street, where the three fellows will spend significant time during the grant period. In addition, Mr. Curto advises that the three Code for America Fellows would have office space in HSA's existing offices at 1650 Mission Street.

**Table 2: Projected Expenditures for \$360,000 Code for America Fellowship Program**

<b>Expenses</b>	<b>Amount</b>
Salaries, Benefits, & Taxes for 3 Code for America Fellows	\$158,000
Salary Support for Code for America Program Director, Coordinator & Technical Staff	110,000
Housing and Travel	18,000
Fellowship Training	6,500
Workspace/Office, Internet, Software, etc	56,000
Hardware Costs	3,500
Outreach, Communications, Technology Partnerships	8,000
<b>Total</b>	<b>\$360,000</b>

The proposed resolution requests that the Board of Supervisors waive the inclusion of indirect costs (the City's costs to administer the grant) in the grant budget, in order for HSA to maximize the use of available grant funds on program expenditures. Mr. Curto estimates indirect costs for the subject \$105,000 grant would be approximately 12 percent, or \$12,600, which would be absorbed by HSA and DT. Under the proposed grant agreement, the City will designate 5%-10% of HSA's and DT's staff's time to assist the three Fellows throughout the year.

Mr. Curto advises that, although specific savings cannot be calculated at this time, this project has the potential to generate efficiencies and potential cost savings to the City, including workload efficiencies at HSA due to (a) a reduction in caseload churning and (b) the use of technology to facilitate client outreach and communication.

Mr. Curto acknowledges that such efficiencies and cost savings may be partially offset by future ongoing operating expenditures required to sustain the technology solutions developed as part of

this project. However, Mr. Curto reports that the specific costs of maintaining future technology solutions, while unknown at this time, are anticipated to be primarily covered by using existing HSA information technology staff. According to Mr. Curto, Code for America develops applications using open source technology<sup>2</sup> and that one or more of HSA's information technology staff will be trained by the Code for America fellows in the use of such open source technology in order to be able to maintain such technology solutions in the future.

Mr. Curto notes that, although he was not able to provide specific calculations, Code for America estimates that if the City were to contract with a private vendor for the services that will be received under the proposed \$360,000 grant project, the market value would be worth approximately \$900,000.

## **POLICY CONSIDERATION**

Under the proposed resolution, the City would receive \$105,000 of grant funds from Code for America to undertake a \$360,000 2013 Code for America Fellowship Program for the subject 15-month period ending December 31, 2013. However, in order to receive such grant funds under the proposed resolution, the City would (a) be required to contribute \$255,000 (see Table 1 above) to this Program, including approximately \$201,000 of General Fund revenues, and (b) waive the inclusion of indirect costs (the City's costs to administer the grant) which are estimated at \$12,600, which would be absorbed by HSA and DT. In addition, the potential workload efficiencies and cost savings to HSA from the proposed technologies to be developed as well as any potential additional operating expenditures to be incurred in the future cannot be estimated at this time. Therefore, approval of the proposed resolution is a policy decision for the Board of Supervisors.

## **RECOMMENDATION**

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

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<sup>2</sup> Open source technology generally refers to technology which is available to the general public free of charge for use and/or modification from its original design.