AMENDED IN COMMITTEE 9/18/2025

[Board Response - Civil Grand Jury Report - Capacity to Serve: Setting Social Services

FILE NO. 250585

Nonprofits Up for Success]

RESOLUTION NO. 453-25

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2024-2025 Civil Grand Jury Report, entitled "Capacity to Serve: Setting Social Services Nonprofits Up for Success;" and urging the Mayor to cause the implementation of accepted findings and recommendations

WHEREAS, Under California Penal Code, Section 933 et seq., the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on the findings and recommendations contained in Civil Grand Jury Reports; and

through his department heads and through the development of the annual budget.

WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a county agency or a department headed by an elected officer, the agency or department head and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the response of the Board of Supervisors shall address only budgetary or personnel matters over which it has some decision making authority; and

WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of Supervisors must conduct a public hearing by a committee to consider a final report of the findings and recommendations submitted, and notify the current foreperson and immediate past foreperson of the Civil Grand Jury when such hearing is scheduled; and

WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b), the Controller must report to the Board of Supervisors on the implementation of

recommendations that pertain to fiscal matters that were considered at a public hearing held by a Board of Supervisors Committee; and

WHEREAS, The 2024-2025 Civil Grand Jury Report, entitled "Capacity to Serve: Setting Social Services Nonprofits Up for Success" ("Report") is on file with the Clerk of the Board of Supervisors in File No. 250584, which is hereby declared to be a part of this Resolution as if set forth fully herein; and

WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond to Finding Nos. F2, F3, and F4, as well as Recommendation Nos. R2.3, R3.2, and R4.1, contained in the subject Report; and

WHEREAS, Finding No. F2 states: "Approval Delays Undermine Grant Effectiveness. The lengthy, uncertain, complex process to award and approve grants drives up costs to the city; undermines grantees' operations by requiring that they tolerate long funding delays; and makes it harder for program leads to adapt grants quickly to evolving social needs;" and

WHEREAS, Finding No. F3 states: "Skill and Tooling Shortages Impede the Grant Process. City departments responsible for making grants, as well as those responsible for approvals, often do not have enough staff skilled in navigating the grantmaking process, and do not have appropriate software tools to assist them. This worsens grantmaking delays and uncertainties and distorts grantmaking practices;" and

WHEREAS, Finding No. F4 states: "Monitoring Doesn't Lead to Timely Corrective Action. The city's monitoring and audit processes often take multiple years to correct even serious cases of nonprofit mismanagement, undermining public trust and government efficiency;" and

WHEREAS, Recommendation No. R2.3 states: "By March 31, 2026, the city should enact an ordinance specifying procurement policy improvements that apply generally to social services grantmaking. The ordinance should address:

- Streamlining processes for nonprofits to qualify to bid for social services grants.
- Clarifying and reducing the number of reviewers required for social services grants and the time within which they must complete reviews.
- Clarifying and generalizing sole sourcing authority for appropriate social services grant procurement and accountability for unbiased sole sourcing decisions;"

The improvements should be operative by July 1, 2026;" and

WHEREAS, Recommendation No. R3.2 states: "By June 1, 2026, the Mayor's Office should present to the Board of Supervisors a budgeting and staffing plan for ensuring procurement efficiency as it applies to social services grants (and if appropriate, other grants and contracts). The plan should identify appropriate funding sources to scale reviewer staffing with demand and address known succession and retention issues for procurement staff;" and

WHEREAS, Recommendation No. R4.1 states: "By December 31, 2025, the Board of Supervisors should direct the Budget and Legislative Analyst to prepare a report on the time elapsed from when the Nonprofit Monitoring Program identifies management problems to when the problems are corrected. The report should be published by June 30, 2026;" and

WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on Finding Nos. F2, F3, and F4, as well as Recommendation Nos. R2.3, R3.2, and R4.1 contained in the subject Report; now, therefore, be it

RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F2; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F3 for the following reason: The Board of Supervisors concurs that the City does not have enough overall capacity to navigate the current grantmaking process. However, the primary burdens causing under

capacity are an overcomplicated grantmaking process and the lack of software tools to assist staff, not understaffing itself; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F4 for the following reasons: the Board of Supervisors finds that the current monitoring system supports contractors to comply with City standards a majority of times, but the Board of Supervisors does concur that extraordinary cases of noncompliant and destabilized nonprofits should be more agile to resolve these most serious cases; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R2.3 has been implemented through varied ordinances that streamline contracting processes and through operational reforms that the Mayor's Office and the City Attorney's Office continues to implement; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R3.2 will not be implemented because it is not warranted to solely discuss staffing increases with regard to ensuring procurement efficiency as it applies to social services grants and the issue should be explored more holistically; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R4.1 will not be implemented because it is not warranted given that the Controller's Office conducts annual reports every fiscal year in which the data referenced in this recommendation is already collected and reported; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the implementation of the accepted findings and recommendations through his department heads and through the development of the annual budget.



City and County of San Francisco Tails

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Resolution

File Number: 2

250585

Date Passed: September 30, 2025

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2024-2025 Civil Grand Jury Report, entitled "Capacity to Serve: Setting Social Services Nonprofits Up for Success;" and urging the Mayor to cause the implementation of accepted findings and recommendations through his department heads and through the development of the annual budget.

September 18, 2025 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

September 18, 2025 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

September 30, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 250585

I hereby certify that the foregoing Resolution was ADOPTED on 9/30/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Unsigned

Daniel Lurie Mayor 10/10/2025

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Misajomera	10/10/2025
🚣 Angela Calvillo	Date
Clerk of the Board	

File No. 250585