File No. 130609 Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight **Date** April 10, 2014

Board of Supervisors Meeting **Date** _____

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Completed by: Alisa Miller **Date** April 4, 2014
Completed by: _____ **Date** _____

OFFICE OF THE MAYOR
SAN FRANCISCO

EDWIN M. LEE
MAYOR

April 3, 2014

Angela Calvillo, Clerk of the Board of Supervisors
Attn: Government Audit and Oversight Committee
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear Ms. Calvillo:

Attached please find a consolidated summary of the status of recommendation updates for the following Civil Grand Jury recommendations:

- 2011-2012 Civil Grand Jury Report, *Déjà Vu All Over Again: San Francisco's City Technology Needs a Culture Shock,* Recommendation 13.

- 2012-2013 Civil Grand Jury Report, *Use of Nonprofit Community-Based Organizations: Measuring Outcomes,* Recommendation 3.

This status of recommendations report should be included in the official legislative file for consideration at the Government Audit and Oversight Committee.

Sincerely,

Kate Howard
Mayor's Budget Director

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

Status of the Recommendations by the Civil Grand Jury 2012-13

California Penal Code Section, 933.05 (b), requires the responding party to report for each recommendation of the Civil Grand Jury one of the following actions:

1. Recommendation Implemented	2. Will Be Implemented in the Future	3. Requires Further Analysis	4. Will Not Be Implemented: Not Warranted or Not Reasonable
- Date Implemented - Summary of Implemented Action	- Anticipated Timeframe for Implementation	- Explanation - Timeframe *(Not to exceed six months from date of*	- Explanation

For each recommendation below, indicate one of the four actions you have taken or plan to take in the "Action Plan" column and provide the required explanation in the "2014 Response Text" column.

CGJ Year	Report Title	Recommendation	Response Required	Action Plan	2014 Response Text
2011-12	DÉJÀ VU ALL OVER AGAIN	R13. The City CIO and the Controller create a citywide asset management system for ICT equipment.	Mayor, Controller, Committee on Information Technology Chair, and City CIO	Will Be Implemented in the Future	There are a number of asset management system requests in the budget, and DT is working with the departments to implement a system that could be deployed citywide. In the interim, DT has initiated an IT inventory process to provide information on all citywide assets.
2012-13	Use of Nonprofit Community-Based Organizations: Measuring Outcomes	Recommendation 3. The Department should provide additional resources to bring the Avatar system to a level that fully supports the Department's performance objective program. The Mayor and the Board of Supervisors should ensure that sufficient resources are available to implement this recommendation.	Mayor, DPH	Recommendation Implemented	Since being hired, the IS Manager, IS Business Analyst, and Senior IS Business Analyst have made significant improvements to and in support of the Avatar system including: implementing on line training videos, developing widgets that allow providers to track due dates for clinical documents, and improving and creating new reports to assist programs. As a part of the larger DPH IT Department re-organization, the IS Principal Programmer Analyst will be hired to work on integration between the Electronic Health Records across DPH. The re-organization has better positioned the DPH IT Department, as a whole, and these changes will provide increased efficiencies and access to additional resources. In addition, each Department has identified a Chief Medical Information Officer that will improve the use of clinical information across DPH.

(1) "--" Department did not respond with one of the four required actions.

[Response to the 2012-2013 Civil Grand Jury Report Entitled "Use of Nonprofit Community-Based Organizations: Measuring Outcomes"]

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2012-2013 Civil Grand Jury Report entitled "Use of Nonprofit Community-Based Organizations: Measuring Outcomes" 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.

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

WHEREAS, In accordance with 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, The 2012-2013 Civil Grand Jury Report entitled "Use of Nonprofit Community-Based Organizations: Measuring Outcomes" is on file with the Clerk of the Board of Supervisors in File No. 130610, 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. 2 and 3 as well as Recommendations 2.1, 2.2, and 3 contained in the subject Civil Grand Jury report; and

WHEREAS, Finding No. 2 states: "City services provided by CBO grants/contracts have great value in helping underserved groups, but there is no systematic monitoring of the outcomes of effectiveness of the services delivered. It is important to know the value of these services over the long-term and to have a comprehensive strategy for optimizing the long-term effectiveness of the grants and contracts;" and

WHEREAS, Finding No. 3 states: "The DPH has not been able to take full advantage of the Avatar electronic information management system;" and

WHEREAS, the Recommendation No. 2.1 states: "The Mayor and Board of Supervisors should take the important step of developing an overarching strategy, as recommended by the San Francisco Community-Based Organizations Task Force in 2009, for evaluating the long-term effect of services provided by CBOs and use the results of that examination to set priorities and eliminate ineffective (or wasteful) programs;" and

WHEREAS, the Recommendation No. 2.2 states: "The Mayor and the Board of Supervisors should consider taking a percentage of the total monies devoted to the provision of services by CBOs and use it to engage professional assistance to conduct this evaluation;" and

WHEREAS, the Recommendation No. 3 states: "The Department should provide additional resources to bring the Avatar system to a level that fully supports the Department's performance objective program. The Mayor and the Board of Supervisors should ensure that sufficient resources are available to implement this recommendation;" and

WHEREAS, in accordance with 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. 2 and 3 as well as Recommendations 2.1, 2.2, and 3 contained in the subject Civil Grand Jury report; now, therefore, be it

RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that it disagrees partially with Finding 2 for reasons as follows: Individual departments do monitor the effectiveness of the services delivered based on programmatic needs and objectives; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that it agrees with Finding 3; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation 2.1 has already been implemented: There is currently a citywide joint fiscal monitoring protocol in place that produces corrective action policies, and currently, the City has formal Requests for Proposal processes for ensuring the City utilizes the most effective providers; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that it will not implement Recommendation 2.2 for reasons as follows: Professional staff currently continually monitor the performance of community-based organizations; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that it requires further analysis for Recommendation 3 for reasons as follows: The Department of Public Health will report to the Board on the hiring of necessary staff to support the Avatar system within six months of the publication of the Civil Grand Jury report, from June 27, 2013, to no later than December 27, 2013; and, be it

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

City and County of San Francisco
Tails
Resolution

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

File Number: 130610 **Date Passed:** November 05, 2013

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2012-2013 Civil Grand Jury Report entitled "Use of Nonprofit Community-Based Organizations: Measuring Outcomes" 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.

October 24, 2013 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 24, 2013 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

November 05, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130610

I hereby certify that the foregoing Resolution was ADOPTED on 11/5/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Unsigned
Mayor

November 15, 2013
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.

Angela Calvillo
Clerk of the Board

OFFICE OF THE MAYOR
SAN FRANCISCO

EDWIN M. LEE
MAYOR

August 29, 2013

The Honorable Cynthia Ming-mei Lee
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street
San Francisco, CA 94102

Dear Judge Lee:

The following is in response to the 2012-2013 Civil Grand Jury report, *Use of Nonprofit Community-Based Organizations, Measuring Outcomes*. We would like to thank the members of the Civil Grand Jury for their interest in the complex subject of outcome measurement of community based services.

By way of background, in Fiscal Year 2012-13, city contracts with nonprofits totaled nearly $500 million. Without the work of these partner organizations, the City would be unable to offer the comprehensive range of diverse services which our community has come to depend upon. Community-based organizations are known to be culturally competent and flexible, and are innovative partners in the provision of services alongside the City

The City of San Francisco has shown a commitment to providing as much information possible regarding the selection, funding, and services provided by community-based organizations. Actual contract funding information is posted online on the Controller's SFOpenBook portal for current and previous years. Request for proposals to community-based organizations are posted on the internet for the public to view. Many departments post voluminous information online detailing the scoring criteria and stated goals for the award of grant funding. Any member of the public with an interest in nonprofit spending has a wealth of information available to them.

Citywide fiscal and compliance monitoring is coordinated by the City Services Auditor Division within the Controller's Office as part of its *Citywide Nonprofit Monitoring and Capacity Building Program.* The goals of citywide nonprofit fiscal and compliance monitoring are to standardize procedures across departments, eliminate duplication of efforts for both contractors and City departments, and promote nonprofit sustainability.

The City must also verify that nonprofits are effective in providing programs and services. On this point, the Jury has recommended systematic monitoring of outcomes in an effort to evaluate nonprofit services. We respectfully disagree that this is not already taking place. In response to the 2009 Community-Based Organization Task Force Report, City departments and nonprofits collaboratively drafted and adopted a corrective action policy in November 2010, which was revised in 2013. The revised policy offers a guide for use by City departments for situations when nonprofit contractors consistently fail to meet City monitoring standards or performance measures agreed upon by contract. In addition, departments individually and jointly monitor the outcomes and effectiveness of nonprofit services. There are overarching strategies to evaluating nonprofit services based on program area, and

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this structure provides for outcomes to be appropriately targeted and measured in relation to the type of service rendered and target population served. Hiring professional consultants to evaluate community-based organization effectiveness would be duplicative of the work done by departmental staff.

The Mayor's Office, Department of Public Health, and Controller's Office response to the Civil Grand Jury's findings is as follows:

Finding 1. Although the City and County of San Francisco disburses substantial dollars - close to half a billion dollars annually - in grants and contracts to CBOs for services, information concerning these grants and contracts is not easily accessible by the public.

Response: *Disagree.* The City and County of San Francisco has prioritized financial transparency as a way of doing business. For example, the SFOpenBook transparency portal has a clear link to all vendor payments made by the City. This tool allows users to review all payments made to nonprofit organizations as well as other vendors. The *Vendor Payment Summaries Report* lists nonprofit vendor payment information and can be downloaded as a pdf. or csv. file. This site can be found at www.openbook.sfgov.org.

In addition, the City Bids and Contracts Database lists all current Request for Proposals (RFPs) online, and is located at http://mission.sfgov.org/OCABidPublication. Often, departments also post RFPs on their own websites.

Information on specific vendors is not listed in budget documents because the City does not and cannot budget at the vendor level. Before awarding a contract for services, departments must go through a selection process. However, budgeted spending on services procured through nonprofits can be viewed by reviewing departmental budgeted spending on grants (character 038) and for the Department of Public Health (character 027). This information can be found in a number of places (SFOpenbook, in the Annual Appropriation Ordinance, and in the Mayor's Budget Book) all of which are accessable through the City's website.

Finding 2. City services provided by CBO grants/contracts have great value in helping underserved groups, but there is no systematic monitoring of the outcomes or effectiveness of the services delivered. It is important to know the value of these services over the long-term and to have a comprehensive strategy for optimizing the long-term effectiveness of the grants and contracts.

Response: *Agree in part, Disagree in part.* We agree that it is important to know the value and effectiveness of all nonprofit services. However, we disagree that there is no monitoring of outcomes. Individual departments monitor the effectiveness of contracted services based on specific programmatic needs and objectives. These results inform future funding decisions. Further, City departments and nonprofits collaboratively drafted and adopted a corrective action policy that is used as a tool by departments to work with nonprofit contractors that are underperforming. The Controller's Office maintains a comprehensive website of materials with guidelines and standards that nonprofits must meet for fiscal and compliance purposes. It also provides training materials and templates for nonprofits seeking to improve the capacity of their organization. These materials can be viewed on the City's website at: http://www.sfcontroller.org/index.aspx?page=412.

In FY 2012-13, the City contracted with over 800 nonprofit vendors to provide everything from art education to homeless shelter services to litter abatement. The populations served, type of service rendered, and objectives of services rendered by nonprofit contractors vary immensely. In addition, many departments grant funds to nonprofit community-based organizations as a pass-through from other funding agencies, such as the state or federal governments. These funding agencies have their own outcome measurement and reporting requirements that the City must pass along to grantees. Given this diversity of program needs and reporting requirements, a single, one-size-fits-all systematic strategy for the provision of nonprofit services would be ineffective.

Finding 3. The DPH has not been able to take full advantage of the Avatar electronic information management system.

Response: *Agree.* DPH - Behavioral Health Information Systems acknowledges the finding of the Civil Grand Jury. The fast pace of the technology industry has been hit by the rapidly increasing demands of Affordable Care Act, Meaningful Use and Health Information Exchange. The industry as a whole has been understaffed to meet new and emerging requirements. However, as mentioned in the recommendation response, DPH has added staff resources in order to ensure the Avatar electronic information system performs to expectations.

The Mayor's Office, Department of Public Health, and Controller's Office response to the Civil Grand Jury's recommendations is as follows:

Recommendation 1: To ensure adequate public awareness, access to CBO grant and contract information should be more explicitly communicated to the public. For example, the Mayor should consider specifically highlighting during the budget process that this dollar amount is devoted to grant and contract awards to CBOs to provide services the City/County believes to be critical.

Response: *Recommendation already implemented.* Total budgeted departmental City grant spending is listed in the character summary in the Annual Appropriation Ordinance, (character 038). This document is adopted by the Board of Supervisors and is posted online for viewing by members of the public. Additionally, the Mayor's Proposed Budget Book provides the amount budgeted for "Aid Assistance/Grants" in each department section. Information on specific vendors is not listed in budget documents because the City cannot budget at the vendor level, as all vendors must go through a competitive process to be granted budgeted funds. The public has been able to view and download current and historical vendor payments including payments made to all community based organizations for many years. In addition, the Controller's Office recently launched SFOpenBook, a web portal designed to provide easy access to a number of interactive tools, reports and other content to shed light on the City's economy, finances, and operational performance.

Recommendation 2.1: The Mayor and the Board of Supervisors should take the important step of developing an overarching strategy, as recommended by the San Francisco Community-Based Organizations Task Force in 2009, for evaluating the long-term effect of services provided by CBOs and use the results of that examination to set priorities and eliminate ineffective (or wasteful) programs.

Response: *Recommendation already implemented.* With respect to ensuring that CBO's are performing, and that ineffective or wasteful programs are eliminated, the City has taken several steps in response to

the recommendations to the 2009 Community Based Organizations Task-Force. For example, the Controller's Office City Services Auditor Division, as part of its *Citywide Nonprofit Monitoring and Capacity Building Program*, coordinated the development and implementation of a Citywide Joint Fiscal and Compliance Monitoring Protocol, where agencies funded by two or more City departments are reviewed utilizing the same protocol by a joint City team. This practice to standardizes procedures across departments, eliminates duplication of efforts for both contractors and City departments, and promotes nonprofit sustainability.

The following departments participated in Fiscal Year 2012-13:

- Children and Families Commission (CFC)
- Department of Children, Youth & Families (DCYF)
- Department on the Status of Women (DOSW)
- Department of Public Health (DPH)
- Department of Technology (DT)
- Human Services Agency (HSA)
- Office of Economic and Workforce Development (OEWD)
- Mayor's Office of Housing (MOH)
- Sheriff (SHF)

Many departments have also implemented the same protocol for organizations that are not jointly funded to ensure standardization in fiscal and compliance monitoring among all contractors. The Fiscal and Compliance Monitoring protocol is typically accompanied by a programmatic performance monitoring protocol conducted by each department that has been tailored to the unique services delivered by that department.

If an agency performs poorly in a category of its standard Fiscal and Compliance Monitoring, or Programmatic Monitoring, it has an opportunity through that process to remediate the problem. However, if the problem becomes more serious, or remains unaddressed, City departments now utilize a standardized Corrective Action Policy process and model to address concerns. Nonprofits with multiple or repeated findings that they are not in compliance with City standards can be deemed ineligible for new or renewed City funding. Nonprofits that fail to perform for program-related reasons will be less competitive in RFP scoring processes. Additional information can be found in the Controller's "Citywide Fiscal and Compliance Nonprofit Monitoring Guidelines, August 2011."

In addition to utilizing the Corrective Action Policy guidelines, departments granting funds to nonprofit contractors regularly hold Request for Proposal (RFP) processes for the purpose of ensuring that the City is utilizing the most effective providers and offering the highest quality services within the available resources.

While many departments follow the corrective action policy guidelines for underperforming nonprofit contractors, each department also individually and collectively monitors the effectiveness of contracted services based on program-specific needs and funding agency requirements. The flexibility to adapt performance metrics to program area is necessary given the diversity of services required to achieve large, overarching outcomes. For example, DCYF's tri-annual, charter mandated Children's Services Allocation Plan currently targets twenty-nine strategies in six different service areas, all geared at

improving outcomes for children and youth. However, the specific metrics measured for providers working on the "Ensure Access to High-Quality Child Care" strategy are understandably distinct from those measured from those working on the "Aftercare/Reentry" strategy.

The City has undertaken a number of initiatives to develop a comprehensive strategy around nonprofit service-provider effectiveness, particularly with regard to serving the neediest populations. Examples of these initiatives include the Crisis Response Network, the Health Services Master Plan, and HopeSF. However, the City also acknowledges that the populations served, type of service rendered, and objectives of services rendered by nonprofit contractors vary immensely, which leads to the need for distinct strategies and outcome monitoring as established by individual program or service areas.

Recommendation 2.2: The Mayor and the Board of Supervisors should consider taking a percentage of the total monies devoted to the provision of services by CBOs and use it to engage professional assistance to conduct this evaluation.

Response: *Recommendation will not be implemented.* This recommendation would be duplicative and unwarranted. As mentioned in the response to recommendation 2.1, professional staff continually monitor the performance of community-based organizations.

Recommendation 3: The Department should provide additional resources to bring the Avatar system to a level that fully supports the Department's performance objective program. The Mayor and the Board of Supervisors should ensure that sufficient resources are available to implement this recommendation.

Response: *Recommendation already implemented.* DPH - Behavioral Health Information Systems has been diligently providing ongoing support to end users. Within the last year, an additional IS Manager, an IS Business Analyst, and a Senior IS Business Analyst have been hired. Additionally, DPH is in the process of hiring an IS Principal Programmer Analyst.

Thank you again for the opportunity to comment on this Civil Grand Jury report.

Sincerely,

Edwin M. Lee
Mayor

Ben Rosenfield
Controller

for

Barbara Garcia
Director of Health
Department of Public Health

Use of Nonprofit Community-Based Organizations

Measuring Outcomes

June 2013

City and County of San Francisco
Civil Grand Jury, 2012-2013

MEMBERS OF THE 2012-2013
CIVIL GRAND JURY
CITY AND COUNTY OF SAN FRANCISCO

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Fred A. Rodríguez, Foreperson Pro Tem
Leslie Finlev, Recording Secretary
Maria Martinez, Corresponding Secretary

Jon Anderson
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Daniel Kreps
Hilary Pedigo
Theresa Sabella
Suzanne Tucker
Thomas Walker
Stuart Williams

THE CIVIL GRAND JURY

The Civil Grand Jury is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations resulting from its investigations.

Reports of the Civil Grand Jury do not identify individuals by name.
Disclosure of information about individuals interviewed by the jury is prohibited.
California Penal Code, section 929

STATE LAW REQUIREMENT
California Penal Code, section 933.05

Each published report includes a list of those public entities that are required to respond to the Presiding Judge of the Superior Court within 60 to 90 days, as specified.

A copy must be sent to the Board of Supervisors. All responses are made available to the public.

For each finding the response must:

1) agree with the finding, or
2) disagree with it, wholly or partially, and explain why.

As to each recommendation the responding party must report that:

1) the recommendation has been implemented, with a summary explanation; or
2) the recommendation has not been implemented but will be within a set timeframe as provided; or
3) the recommendation requires further analysis. The officer or agency head must define what additional study is needed. The Grand Jury expects a progress report within six months; or
4) the recommendation will not be implemented because it is not warranted or reasonable, with an explanation.

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Issue

The City and County of San Francisco disburses about $500 million each year in grants and contracts to nonprofit community-based organizations to perform specific services. The 2012-13 Civil Grand Jury investigated how the City verifies that the services are delivered and how programs and services are measured for effectiveness.

Summary

The use of nonprofit community-based organizations (CBOs) to provide services to the citizenry is neither a new development nor a practice limited to San Francisco. However, it is fair to say that the level of San Francisco's funding of CBO programs is significantly greater in comparison to counties with similar populations.[1]

Over the past decade the importance of this issue has been the focus of Civil Grand Jury and task force reports. A 2009 report from the San Francisco Community-Based Organizations Task Force made the following recommendation:

> "The Mayor, in collaboration with the Board, should initiate a strategic planning process aimed at strengthening delivery of essential community-based services to San Francisco's most vulnerable populations. The plan should focus on ensuring the sector has capacity to meet priority needs and that City resources are aligned to support this effort… The resulting plan should articulate an overarching City vision for service delivery and establish a clear accountability framework for meeting desired outcomes."[2]

The 2012-13 Civil Grand Jury investigation found that individual City departments have been developing systems with varying degrees of capacity for managing the oversight of grants and contracts to CBOs. A comprehensive plan with clear accountability for measuring outcomes remains unfulfilled. The Jury strongly endorses the recommendation of the San Francisco Community-Based Organizations Task Force, as stated above.

According to the *Vendor Payment Summaries Report* (10/28/12) compiled by the Controller's Office,[3] the City made payments through grants/contracts to about 900 nonprofit organizations during FY 2011-12.

Because it is beyond the resources of the Jury to investigate all the grants/contracts entered into by all City departments, the Jury reviewed representative examples for selected programs run by three City departments: the Mayor's Office of Housing (MOH), the Human Services Agency (HSA), and the Department of Public Health (DPH). These departments were chosen because information received by the Jury suggested that one large department (DPH), one smaller department (HSA), and an agency (MOH) would

produce a reasonable sample. Within each department, the Jury selected two grants/contracts of varying amounts for analysis of the oversight process.

The Jury was able to access relevant information for our investigation by navigating City websites and numerous webpages and links. Nevertheless, we believe most citizens would benefit from more transparent information regarding the breadth and scale of the City's relationship with CBOs and the services provided by CBOs.

Based on its investigation, the Jury has come to the following conclusions and makes the following recommendations:

1. Although the City and County of San Francisco disburses substantial dollars—close to half a billion dollars annually—in grants and contracts to CBOs for services, information concerning these grants and contracts is not easily accessible by the public.

   To ensure adequate public awareness, access to CBO grant and contract information should be more explicitly communicated to the public. For example, the Mayor should consider specifically highlighting during the budget process that this dollar amount is devoted to grant and contract awards to CBOs to provide services the City/County believes to be critical.

2. City services provided by CBO grants/contracts have great value in helping underserved groups, but there is no systematic monitoring of the outcomes or effectiveness of the services delivered. It is important to know the value of these services over the long-term and to have a comprehensive strategy for optimizing the long-term effectiveness of the grants and contracts.

   The Mayor and Board of Supervisors should take the important step of developing an overarching strategy, as recommended by the San Francisco Community-Based Organizations Task Force in 2009, for evaluating the long-term effect of services provided by CBOs and use the results of that examination to set priorities and eliminate ineffective (or wasteful) programs. Furthermore, the Mayor and Board of Supervisors should consider taking a percentage of the total monies devoted to the provision of services by CBOs and use it to engage professional assistance to conduct this evaluation.

3. The DPH has not been able to take full advantage of the Avatar electronic management system.

   The Department should employ the resources needed to bring the Avatar system to a level that fully supports the Department's performance objectives program. If necessary, the Mayor and Board of Supervisors should ensure that sufficient resources are available to implement this recommendation.

In the course of our investigation, the Jury learned about the difficulties of determining tangible, long-term benefits of social programs for underserved communities with complex challenges. We were impressed by civil service and CBO employees who we observed to be working hard to "make a real difference" in the lives of their clients. They

were candid about the challenges they face and were cooperative with our questions about the efficacy of their efforts. We believe these professionals would welcome a comprehensive effort to better understand the long-term impact of their work.

Background

Appendix A of the City Charter mandates that the Office of the Controller oversee and audit the grant/contract process. The Controller audits the financial and administrative functions of selected community-based organizations (CBOs) but does not perform any work to determine if contracted services are producing measurable outcomes that improve the welfare of the clients being served.

According to the *Vendor Payment Summaries Report* (10/28/12) compiled by the Controller's Office,[4] the City made payments through grants/contracts to about 900 nonprofit organizations during FY 2011-12. The dollar amount of these grants is available on the Controller's website but is not separately reported in Mayoral press releases or other official summaries of San Francisco's budgets. The Controller recently launched a "transparency portal"[5] to make financial and other information available online.

Over the past decade, the importance of this issue has been the focus of the following Civil Grand Jury and task force reports:

- 2000-01 Jury -- In a report titled *Nonprofit Contracting,*[6] the Jury noted the decentralized and burdensome processes for certification and awarding of contracts and the lack of timely payment of invoices. The report called for the establishment of a working group to address the problems.

- 2001-02 Jury -- The Jury examined professional services contracting, including nonprofit contracting, and again called for a centralized system to oversee the contracting process. The report was titled *Professional Services Contracting.*[7]

- 2004-05 Jury -- The Jury issued three separate reports that covered contracting issues: *Employee or Independent Contractor?,*[8] *City Contracting and Affirmative Action,*[9] and *What is the Difference Between a Contract and a Grant?*[10] The reports focused on legal issues related to the potential liability of the City to pay benefits and overtime to contractors, the granting of preferential treatment of protected classes in violation of Proposition 209, and the increased use of grants to circumvent more stringent requirements of contracts.

- 2008-09 Jury -- In a report titled *Nonprofits: The Good, The Bad, The Ugly,*[11] the Jury investigated the monitoring process for multi-department contracts and requirements for corrective action plans for poorly performing programs. The recommendations included the need to develop a citywide tracking and monitoring system and a performance measurement methodology, particularly for health and human services programs.

- San Francisco Community-Based Organizations Task Force -- In April 2009, the task force issued the report *Partnering with Nonprofits in Tough Times*, which focuses on strategies and action steps to facilitate the City's relationship with local nonprofits during a difficult economic climate.[12]

For this report, the 2012-13 Jury investigated how the delivery of services and the outcomes of certain programs are being measured.

Investigations

1. Mayor's Office of Housing

a. Overview

In the budget for fiscal year (FY) 2011-12, the Mayor's Office of Housing (MOH) awarded about $27 million to CBOs to perform a variety of services.

The 2012-13 Civil Grand Jury selected and reviewed one large and one small grant for analysis: $50,000 to Compass Family Services (Compass) and $698,841 to Dolores Street Community Services (Dolores).

According to staff interviewed for this report, the two grants were typical and representative of all grants/contracts disbursed through MOH.

b. Grant Award to Compass Family Services

The grant provided services identified in the *FY 2010-14 Five-Year Consolidated Plan* that had been submitted to the federal Department of Housing and Urban Development. The grant covered a variety of services related to provision of housing, counseling, and some financial assistance and was directed at such populations as the homeless, those in danger of becoming homeless, and disadvantaged minorities.

Compass received $3,958,507 in total grant money in FY 2011-12 with additional grants from the Mayor's Office of Housing, Department of Children, Youth and Their Families, Human Services Agency, and Children & Families Commission.

c. Grant Award to Dolores Street Community Services

This grant was a follow-up to a grant that originated as an "add back" in 2006. Add backs are projects inserted by a member of the Board of Supervisors for funding to a department or agency outside the normal budget process. Such projects are usually

focused on a specific CBO. (The issue of "add backs" is beyond the scope of this investigation.)

The grant focused primarily on providing legal services to a variety of low- and moderate-income immigrant groups. The groups usually were people with limited English ability and a significant inability to access quality legal services, resolve immigration problems, and thrive in San Francisco.

d. Request for Proposal

MOH issued a request for proposal (RFP), and Compass applied for the grant. Because Compass had been providing similar services for an extended period and performing well, MOH approved the grant application. Staff from MOH monitored the performance of the services, visited the Compass facility, coordinated with Compass staff, and reviewed reports on performance, including feedback from clients. As required by the City Charter, the Controller monitored and audited financial and administrative activities of the grant recipient.

In the case of the Dolores grant, RFPs implementing the original add back were circulated among a number of CBOs. Dolores was successful in obtaining those grants. More recently, the grants were for five-year periods and include the current budget year. Documents regarding the current grant identify a collaboration of 11 subcontractors to provide legal and associated services to immigrants.

e. Grant Administration

Both the Compass and Dolores grants are subject to the MOH *Operating Procedures Manual.*

Under the procedures, MOH and the grant recipient agree on a work plan that includes "activities" and "services." The plan also must include an "annual output," which is the number of unduplicated clients served or other units of service (e.g., number of workshops) completed by each activity. If an activity consists of more than one service, clients may be duplicated between services, but each activity should show the overall unique or "unduplicated number of clients served."

The *output* measured in number of clients does not measure *outcome*, i.e., effectiveness. The *outcome* that needs to be measured is the effect the service had on changing the condition of the client (e.g., has the client improved his financial situation, avoided future instances of homelessness, etc.). This Jury learned that the only outcome information available for the two grants being investigated was anecdotal and subjective input from program managers.

A grant coordinator at MOH monitors compliance and progress of grant recipients by means of monthly (or at least quarterly) program and cost reports. Reimbursement for expenses is contingent on a grant recipient's submission of required data. The grant

coordinator also may visit the recipient's office to monitor compliance. Recipients are required to maintain "verifiable records on clients and client services." These include documentation of a client's eligibility, appropriate client/staff signatures, evidence of client income, evidence of participation by clients (such as sign-in sheets), and "evidence of progress or success of participants meeting program activities or outcomes."[13]

f. Measurable Outputs for Compass Grant

The measurable outputs for the Compass grant agreement include the following four items, as identified in the work plan detail:[14]

- Tenant counseling -- Twenty families will avoid eviction as a result of receiving housing counseling.
- Tenant representation/counseling -- Fifteen families will receive representation and/or tenant rights counseling.
- Tenant/landlord counseling -- more stably housed – Forty families will be more stably housed as a result of receiving housing counseling.
- Tenant counseling – counseling – Forty-five homeless families will receive housing counseling.

Compass submitted a monthly *Program and Cost Report* to MOH requesting between $2,000 and $5,000 per month in funds from the grant. A grid at the top of each monthly report that listed the four outputs showed zero progress on all goals each month, but anecdotal summaries in the report stated the number of families served in various ways.[15]

It was unclear which of the four outputs was met in all cases. Nevertheless, Compass maintained that it was on track to meet or exceed all goals, and MOH appeared satisfied with the evidence they provided.

The Compass reports provided evidence of immediate outcomes in the case of families who actually obtained housing or were not evicted. For those who received counseling only, the reports contained no tracking of outcomes.

In attachments to its grant agreements, Compass also provides MOH with its overall achievements from the previous fiscal year:

> "225 unduplicated families were served with rental assistance, case management and/or legal assistance, 80 families were served with one time financial assistance, 45 homeless families were assisted with move-in costs, 34 families who were in danger of eviction were assisted with back rent, and one family was helped with a utility bill that was a barrier to housing. 145 families were assisted with one-time loans totaling $140,088 for back rent, move-in or utility costs. Of the 160 families who received financial assistance and have reached the 9-month mark, 97 percent of clients reached remained stably housed."[16]

g. Measurable Outputs for Dolores Grant

The measurable outputs for immigrant legal services include:

- the number of clients receiving legal services counseling or advice through legal clinics, walk-ins or appointments five days a week, through a network of service providers representing up to 20 languages and dialects citywide (annual unique client output 1,147)
- the number of clients served by legal representation in immigration proceedings (annual unique client output 164)
- the number of clients assisted in completing forms related to petitioning for legal relief, to adjustment of status, to apply for citizenship, or to otherwise seek legal immigration status (annual unique client output 486)
- the number of clients referred to a paralegal or attorney or an educational program (annual unique client output 279)
- the percent of clients referred by San Francisco Immigrant Legal and Education Network (SFILEN) who make a connection for legal services (annual unique client output of 40 percent of all clients referred by SFILEN, or 107)

In the aggregate, this amounts to $320 per client served. Dolores has specific monthly goals for the number of clients served in these ways and demonstrates compliance every month by listing the number of clients and what percent of the goal has been met.

Dolores is also to report monthly "specific and detailed information on the progress of [their] activities" and "examples of the impact and/or success your project has had in the lives of [their] clients." It is only in the latter section of the monthly report that specific qualitative information on the status and success of particular outreach efforts and services is described.

MOH tracks Dolores to ensure it provides specific types of services for the number of clients specified in the grant, but does not require comprehensive reports on client outcomes from the services provided. To be in full compliance, Dolores needs only to serve a designated number of clients.

h. MOH Perspective

MOH staff members advised the Jury that they have considered imposing outcome goals in addition to output goals and may do so in the future. MOH staff raised the concern that grant recipients might focus their efforts on achieving favorable outcome goals and reject more complex or difficult cases from clients in great need of legal services.

i. Jury Conclusions Regarding MOH

MOH staff responsible for administering these grants may currently have oversight of too many grants to do the job effectively. For example, at the time of this report one program manager was responsible for 45 grants. While the process to hire more employees is now

underway, the San Francisco Civil Service suggests that this process takes a minimum period of six months. There are about 10 open positions.

MOH should include in its grant agreements or *Operating Procedures Manual* a requirement that grant recipients track both the short- and long-term outcomes for the clients that they serve. As a condition of receiving services under these grants, clients should be required to agree to provide up-to-date contact information for an extended period and to respond to periodic surveys about their immigration, housing, or other applicable status.

2. Human Services Agency

a. Overview

The Human Services Agency (HSA) encompasses the Department of Aging and Adult Services (DAAS), which ". . .coordinates services to seniors, adults with disabilities, and their families to maximize self-sufficiency, safety, health, and independence so that they can remain living in the community for as long as possible and maintain the highest quality of life."[17]

Among its many services provided to seniors, DAAS supports serving a daily meal throughout San Francisco. Meals are free to qualified low-income seniors, but no income verification is required. A donation box is located at each site. New clients fill out an evaluation questionnaire requesting information on health and dental issues, kitchen situation, and meal intake to determine those at risk for nutritional problems. Clients receive cards that are scanned at each site for each meal. Data on attendance, client profiles, and nutritional information is then collected in HSA's web-based contract management system known as CARBON (Contracts Administration, Reporting, and Billing Online).

For this report, the Jury chose to focus on congregate meal programs (meals served at senior centers as opposed to home-delivered meals). A total of 11 nonprofit agencies serve congregate meals at 44 sites in the City.

The Jury selected two nonprofits that have contracts with San Francisco to provide these meals: On Lok Day Services (OL) and Project Open Hand (POH). Both organizations serve daily meals and provide "American western breakfast" style meals.

b. On Lok Day Services

The City has contracted with OL to provide congregate meals at six sites. The three-year grant expires 7/1/2013. In FY 2012-13, OL was granted $453,253 to serve congregate meals at $5.61 per meal.

c. Project Open Hand

The current three-year grant contract with San Francisco expired on 6/1/2013. It specified serving 194,440 congregate meals at 14 sites around the City at $5.41 per meal for a total of $1,051,920.40.

d. General Grant Requirements

- Meals must meet one-third of daily nutritional "dietary reference intakes" as established by the Food and Nutrition Board of the National Academy of Sciences' Institute of Medicine.
- The grant recipients must provide quarterly sessions of nutrition education to clients and annual nutrition screening.
- Grant recipients must attend quarterly in-service training coordinated by the Office of Aging (OOA).
- A consumer satisfaction survey must be undertaken annually.

e. Contract Monitoring

All nonprofit agencies that contract to provide meals for DAAS/ OOA undergo regular monitoring for compliance with grant requirements. This includes menu analysis approved by a registered dietician and a scheduled yearly assessment visit (up to three days) and unscheduled visits by OOA.

The provider must undertake a two-week analysis, on a five- to eight-week menu cycle, of nutrient content to meet guidelines for fats, sweets, proteins, etc., in the meals. These menus are approved a month in advance by HSA. The HSA conducts a yearly audit as part of its on-site visits.

OOA uses a 12-page form titled *The Standard Assessment Form: Nutrition Program* for annual inspection and audit of service providers. The form is filled out by OOA staff during on-site visits. The form covers a broad range of review areas, such as record keeping (including participation numbers and demographic information), nutrition risk reporting, staff/volunteer training and monitoring, client nutrition education, food safety compliance, and equipment condition.

Each area that is reviewed receives a score, and the total is then tallied and recorded. Comments are written where changes are required.

The assessment process also includes customer satisfaction surveys, which are conducted for one week annually. The forms are multilingual and anonymous. A response rate of 25-30 percent of the possible responses is considered a good outcome.

In the most current surveys, the OL response rate was 16 percent and the POH response rate was about 30 percent. In response to a Jury question about the low OL response rate, HSA staff said the survey is optional for the clients and the target population might have

various reasons for not responding. Among the respondents, the level of satisfaction was high.

f. State Oversight

The State of California has in the past audited the congregate dining program biannually. Due to funding cuts, the State has not audited the program in two years.

g. Jury Conclusions Regarding HSA

The monthly report summarizing POH and OL service unit and meal counts appears to be fine. Reports generated from the data on intake forms and the nutrition risk screening reports appear correct. Annual reports entered into HAS's contract management system were reviewed and appear correct. The Jury did not review the data entry process.

3. Department of Public Health

a. Overview

The Department of Public Health (DPH) has a long history of employing outside vendors to provide specialized professional services. In March 2012, the Board of Supervisors directed the Budget and Legislative Analyst (BLA) to conduct a performance audit of DPH and HSA on how they manage their professional service contracts.[18] According to the BLA report, issued in November of 2012, DPH has 370 active professional services contracts with an average tenure of 4.2 years and a total multi-year value of about $1.43 billion. Of these contracts, 230 are with community-based organizations (CBOs) and have a total multi-year value of $1.064 billion.

Prior to the 1960s, most of the care for the treatment of severe mental illness involved state institutions. The California Realignment Act of 1991 created a dedicated funding stream for mental health that shifted the responsibility for administering mental health services to the county level. DPH provides mental health and substance abuse services to vulnerable residents primarily through the Community Behavioral Health Services (CBHS) program.

Of the 230 professional service contracts entered into by DPH with CBO providers, 81 pertain to behavioral health. In FY 2011-12, services were provided to about 25,000 patients with mental health problems and an additional 7,000 patients with severe substance abuse problems. Under the supervision of CBHS, about 70 percent of these mental health services are provided under contracts with non-profit CBOs and 30 percent through San Francisco General Hospital (SFGH) and clinics staffed by employees of DPH.

The CBHS contracts identify specific funding sources for all budgeted activities, including very small expenditures for small sub-programs. The distinctions between

funding providers are important because the City funds only about one-seventh of CBHS through the General Fund; other contributing programs have restrictions on the use of their funds. In the *2010-2011 DPH Annual Report*, a table on "All Mental Health Clients by Primary Payer Source" reports specific funding sources as Medi-Cal 43 percent, Medicare 17 percent, General Fund 13 percent, Healthy San Francisco 9 percent, and others 18 percent.[19]

For this investigative report, the Jury focused on contracts for CBHS, choosing two CBO contractors as representative examples for analysis. One is a relatively large provider of mental health and substance abuse services, referred to in this report as Contractor A, and the other is a smaller provider of similar services plus cultural and ethnic specialty programs, referred to as Contractor B.

b. Contract Terms

The "form" or "baseline" contracts of both Contractor A and Contractor B are very similar. Each contract includes commercial terms and terms required by City ordinances. The contracts are for a five-and-a-half year term ending on December 31, 2015.

c. Contract Services

Services to be provided through these contracts are set out in Appendix A to each contract. The Jury concludes that these contracts are carefully drafted and either negotiated or responsive to an RFP since they define specific activities, modalities, methodologies, and conditions for the provision of mental health and substance abuse services. Appendix B to each contract is its budget, set out in DPH forms that also provide a basis for billings. The DPH forms are prepared for a yearly budget, apparently updated through an informal memorandum or when the contract is otherwise extended. Many include references to specific funding sources and amounts.

d. Contract Amounts

The contract price for Contractor A as of December 2011 was about $62 million, not including a contingency. Annual payments were projected at about $11 million. The total contract price for Contractor B as of December 2010 approximated $17 million, not including a contingency, with projected annual payments of about $2.5 million.

Contractually, it is important to note that DPH contractors are "at risk" for failure to expend budgeted state or federal Medi-Cal revenues in accordance with applicable regulations for which the City can reduce the contract's maximum dollar obligation.

Further, contractors may be at risk for non-payment if their billings to DPH do not satisfy the criteria for payment by federal and state agencies. It is difficult to match fund source requirements with specific service programs. For example, one CBO contract identifies seven separate funding sources for a single $2.7 million budget program:

- Federal payment through Medi-Cal

- State funding for mental health services pursuant to realignment of county-state responsibilities
- San Francisco General Fund (local, unrestricted funding)
- Medicare mental health care reimbursement
- State allocation of federal block grant for state mental health "Projects for Assistance in Transition from Homelessness"
- California Substance Abuse Crime Act, Proposition 36
- State Mental Health Services Act, Proposition 63

The various sources of funding may define differing conditions for treatment (or coverage) and may establish levels of compensation based on non-cost factors. Some funding requires matching funds from the State or County. It needs to be qualified that the contractor is not solely responsible for expenditures in compliance with federal and state programs and that DPH is extremely knowledgeable about and effective in its use of grant funding.

e. Contractor A Specific Services

The specification of services is critical to evaluating the potential and actual value of the contracts. Contractor A provides for mental health and substance abuse treatment in residential, supportive, and transitional housing arrangements and in non-residential adult independent living programs. The number of individuals (clients) treated depends on referrals, transitions, releases, etc., and normally exceeds 500 clients over a year. Contractor A also manages a detox center with a larger number of clients, exceeding 500.

Contract A describes the services to be provided based on a goal to be accomplished by its target population through the "modalities/interventions and methodology" to be provided by Contractor A. In general, the objective is to assist clients in resuming an independent life. A portion of a statement of methodology for one of the residential programs reads as follows:

> " ...provides a psychosocial rehabilitation milieu, incorporating interventions of both mental health and substance abuse strategies, where clients can develop practical social and survival skills with the support of staff and peers. The program is designed to use the practical realities of group living to foster clients' strengths, self-esteem and sense of responsibility while encouraging them to test new skills and change old patterns. The staff consciously uses the resident peer group and home-like environment as the primary agents of treatment."

It should be noted that Contractor A identifies the target population of four of its six separate programs as "severely mentally ill adults" in need of supportive housing with mental health services.

f. Contractor B Specific Services

Contract B provides mental health and substance abuse treatments through outpatient services from a single location. Contractor B focuses on ethnic groups in the central city. The contractor's goal statement is to "provide a comprehensive spectrum of outpatient behavioral health services from low intensity to ICM [intensive case management], appropriate to the individual consumer's level of need and impairment...." In the contract's Appendix A, specific aspects of the contractor's plan of service, including such modalities as crisis intervention, medication support services, mental health services, assessment, therapy and targeted case management are spelled out (see Appendix for a complete list).

g. Performance Objectives

Each contract allows DPH access to contract-related files and commits the contractors to cooperate in evaluation activities, including fiscal and compliance review and monitoring reviews. Further, each contractor commits to objectives and measurements as contained in the CBHS document titled *Performance Objectives FY 11-12.* The Jury considers implementation of the performance objectives program as critical to evaluating the effectiveness of the services provided.

Contractual measurement of a contractor's performance is accomplished by evaluating (and providing payment for) the contractor's "unit[s] of service." Units of service are budgeted for specific activities in the form DPH2 (Department of Public Health Cost Reporting/Data Collection, or CRDC). In Contract B, for example, the DPH2 form sets out staff minute and hour "cost per unit" rates (e.g., $2.34/staff minute) for program activities focused on individuals. In Contract A, which includes residential programs, a "bed day," "client day," and "client full day" constitute units of service for such different types of treatment. By supplying units of service, the contractor confirms contract compliance and the basis for payment.

Contractors providing mental health and substance abuse services are required to provide DPH with full access to books and records relating to their contract work. CBHS contractors are subject to the *Citywide Fiscal and Compliance Nonprofit Monitoring Guidelines* that include periodic (typically, annual) monitoring reports focused on program performance, program compliance, and client satisfaction. Contractors expending more than $500,000 per year in federal funds are also subject to audit in accordance with federal requirements.[20] Contractors are required to submit numerous written reports to DPH (e.g., annual county plan data, quarterly reports, peer review plan, client satisfaction data, program outcome data) and to "participate as requested...in evaluative studies designed to show the effectiveness of [the] Contractor's Services."

Contractor and DPH personnel have constant exchanges on many aspects of the contractor's scope of work: for example, the transfer of mental health clients from SFGH to a contractor's service requires hospital, contractor, and DPH coordination, including treatment considerations. Notwithstanding these numerous exchanges of information,

there is no specific database on the effectiveness of a contractor's individual patient treatments over time. The database evolving through the new Avatar electronic management system will potentially provide the metrics necessary for indicating the success of treatment(s) and guiding policy decisions as to the most effective treatment.

CBHS mental health and substance abuse contracts include a provision within Appendix A to the contract entitled "objectives and measurements" that provides quantifiable, qualitative measures on services provided. The performance objectives program identifies numerous specific "outcomes" from treatments and sets metrics for evaluating the treatment. For example, in Contract A one "individualized objective" for a residential treatment program is: "After the first 60 days of enrollment, no more than 15 percent of clients will have a psychiatric hospitalization while in supported housing programs." The outcomes to be evaluated have been developed by CBHS, its contractors, and others.

Excerpts from the DPH summary of the program's objectives indicate how significant the performance objectives program will be, once implementation difficulties are resolved:

> "Measuring client improvement and successful completion of target objectives is an important part of SFDPH contracting. The implementation of the Avatar Electronic Health Record ...increases the ability to collect quality data on a client's presenting issues, demographics, interventions needed and received, symptom changes, and discharge status. The Performance Objectives...were designed to maximize the use of Avatar data...CBHS intends to reduce provider burden in determining objective compliance by using Avatar data to measure objectives – to the extent possible...CBHS will conduct data analysis and provide results to programs based on the data..."
>
> "The Program Objectives...have been carefully defined to measure important behavioral health outcomes. Not all objectives apply to all programs....Additional objectives involve developing Performance Improvement Plans (PIP) if the targeted standards are not met. In most cases involving multi-year comparisons, baseline data will be used from the information collected in Fiscal Year 2010-2011.... "

h. Avatar System

The advent of the Affordable Care Act makes it mandatory for agencies providing health care services that receive reimbursement from state and federal programs (e.g., Medicare and Medi-Cal) to have a robust electronic billing system that complies with government requirements. This is especially true for mental health services, for which basic wellness information is now required by law. Furthermore, it is precisely such data that is used to determine a program's outcomes or results.

By all accounts, the implementation of Avatar, an electronic management system, has been fraught with difficulty. The system went live for all behavioral health programs on July 1, 2010. Unfortunately, due to budgetary constraints and lack of personnel, there

was not an initial "parallel run" with the old system to ensure accurate data input into the new system. By the end of the fiscal year (June 2011), it became clear that there were many errors in billing data that resulted in losses in revenue to DPH and delays of payments to CBOs providing care. According to an internal *Avatar Bulletin* dated January 3, 2013, staff "should be well on [the] way to correcting all notes in the backlog" from October 2011 and should now be focused on correcting data from July 2012 forward.

i. Jury Conclusions Regarding DPH

In evaluating the effectiveness of mental health and substance abuse services, the Jury concludes:

1. All persons we interviewed demonstrated a clear and believable commitment to the provision of useful, high quality, and sensitive treatments to their mental health and substance abuse clients. The providers are highly professional, serious people taking on a difficult task under very difficult circumstances.
2. There is consensus by DPH and contractor personnel that the tasks performed by CBO providers could not be equally or less expensively provided by civil service personnel. The compensation structure for CBO contractor personnel and other cost aspects of employment are substantially less expensive than they would be for City employees.
3. There is no magic formula, through either treatment modalities or treatment structures, to dramatically reduce expenditures related to provision of mental health and substance abuse services.
4. Implementation of the DPH performance objectives program has been impaired because the Avatar system is still not functioning adequately across all CBO providers.

Overview: CBOs and City Employees

The services provided through grants/contracts that the Jury evaluated are valued by CBO clients. Disadvantaged members of the community clearly benefit from the mental health, meal, legal assistance, housing, and other CBO services. A significant number of CBO employees are in jobs that depend on continuation of funding from City grants/contracts.

City employees in the departments that manage and administer grants/contracts were observed to be very effective in managing and administering payments for individual CBO grants/contracts reviewed by the Jury. The level of commitment and professionalism of City employees also impressed the Jury. The Jury found these same positive attributes in the Office of the Controller where personnel audit and inspect the administration of grants/contracts.

Findings and Recommendations

Finding 1:
Although the City and County of San Francisco disburses substantial dollars—close to half a billion dollars annually—in grants and contracts to CBOs for services, information concerning these grants and contracts is not easily accessible by the public.

Recommendation 1:
To ensure adequate public awareness, access to CBO grant and contract information should be more explicitly communicated to the public. For example, the Mayor should consider specifically highlighting during the budget process that this dollar amount is devoted to grant and contract awards to CBOs to provide services the City/County believes to be critical.

Finding 2:
City services provided by CBOs grants/contracts have great value in helping underserved groups, but there is no systematic monitoring of the outcomes or effectiveness of the services delivered. It is important to know the value of these services over the long-term and to have a comprehensive strategy for optimizing the long-term effectiveness of the grants and contracts.

Recommendation 2.1:
The Mayor and the Board of Supervisors should take the important step of developing an overarching strategy, as recommended by the San Francisco Community-Based Organizations Task Force in 2009, for evaluating the long-term effect of services provided by CBOs and use the results of that examination to set priorities and eliminate ineffective (or wasteful) programs.

Recommendation 2.2:
The Mayor and the Board of Supervisors should consider taking a percentage of the total monies devoted to the provision of services by CBOs and use it to engage professional assistance to conduct this evaluation.

Finding 3:
The DPH has not been able to take full advantage of the Avatar system.

Recommendation 3:
The DPH should employ the resources needed to bring the Avatar system to a level that fully supports the Department's performance objectives program. If necessary, the Mayor and Board of Supervisors should ensure that sufficient resources are available to implement this recommendation.

Response Matrix

Findings	Recommendations	Responses Required
1. Although the City and County of San Francisco disburses substantial dollars - close to half a billion dollars annually - in grants and contracts to CBOs for services, information concerning these grants and contracts is not easily accessible by the public.	1. To ensure adequate public awareness, access to CBO grant and contract information should be more explicitly communicated to the public. For example, the Mayor should consider specifically highlighting during the budget process that this dollar amount is devoted to grant and contract awards to CBOs to provide services the City/County believes to be critical.	Mayor
2. City services provided by CBO grants/ contracts have great value in helping underserved groups, but there is no systematic monitoring of the outcomes or effectiveness of the services delivered. It is important to know the value of these services over the long-term and to have a comprehensive strategy for optimizing the long-term effectiveness of the grants and contracts.	2.1 The Mayor and the Board of Supervisors should take the important step of developing an overarching strategy, as recommended by the San Francisco Community-Based Organizations Task Force in 2009, for evaluating the long-term effect of services provided by CBOs and use the results of that examination to set priorities and eliminate ineffective (or wasteful) programs. 2.2 The Mayor and the Board of Supervisors should consider taking a percentage of the total monies devoted to the provision of services by CBOs and use it to engage professional assistance to conduct this evaluation.	Mayor Board of Supervisors Controller
3. The DPH has not been able to take full advantage of the Avatar electronic information management system.	3. The Department should provide additional resources to bring the Avatar system to a level that fully supports the Department's performance objective program. The Mayor and the Board of Supervisors should ensure that sufficient resources are available to implement this recommendation.	DPH Mayor Board of Supervisors

Methodology

The 2012-13 Civil Grand Jury reviewed data listing all grants/contracts awarded in FY 2010-11 and FY 2011-12, then focused on three departments that make these awards: Mayor's Office of Housing (MOH), Human Services Agency (HAS), and Department of Public Health (DPH). Within each department, the Jury selected two grants/contracts as representative samples for analysis.

MOH section: All data came from documents available online or in the MOH offices. The financial data identified was verified in the reports and cross-referenced with reports from other government agencies. The Jury interviewed staff in MOH.

HSA section: The Jury interviewed staff and reviewed documents related to programs.

DPH section: Jurors conducted several interviews with DPH and non-governmental personnel, including contractors; visited contractors' facilities, and examined numerous files and other documents. Jurors focused on developing an understanding of the difficult tasks and approaches to the mental health and substance abuse problems affecting the City.

Glossary

Avatar	electronic management system used by Department of Public Health
CBHS	Community Behavioral Health Services, Department of Public Health
CBO	community-based organization
City	City and County of San Francisco
Compass	Compass Family Services
County	City and County of San Francisco
DAAS	Department of Aging and Adult Services
Dolores	Dolores Street Community Services
DPH	Department of Public Health, City of San Francisco
HSA	Human Services Agency, City of San Francisco
ICM	intensive care management
MOH	Mayor's Office of Housing
NFP	not for profit
OL	On Lok Day Services
OOA	Office of Aging
POH	Project Open Hand
RFP	request for proposal
SFGH	San Francisco General Hospital

Appendix

Department of Public Health, section 3(f)

Appendix A, pp. 1-3, in Contractor B's contract further identifies specific aspects of the contractor's plan of service and scope of work. The following list summarizes the specific forms of service undertaken through the contract.

Modalities/Interventions:

- Crisis intervention - a service lasting less than 24 hours, to or on behalf of a beneficiary for a condition that requires more timely response than a regularly scheduled visit
- Medication support services - services that include prescribing, administering, dispensing, and monitoring of psychiatric medications or biological metrics that are necessary to alleviate the symptoms of mental illness
- Mental health services - individual or group therapies and interventions that are designed to provide reduction of mental disability and improvement or maintenance of functioning consistent with the goals of learning, development, independent living and enhanced self-sufficiency. Service activities may include but are not limited to assessment, plan development, therapy, rehabilitation and collateral.
- Assessment – a service activity that may include a clinical analysis of the history and current status of a beneficiary's mental, emotional, or behavioral disorder; relevant cultural issues and history; diagnosis; and the use of testing procedures
- Collateral - a service activity to a significant support person in a beneficiary's life with the intent of improving or maintaining the mental health of the beneficiary
- Therapy - therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairment
- Targeted case management - services that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services

Endnotes

[1] In telephone conversations with officials in Kern County (population 851,701) and Ventura County (population 831,771), the Jury learned that these counties expended about $8 million and $17 million, respectively, for grants/contracts with CBOs for services during FY 2011-12. The population of San Francisco at the time was 812,826.

[2] Partnering with Nonprofits in Tough Times: Recommendations from the San Francisco Community-Based Organizations Task Force, April 2009, pages 24-25 , http://www.sfhsn.org/documents/hsn_iss_oth_cbotfrpt_4-15-09.pdf

[3] Vendor Payment Summaries Report, http://co.sfgov.org/vpi/reports.aspx

[4] Ibid.

[5] http://openbook.sfgov.org/

[6] 2000-01 San Francisco Civil Grand Jury report, Nonprofit Contracting, http://www.sfcourts.org/index.aspx?page=244

[7] 2001-02 San Francisco Civil Grand Jury report, Professional Services Contracting, http://www.sfcourts.org/index.aspx?page=250

[8] 2004-05 San Francisco Civil Grand Jury report, Employee or Independent Contractor?, http://www.sfcourts.org/Modules/ShowDocument.aspx?documentid=1850

[9] 2004-05 San Francisco Civil Grand Jury report, City Contracting and Affirmative Action, http://www.sfcourts.org/Modules/ShowDocument.aspx?documentid=1550

[10] 2004-05 San Francisco Civil Grand Jury report, What is the Difference Between a Contract and a Grant?, http://www.sfcourts.org/Modules/ShowDocument.aspx?documentid=1567

[11] 2008-09 San Francisco Civil Grand Jury report, Nonprofits: The Good, The Bad, The Ugly, http://sfcourts.org/Modules/ShowDocument.aspx?documentid=1983

[12] Partnering with Nonprofits in Tough Times: Recommendations from the San Francisco Community-Based Organizations Task Force, April 2009, http://www.sfhsn.org/documents/hsn_iss_oth_cbotfrpt_4-15-09.pdf

[13] Mayor's Office of Housing Operating Procedures Manual, page 10, http://sf-moh.org/modules/showdocument.aspx?documentid=6041

[14] Grant agreement packet, Compass Family Services, 2011-12, project 3, Sec. 923. Compass Connecting Point Housing Counseling for Homeless Families and Eviction Prevention and Assistance for At-Risk Families

[15] Monthly Program and Cost Report, Compass Connecting Point, contract 35645

[16] Program narrative attachment to grant agreement packet, Compass Connecting Point grant for "counseling for homeless families and eviction prevention and assistance for at-risk families"

[17] Website, Human Services Agency of San Francisco, Department of Aging and Adult Services, Department of Human Services, http://www.sfhsa.org/DAAS.htm

[18] Performance Audit of Professional Services Contracts, Department of Public Health and Human Services Agency, prepared for the Board of Supervisors of the City and County of San Francisco by the San Francisco Budget and Legislative Analyst

[19] San Francisco Department of Public Health, 2010-11 Annual Report, page 30, http://www.sfdph.org/dph/files/reports/PolicyProcOfc/2010-11AnnlRpt/DPHAnnlRptFY1011.pdf

[20] Audits required by OMB Circular A-13, DPH, Monitoring of A-133 Single Audit Reports for Agencies Awarded Federal Funds by DPH in FY 2008-09

Mayor's Proposed Budget Book

SERVICES

The Department on the Status of Women provides services through the following program areas:

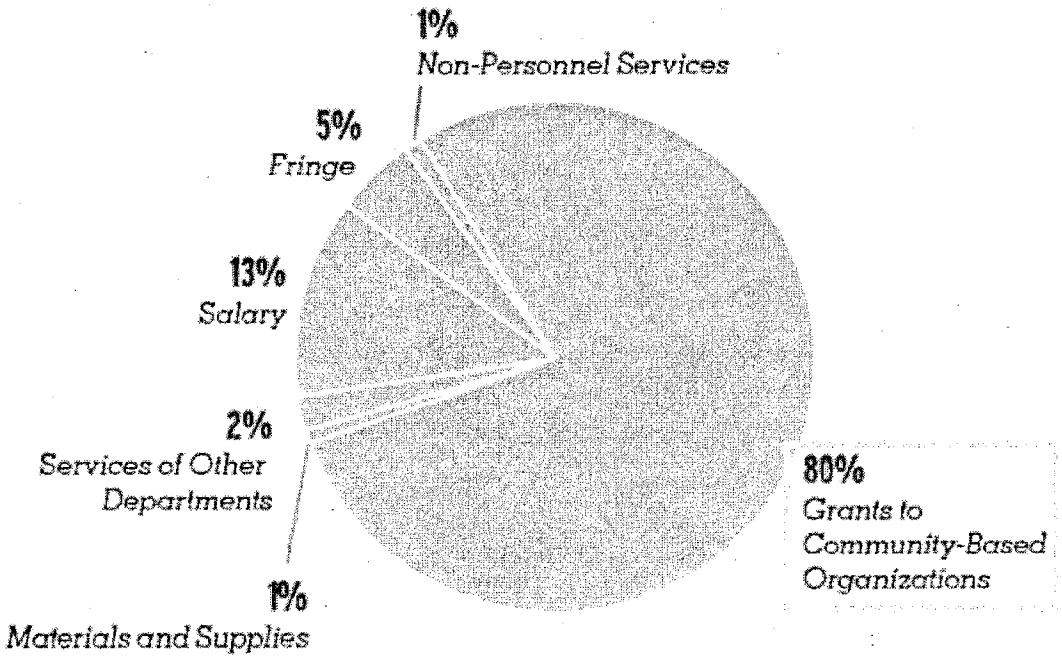
VIOLENCE AGAINST WOMEN PREVENTION & INTERVENTION (VAW) GRANTS PROGRAM makes up over 80 percent of the Department's funds. These grants support 31 community programs that address violence against women. In Fiscal Year (FY) 2011-12, these grants served 29,434 individuals.

USES - OPERATING EXPENDITURES				
Salaries & Wages	419,664	450,740	569,647	118,907
Fringe Benefits	160,752	180,613	240,830	60,217
Professional & Contractual Services	35,642	5,840	17,340	11,500
Aid Assistance / Grants	2,778,181	3,011,665	3,996,864	985,199
Materials & Supplies	31,530	34,735	34,735	0
Services of Other Departments	131,168	119,004	118,562	(442)
Uses - Operating Expenditures Total	**3,556,937**	**3,802,597**	**4,977,978**	**1,175,381**

Submitted 4/13 130609 130610

Mayor's Proposed Budget Book

FY 2013-14 DEPARTMENT USES BY SERVICE AREA



80 percent of department expenditures go towards grants to community-based organizations.

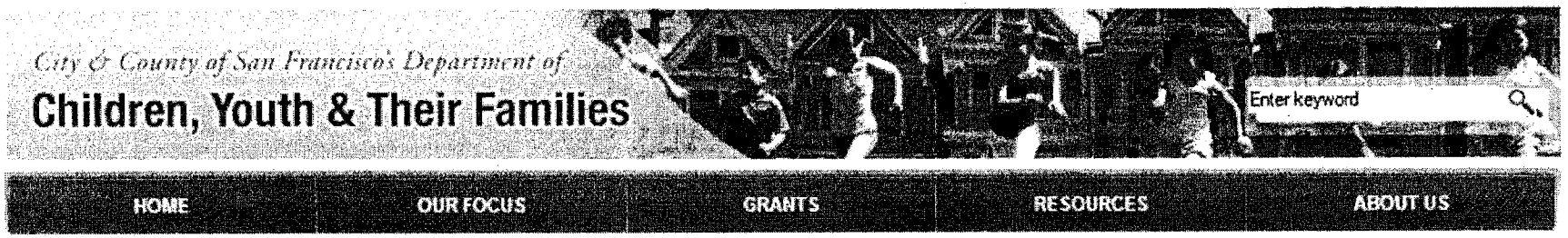
Adopted Budget and Appropriation Ordinance

Department Appropriations (2 year) (Adopted Budget)

Department: WOM : STATUS OF WOMEN

		Character Summary		
001	SALARIES	450,740	569,647	118,907
013	MANDATORY FRINGE BENEFITS	180,613	240,830	60,217
021	NON PERSONNEL SERVICES	5,840	17,340	11,500
038	CITY GRANT PROGRAMS	3,011,665	4,193,078	1,181,413
040	MATERIALS & SUPPLIES	34,735	34,735	
081	SERVICES OF OTHER DEPTS	119,004	118,562	(442)
Total Uses by Character		**3,802,597**	**5,174,192**	**1,371,595**

DCYF website



About DCYF Grants
DCYF Grantee Support
Other Grant Opportunities
2013-2016 RFP
2013-2016 RFP Readers Documents
DCYF ExCEL Match Grants
2013-2016 RFP Award Recipients

2013-2016 RFP Award Recipients

DCYF would like to thank everyone who submitted proposals for the 2013-2016 RFP!

- General List of the 2013-2016 Award Recipients

The following documents were presented at the Executive Director/Fiscal Manager Meeting at DCYF on May 14, 2013:

- Executive Director and Fiscal Manager Meeting Powerpoint Presentation
- Data and Capacity Building Evaluation Handout
- Contract Management System (CMS) Handout

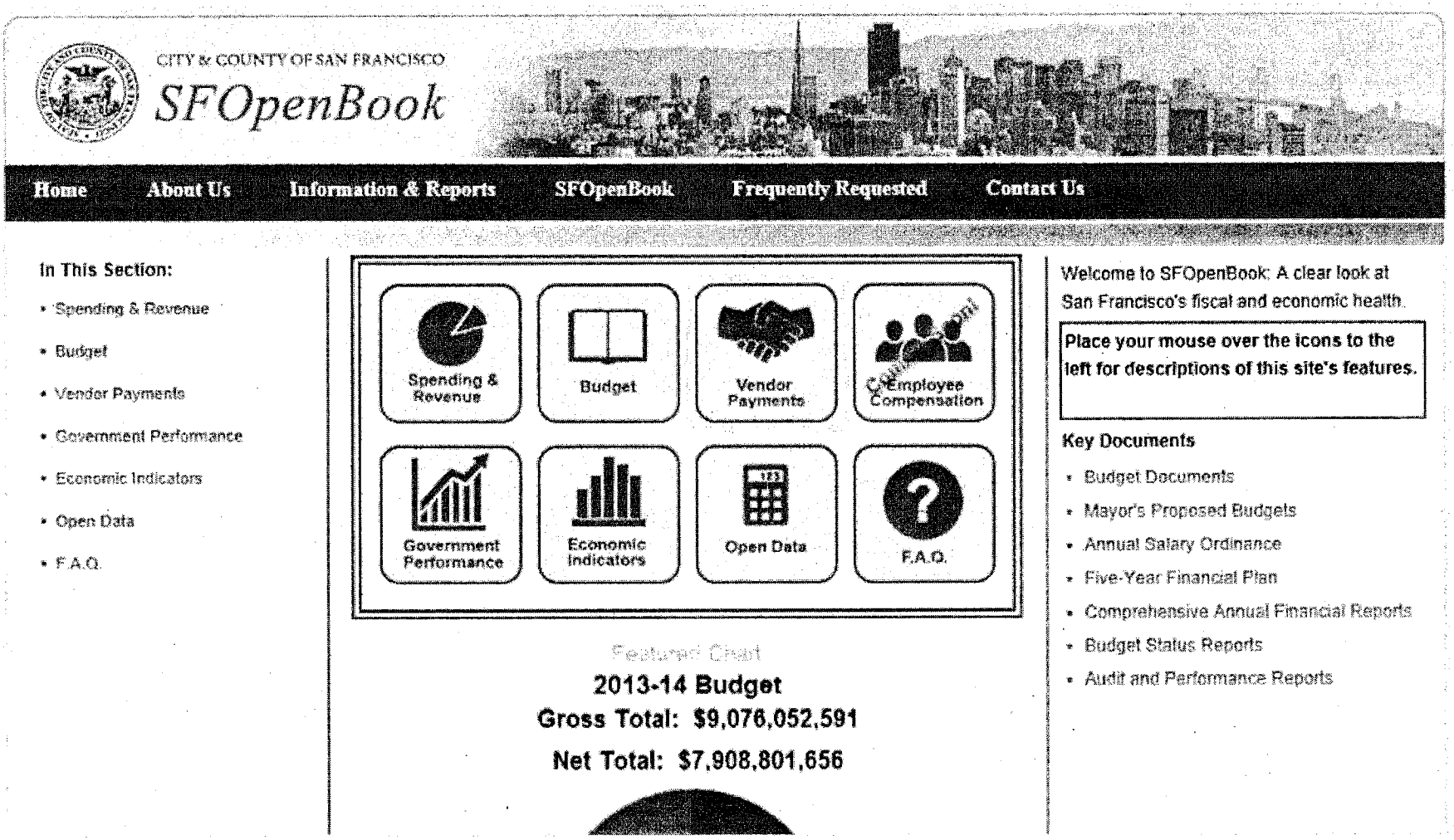
For more information on DCYF's selection process, click here for DCYF's Decision Process for the RFP.

If you would like a copy of your agency's scores and comments from the RFP, please send your request in writing to Emily Davis.

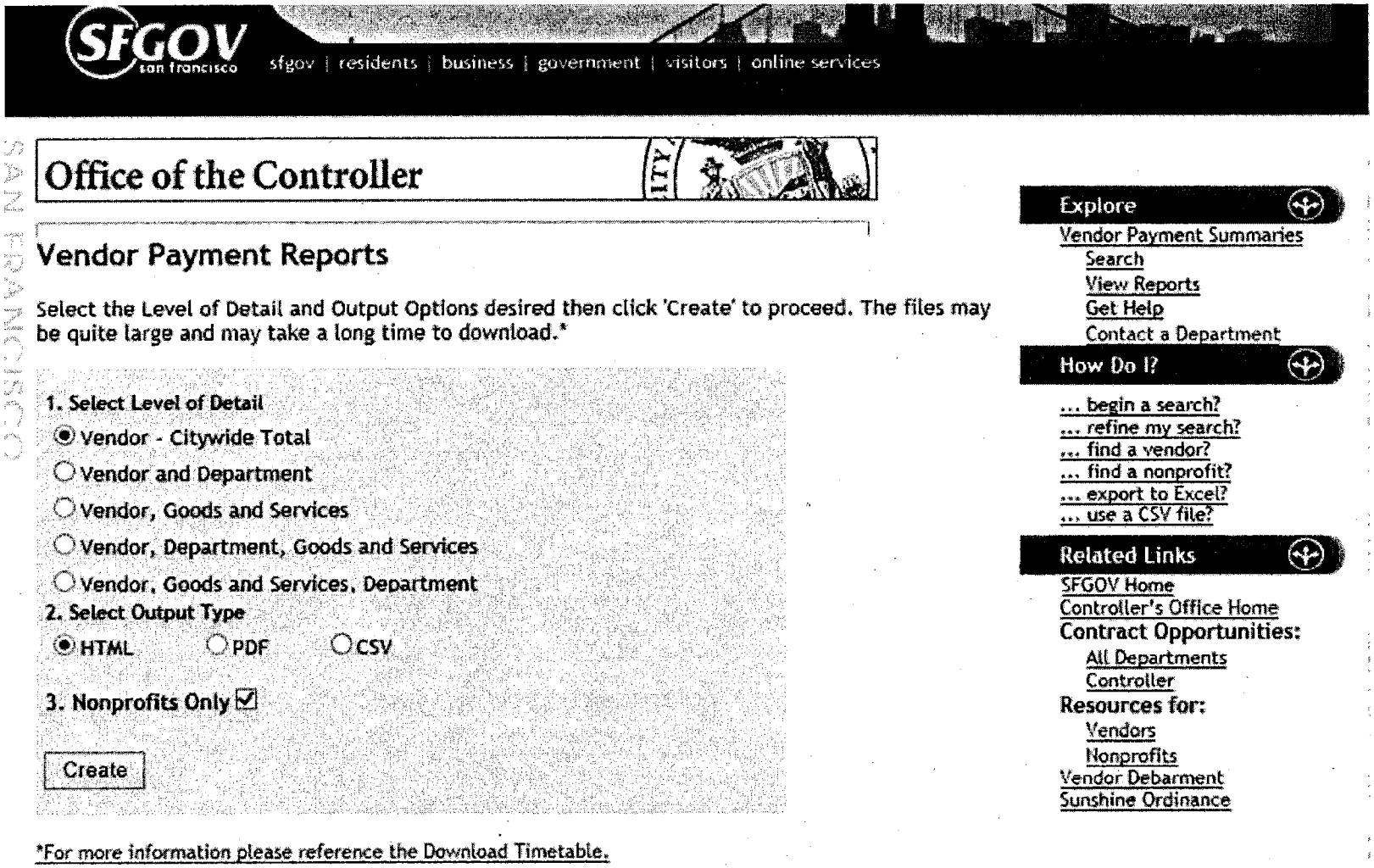
Award recipient information

Community-Based Organization	Program Name	District	2013 RFP Strategy	FY1314 Funding
Bay Area Community Resources	Youthline IT/Digital Media Work Experience	1	Youth Workforce Development	$ 148,000.00
California Academy of Sciences	Careers in Science Intern Program (CiS)	1	Youth Workforce Development	$ 151,000.00
Community Youth Center of San Francisco (CYC)	Job Readiness for English Language Learners	1	Youth Workforce Development	$ 150,000.00
Richmond District Neighborhood Center	SY EXCEL & Scholarship @ Argonne Elementary School	1	DCYF ExCEL Match Grant & Scholarship	$ 79,232.00
Richmond District Neighborhood Center	After School Scholarships at Alamo Elementary School	1	Comprehensive K-8 School-based Before and Afterschool Scholarships	$ 67,500.00
Richmond District Neighborhood Center	SY EXCEL @ George Peabody Elementary School	1	DCYF ExCEL Match Grant	$ 39,442.00

SFOpenBook: openbook.sfgov.org



Nonprofit Reports



Downloadable Reports

Report 5100_NP
Data As Of :
10/13/2013

City and County of San Francisco
Vendor Payment Summaries Website Report
Summary of Vendors for Nonprofits

Vendor Names	Non Profit	Payments				
		FY 2011-12	FY 2012-13	FY 2013-14	In Process	Remaining Balance
COLLEGE TRACK	x	$66,371	$66,011	$7,433	$0	$75,000
COLUMBUS DAY CELEBRATION	x	$29,600	$29,600	$16,450	$0	$16,450
COMEDY CELEBRATION DAY INC	x	$5,300	$5,300	$0	$0	$5,300
COMMUNITY ALLIANCE FOR SPECIAL EDUCATION	x	$10,000	$10,191	$10,353	$0	$10,353
COMMUNITY AWARENESS & TREATMENT SVCS INC	x	$6,788,583	$7,647,401	$3,219,699	$0	$5,661,251
COMMUNITY BOARD PROGRAM	x	$137,311	$152,910	$59,300	$0	$133,237
COMMUNITY DESIGN CENTER	x	$118,736	$17,563	$0	$0	$65,000
COMMUNITY DEVELOPMENT INSTITUTE	x	$5,638	$0	$0	$0	$0
COMMUNITY HOUSING PARTNERSHIP	x	$4,070,722	$2,617,724	$996,764	$0	$2,491,013
COMMUNITY INITIATIVES	x	$591,503	$472,006	$79,258	$0	$443,759
COMMUNITY LIVING CAMPAIGN	x	$161,781	$169,047	$17,135	$0	$32,646
COMMUNITY MUSIC CENTER SAN FRANCISCO	x	$0	$3,350	$0	$0	$0
COMMUNITY PARTNERS	x	$0	$104,532	$3,500	$0	$0
COMMUNITY TECHNLGY NTWK OF THE BAY AREA	x	$182,520	$207,423	$27,876	$0	$2,884
COMMUNITY UNITED AGAINST VIOLENCE	x	$220,270	$151,013	$41,806	$0	$83,322
COMMUNITY WORKS WEST INC	x	$1,183,893	$1,406,665	$529,023	$0	$767,924
COMMUNITY YOUTH CENTER SAN FRANCISCO	x	$2,259,584	$1,989,048	$908,191	$0	$1,844,959
COMPASS FAMILY SERVICES	x	$3,958,507	$4,148,863	$1,186,184	$0	$3,010,712
COMPASSPOINT NONPROFIT SERVICES	x	$138,106	$90,827	$18,326	$0	$94,240
COMPOSERS INC	x	$9,000	$6,000	$0	$0	$0
CONARD HOUSE INC	x	$8,280,440	$9,384,201	$3,659,426	$0	$7,820,550
CONSCIOUS YOUTH MEDIA CREW	x	$107,567	$91,841	$17,354	$0	$0
CONTRABAND	x	$2,400	$10,000	$0	$0	$0
CORO CTR FOR CIVIC LEADERSHIP-NTHRN CAL	x	$5,000	$1,000	$1,000	$0	$0
CORPORATION FOR SUPPORTIVE HOUSING	x	$0	$26,610	$16,171	$0	$57,219
CORPORATION OF THE FINE ARTS MUSEUMS	x	$2,123,222	$3,091,642	$479,619	$0	$2,500
COSIPA	x	$100	$250	$0	$0	$0
COUNTERPULSE	x	$62,250	$70,306	$22,000	$0	$53,270
CREATIVITY EXPLORED OF SAN FRANCISCO	x	$34,750	$30,800	$31,900	$0	$0
CRIBS FOR KIDS INC	x	$0	$0	$2,452	$0	$0

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

☐ 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.

☐ 2. Request for next printed agenda without reference to Committee.

☒ 3. Request for hearing on a subject matter at Committee.

☐ 4. Request for letter beginning "Supervisor _____ inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. _____ from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No. _____

☐ 9. Request for Closed Session (attach written motion).

☐ 10. Board to Sit as A Committee of the Whole.

☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on _____

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Clerk of the Board

Subject:

Hearing - Civil Grand Jury Report - "Use of Nonprofit Community-Based Organizations: Measuring Outcomes"

The text is listed below or attached:

Hearing on the recently published 2012-2013 Civil Grand Jury report entitled "Use of Nonprofit Community-Based Organizations: Measuring Outcomes."

Signature of Sponsoring Supervisor: _____ for

For Clerk's Use Only: