

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Homelessness & Behavioral Health Select Committee 
FROM: Budget and Legislative Analyst
SUBJECT: April 28, 2023 Homelessness & Behavioral Health Select Committee Meeting

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Item 3 File 23-0354	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve Amendment No. 2 to the homeless children and family services contract between the Department of Public Health (DPH) and Homeless Children’s Network, extending the term by four years and six months through December 2027, and increasing the not-to-exceed amount by \$7,473,592, for a total not to exceed \$17,465,319. <p>Key Points</p> <ul style="list-style-type: none"> • In 2017 and 2018, DPH issued competitive solicitations for Children, Youth and Family System of Care Mental Health Outpatient Treatment Services and the Early Childhood Mental Health Consultation Initiative (ECMHCI). Homeless Children’s Network was deemed the highest or second highest scoring proposer in each solicitation and was awarded a contract that included both services. In July 2018, DPH executed a contract with Homeless Children’s Network for a term of four years, from July 2018 through June 2022, and an amount not to exceed \$6,989,849. In April 2022, DPH executed Amendment No. 1 to the contract, extending the term by one year through June 2023, and increasing the not-to-exceed amount by \$3,001,878, for a total not to exceed \$9,991,727. • Under the contract, Homeless Children’s Network provides the Early Periodic Screening, Diagnostic, and Treatment (EPSDT) outpatient program, which is comprised of four subprograms, and the ECMHCI program. Between the two programs, DPH estimates that Homeless Children’s Network serves approximately 744 unduplicated clients. • FY 2020-21 program monitoring indicated that Homeless Children’s Network for the ECMHCI program met its units of service and performance objectives. Program monitoring for the EPSDT program was not completed but is currently underway. Billings for FY 2021-22 indicate that the Homeless Children’s Network has achieved 97 percent of its budgeted units of service and fulfilled 80 percent of the budgeted hours for the Early Childhood Mental Health Consultation initiative in FY 2021-22 <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed Amendment No. 2 would increase the not-to-exceed amount of the Homeless Children’s Network contract by \$7,473,592, for a total not to exceed \$17,465,319. • The contract is funded approximately 34 percent by federal funds, 36 percent by state funds, and 31 percent by the General Fund. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

In 2017 and 2018, the Department of Public Health (DPH) issued (1) a Request for Proposals (RFP) for Children, Youth and Family System of Care Mental Health Outpatient Treatment Services and Optional Specialized Mental Health Treatment Services (RFP 1-2017) and (2) a Request for Qualifications (RFQ) for the Early Childhood Mental Health Consultation Initiative (ECMHCI) (RFQ 16-2018). Each solicitation contained several categories of services, including Mental Health Outpatient Treatment Services in RFP 1-2017 and Main ECMHCI in RFQ 16-2018. Evaluation panels reviewed the proposals and scored them, as shown in Exhibit 1 below.¹

Exhibit 1: Proposals and Scores from RFP and RFQ

RFP 1-2017: Mental Health Outpatient Treatment Services	
Proposer	Score (Out of 230 Points)
UCSF Infant Patient Parent Program (IPP)	213.17
Homeless Children's Network	213.00
Community Youth Center (CYC)	210.17
A Better Way	208.50
Huckleberry Youth Programs	205.33
Mt. St. Joseph's St. Elizabeth's (Epiphany Center)	205.33
Alternative Family Services	204.00
HealthRight 360	203.50
SF Child Abuse Prevention	202.17
Center on Juvenile and Criminal Justice	198.33
UCSF Child and Adolescent Services (CAS)	198.17
Jewish Family and Children Center	188.75
Bayview Hunters Point Foundation	175.17
West Coast Children's Clinic	175.17
Instituto Familiar de la Raza (IFR)	169.67
Boys & Girls Club of SF	157.00
APA Family Support Services	124.50
Westside Community Mental Health	96.50

¹ The evaluation panel for RFP 1-2017 included a Deputy Director from DPH, a Deputy Director from the Department of Children, Youth, and their Families (DCYF), a Program Manager from Contra Costa County Health Services, a Supervisor from San Francisco Unified School District (SFUSD), and a Consultant from the Human Services Agency (HSA). The evaluation panel for RFQ 16-2018 included a Deputy Director from the Office of Early Care and Education (OECE), a Lead Coordinator from DPH, an Executive Director from First 5 SF, a Chief of Early Education from SFUSD, a Senior Analyst from Our Children Our Families Council, a Senior Data and Evaluation Analyst from DCYF, a Deputy Director from DCYF, and a Program Officer from First 5 SF.

RFQ 16-2018: Main Early Childhood Mental Health Consultation Initiative ²

Proposer	Score (Out of 100 Points)
Homeless Children's Network	99.17
Instituto Familiar de la Raza (IFR)	96.67
Richmond Area Multi Services (RAMS)	92.17
UCSF Infant Parent Program	91.00
Edgewood Center for Children & Families	87.83
Seneca Family of Agencies	78.50
Felton Institute	69.83

Source: DPH

Homeless Children's Network was deemed to be the highest or second-highest scoring proposer in each solicitation and was awarded a contract that included both services. In July 2018, DPH executed a contract with Homeless Children's Network for a term of four years, from July 2018 through June 2022, and an amount not to exceed \$6,989,849. In April 2022, DPH executed Amendment No. 1 to the contract, extending the term by one year through June 2023, and increasing the not-to-exceed amount by \$3,001,878, for a total not to exceed \$9,991,727.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 2 to the homeless children and families mental health services contract between DPH and Homeless Children's Network, extending the contract term from June 2023 through December 2027, and increasing the not-to-exceed amount of \$7,473,592, for a total not to exceed \$17,465,319. The proposed resolution would also authorize DPH to enter into further immaterial amendments to the contract.

Under the contract, Homeless Children's Network provides the following services:

1. Early Periodic Screening, Diagnostic, and Treatment (EPSDT) Outpatient Program: Outpatient programming providing culturally competent mental health assessment, collateral therapy, case management and crisis intervention services for homeless children and families living in emergency, transitional, and domestic violence shelters, as well as families in permanent stable housing but who have a formative history with homelessness. The program is divided into four subprograms:
 - a. EPSDT-General: Provides outpatient specialty mental health services to youth at shelters, childcare centers, and schools (104 clients per year).
 - b. EPSDT-Riley: Provides outpatient specialty mental health services for youth at the Riley Center, a domestic violence shelter and service center operated by St. Vincent de Paul Society of San Francisco (3 clients per year).

² In addition to Main ECMHCI, Homeless Children's Network responded to the RFQ within the subspecialties of DPH Substance Use Disorder Residential and Outpatient Treatment Programs, Domestic Violence and Family Shelter Sites, Family Child Care Quality Network (FCCQN) Licensed Family Child Care Homes, SF Family Resource Center (FRC) Initiative Sites, and SFUSD Early Education Schools and Pre-School Special Education Services. Homeless Children's Network was deemed to meet the minimum score and selected for contract award in each category.

- c. EPSDT-Treasure Island: Provides outpatient youth mental health programming on Treasure Island (3 clients per year).
 - d. EPSDT-LGBTQ: Provides outpatient mental health services to LGBTQ youth, focused on participants in Our Family Coalition, SF Pride, and Camp it UP! (8 clients per year).
2. Early Childhood Mental Health Consultation Initiative (ECMHCI): Program designed to ensure the emotional wellbeing of children (age 0 to 5 years) by providing mental health consultations to the shelter-based and homeless services childcare providers. (Serving 626 clients per year).

The authorization of Early Childhood Mental Health Consultation Initiative contract services under RFQ 16-2018 expires June 30, 2024, and therefore the ECMHCI program would not continue after FY 2023-24. Beginning in July 2024, ECMHCI services provided in *childcare settings* would be transferred to the Department of Early Childhood (DEC), which would conduct its own solicitation for a service provider. DPH would issue a new solicitation to select a service provider to continue providing EMCHCI services in *treatment sites and shelters*.³

Between the two programs, DPH estimates that Homeless Children’s Network serves approximately 744 unduplicated clients. The contract funds approximately 15.63 full-time equivalent (FTE) employees, including indirect administrative positions.

Fiscal and Performance Monitoring

FY 2020-21 program monitoring indicated that Homeless Children’s Network for the Early Childhood Mental Health Consultation Initiative program met its units of service and performance objective. No correction action plans were identified for that program in FY 2020-21. According to Michelle Ruggels, DPH Business Office Director, FY 2020-21 monitoring reports for the EPSDT program were not completed, but the program will be evaluated as part of the FY 2021-22 monitoring process.

According to Michelle Ruggels, DPH Business Office Director, monitoring reports for FY 2021-22 are in progress but have not yet been completed. However, Director Ruggels reports that the annual Behavioral Health Services State Cost Report settlement for all Behavioral Health Services has been drafted for FY 2021-22, and the Homeless Children’s Network has achieved 97 percent of its budgeted units of service in its combined outpatient programs and fulfilled 80 percent of the budgeted hours for the Early Childhood Mental Health Consultation initiative in FY 2021-22.

DPH reviewed Homeless Children’s Network’s financial documents as part of the FY 2020-21 Citywide Fiscal and Compliance Monitoring process and identified no findings, which exempted the organization from fiscal and compliance monitoring in FY 2021-22.

FISCAL IMPACT

The proposed Amendment No. 2 would increase the not-to-exceed amount of the Homeless Children’s Network contract by \$7,473,592, for a total not to exceed \$17,465,319. The estimated

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annual sources and uses of funds by program for the four-year and six-month contract extension are shown in Exhibit 2 below.

Exhibit 2: Estimated Sources and Uses of Funds

Sources	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28 (6 Months)	Total
Federal Sources	\$506,531	\$506,531	\$506,531	\$506,531	\$253,266	\$2,279,390
State Sources	494,412	494,412	494,412	494,412	247,206	2,224,854
City General Fund	1,499,800	282,176	333,501	386,879	221,196	2,723,552
<i>Subtotal</i>	<i>\$2,500,743</i>	<i>\$1,283,119</i>	<i>\$1,334,444</i>	<i>\$1,387,822</i>	<i>\$721,667</i>	<i>\$7,227,795</i>
Contingency (12%)	300,089	153,974	160,133	166,539	86,600	867,335
Total Sources	\$2,800,832	\$1,437,093	\$1,494,577	\$1,554,361	\$808,267	\$8,095,130
Uses	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28 (6 Months)	Total
EPSDT-General	\$802,822	\$802,822	\$802,822	\$802,822	\$401,411	\$3,612,699
EPSDT-Riley	22,756	22,756	22,756	22,756	11,378	102,402
EPSDT-Treasure Island	21,110	21,110	21,110	21,110	10,555	94,995
EPSDT-LGBTQ	233,710	233,710	233,710	233,710	116,855	1,051,695
ECMHCI	1,266,975	-	-	-	-	1,266,975
Cost of Doing Business	153,370	202,721	254,046	307,424	181,468	1,099,029
<i>Subtotal</i>	<i>\$2,500,743</i>	<i>\$1,283,119</i>	<i>\$1,334,444</i>	<i>\$1,387,822</i>	<i>\$721,667</i>	<i>\$7,227,795</i>
Contingency (12%)	300,089	153,974	160,133	166,539	86,600	867,335
Total Uses	\$2,800,832	\$1,437,093	\$1,494,577	\$1,554,361	\$808,267	\$8,095,130
Actual Expenditures (through FY 2022-23) ⁴						9,370,190
Total Not-to-Exceed						\$17,465,320

Source: DPH

Note: EPSDT refers to Early Periodic Screening, Diagnostic, and Treatment, which is the title of MediCal reimbursable behavioral health services for children and youth, and ECMHCI refers to Early Childhood Mental Health Consultation Initiative, which is moving to a DEC contract after FY 2023-24.

The contract includes a 12 percent contingency to account for cost escalation, new programs, and/or expansions of existing programs. The not-to-exceed amount also includes annual four percent doing business increases.

The total not-to-exceed amount is funded approximately 34 percent by federal funds, 36 percent by state funds, and 31 percent by the General Fund.

RECOMMENDATION

Approve the proposed resolution.

⁴ This amount includes actual expenditures of \$6,967,572 through FY 2021-22 and projected expenditures (including a contingency) of \$2,402,618 in FY 2022-23.