

1 [Board response to the 2008-2009 Civil Grand Jury Report entitled "Nonprofits, The Good,  
2 The Bad, The Ugly"]

3 **Resolution responding to the Presiding Judge of the Superior Court on the findings**  
4 **and recommendations contained in the 2008-2009 Civil Grand Jury Report entitled**  
5 **"Nonprofits, The Good, The Bad, The Ugly," and urging the Mayor to cause the**  
6 **implementation of accepted findings and recommendations through department heads**  
7 **and through the development of the annual budget.**

8  
9 WHEREAS, Under California Penal Code Section 933 et seq., the Board of  
10 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior  
11 Court on the findings and recommendations contained in Civil Grand Jury Reports; and

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

18 WHEREAS, The 2008-2009 Civil Grand Jury Report entitled "Nonprofits, The Good,  
19 The Bad, The Ugly" is on file with the Clerk of the Board of Supervisors in File No. 090844,  
20 which is hereby declared to be a part of this resolution as if set forth fully herein; and

21 WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond  
22 to Finding Nos. 4, 7, 8, 9, 11, 12, 13 and 14 as well as Recommendation Nos. 7, 8, 9, 10, 13  
23 and 15 contained in the subject Civil Grand Jury report; and

24 WHEREAS, Finding No. 4 states: "The magnitude of money and the lack of tracking  
25 and coordination of grants provide a potential for abuse in the allocation of grants;" and

1           WHEREAS, Finding No. 7 states: "Sole Source Waivers issued are tracked by number  
2 of waivers issued to a department and not to whom the waivers were given or for what  
3 purpose;" and

4           WHEREAS, Finding No. 8 states: "Targeted Addbacks to the city budget are taking  
5 place, even though they are against Procurement Rules: City Charter (2.114. Non  
6 Interference in Administration);" and

7           WHEREAS, Finding No. 9 states: "Targeted Addbacks are often a result of lobbying by  
8 special interest groups;" and

9           WHEREAS, Finding No. 11 states: "Targeted Addbacks negate the expertise of the city  
10 departments;" and

11           WHEREAS, Finding No. 12 states: "Targeted Addbacks do not follow the budget  
12 amendment process established by the City Charter and circumvent the regular competitive  
13 solicitation processes that City departments must follow, sometimes causing departments [to]  
14 enter sole source contracts;" and

15           WHEREAS, Finding No. 13 states: "Targeted Addbacks impede the ability of city  
16 departments to hold nonprofit contractors accountable for poor performance. (Partnering with  
17 Nonprofits in Tough Times: Recommendations from SF Community Based Task Force, April  
18 2009);" and

19           WHEREAS, Finding No. 14 states: "The Board of Supervisors has violated the Charter  
20 by making direct contracting decisions through targeted Addbacks. Through this procedure,  
21 the Board of Supervisors has continued the longstanding practice of allocating some City  
22 funds directly to specific contractors;" and

23           WHEREAS, Recommendation No. 7 states: "The practice of targeted Addbacks should  
24 be stopped"; and

1           WHEREAS, Recommendation No. 8 states: "The City Charter (2.114. Non-Interference  
2 in Administration) should be enforced to prevent district supervisors from directing funds to  
3 specific nonprofits through circuitous means. (For example, naming a street where a nonprofit  
4 exists or specifying a service offered only by a specific nonprofit);" and

5           WHEREAS, Recommendation No. 9 states: "The Supervisors can have a greater role,  
6 in the process, by submitting budget proposals and funding priorities during a department's  
7 normal budget preparation process, e.g. hearings, commissions and/or citizen advisory  
8 committee meetings rather than last-minute adjustments through the targeted add-back  
9 process;" and

10           WHEREAS, Recommendation No. 10 states: "To comply with the San Francisco  
11 Charter and encourage the use of competitive processes, and to strengthen the requirements  
12 for the content of City contracts, the Board of Supervisors should no longer direct funds  
13 toward specific City contracts or contractors through the targeted addback process or  
14 otherwise;" and

15           WHEREAS, Recommendation No. 13 states: "The Nonprofit Review/Appellate Panel  
16 should be given the directive to study the compliance rate on joint monitoring within and  
17 among all City departments and to make recommendations to bring compliance to 100%;" and

18           WHEREAS, Recommendation No. 15 states: "The Board of Supervisors should give  
19 the Nonprofit Review/Appellate Panel responsibility for developing a monitoring and  
20 performance measurement system based on a taxonomy of nonprofit outcomes for human  
21 and health services' programs provided by nonprofits and their indicators as developed by the  
22 Urban Institute/The Center for What Works or a similar system;" and

23           WHEREAS, In accordance with Penal Code Section 933.05(c), the Board of  
24 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior  
25

1 Court on Finding Nos. 4, 7, 8, 9, 11, 12, 13 and 14 as well as Recommendation Nos. 7, 8, 9,  
2 10, 13 and 15 contained in the subject Civil Grand Jury report; now, therefore, be it

3 RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the  
4 Superior Court that it agrees with Finding No. 4 and Recommendation No. 9 of the 2008-2009  
5 Civil Grand Jury Report entitled "Nonprofits, The Good, The Bad, The Ugly;" and, be it

6 FURTHER RESOLVED, That the Board of Supervisors reports that it disagrees with  
7 Finding No. 7 because the Office of Contract Administration's (OCA) standard waiver request  
8 form already requires departments to identify vendors and to describe the products or  
9 services to be sole sourced. The Board also disagrees with Recommendation No. 13  
10 because the Controller's Office is already studying the compliance rate on joint monitoring  
11 within and across City departments; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation  
13 No. 15 requires further analysis; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge  
15 of the Superior Court that regarding Finding Nos. 8, 9, 11, 12, 13 and 14 and  
16 Recommendation Nos. 7, 8 and 10, the Board of Supervisors adds programmatic funding to  
17 the City's annual budget in major policy areas, such as public safety, transportation and  
18 affordable housing, but it leaves administration of such funding to the Mayor and his/her  
19 department heads in accordance with the San Francisco Municipal Code and City Charter;  
20 and, be it

21 FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the  
22 implementation of accepted findings and recommendations through his/her department heads  
23 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: 091158

Date Passed: November 24, 2009

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2008-2009 Civil Grand Jury Report entitled "Nonprofits, The Good, The Bad, The Ugly," and urging the Mayor to cause the implementation of accepted findings and recommendations through department heads and through the development of the annual budget.

November 24, 2009 Board of Supervisors - ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Duffy, Elsbernd, Mar, Maxwell and Mirkarimi

I hereby certify that the foregoing Resolution was ADOPTED on 11/24/2009 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

Mayor Gavin Newsom

Date

12-3-09