

Item 5
Files 11-0053

Department(s):
Port

EXECUTIVE SUMMARY

Legislative Objectives

- Request to release \$75,000 on Budget and Finance Committee reserve for the Port's FY 2009-2010 Employment Training Program.

Key Points

- During the FY 2009-2010 budget deliberations, the Board of Supervisors reduced \$300,000 from the Port's FY 2009-2010 budget, and subsequently added this \$300,000 back to expand the Port's existing Employment Training Program for additional low-income youth in FY 2009-2010. The Board of Supervisors placed the entire \$300,000 on Budget and Finance Committee reserve, pending the Port's submission of program details to the Budget and Finance Committee.
- On November 4, 2009, the Board of Supervisors approved the Port's request to release \$225,000 from the Budget and Finance Committee Reserve, leaving the remaining \$75,000 (\$300,000 less \$225,000) on reserve for the Employment Training Program.
- The Port has amended its request and is now requesting that \$39,840 be released from the Budget and Finance Committee Reserve in order to fund two new projects of the Employment Training Program, (a) the Sheriff's Garden Project's Earth Stewards Apprentice Program and (b) the Maritime Industry Immersion Internship Program. The balance of \$35,160 (\$75,000 less \$39,840) is now being requested for needed repair and replacement projects.

Fiscal Analysis

- Of the \$39,840 being requested for release from reserve for the Employment Training Program, the Sheriff's Garden Project's Earth Stewards Apprentice Program is projected to cost \$29,840 and the Maritime Industry Immersion Internship Program is estimated to cost \$11,916, of which \$10,000 is on Budget and Finance Committee reserve, or a total requested release of reserve of \$39,840 for the balance of FY 2010-2011.
- Both of the Employment Training Programs are projected to continue in FY 2011-2012, and are included in the Port's proposed FY 2011-2012 budget for an estimated cost of \$65,000 for the Earth Stewards Apprentice Program and \$16,000 for the Maritime Industry Immersion Internship Program or a total estimated cost of \$81,000, subject to appropriation approval by the Mayor and the Board of Supervisors.

Recommendations

- Release \$39,840 for the Earth Stewards Apprentice Program and the Maritime Industry Immersion Internship Program.
- Release the balance of \$35,160 for needed repair and replacement projects.

MANDATE STATEMENT/ BACKGROUND

Mandate Statement

In accordance with Section 3.3 of the City's Administrative Code, the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve until released by the Budget and Finance Committee of the Board of Supervisors.

Background

According to Ms. Elaine Forbes, Deputy Director of Finance and Administration for the Port of San Francisco, in 2005, the Port initiated a workforce development program for low-income adults between the ages of 18 to 24, entitled the Employment Training Program. As a result of a competitive Request for Proposal (RFP) process conducted in 2005, the Port awarded a contract to the San Francisco Conservation Corps (SFCC) to administer the Port's Employment Training Program from March 4, 2005 until June 30, 2008 at a cost of \$91,989 for FY 2004-2005, \$208,011 for FY 2005-2006, \$150,000 for FY 2006-2007 and \$150,000 for FY 2007-2008 or a total not-to-exceed contract amount of \$600,000. Under that contract, the SFCC administered the Port's Employment Training Program and provided job training for Port services to 15 low income adults between the ages of 18 and 24. The training included (a) inventory management, (b) database development, (c) environmental compliance, (d) clerical services and (e) landscape and maintenance support.

In 2008, the Port conducted a second competitive RFP process and awarded one Employment Training Program contract to the SFCC¹, with Larkin Street Youth Services named as a subcontractor. On November 1, 2008, the Port awarded one contract to SFCC, not-to-exceed \$200,000 annually and not-to-exceed \$800,000 over the entire four year and eight month contract period between November 1, 2008 and June 30, 2013. Presently, SFCC provides job training to 15 low income adults in (a) landscaping, (b) open space management, and (c) recycling and composting. SFCC also provides (a) career assessments, (b) career exploration/market research, (c) preparation assistance for employment applications, and (d) post-program follow-up services for participants who complete six months or longer in the program. In addition, SFCC develops, tracks, monitors and reports on its participants' program outcomes.

Additionally, on November 1, 2008 the Port awarded a second four-year contract to SFCC that included Larkin Street Youth Services as a subcontractor to SFCC. For FY 2008-2009, the contract amount was \$199,490. For FY 2008-2009, the contract amount was \$189,387. For FY 2009-2010, the contract amount was \$200,000. For FY 2010-2011 the contract amount was \$297,000. That contract pays for (a) one Supervisor and five low-income youth from the ages of 16 to 17 for Port maintenance and beautification projects, (b) education services and General

¹ On November 1, 2008, the Port Commission awarded a four year and eight month contract to SFCC, not-to-exceed \$200,000 annually and not-to-exceed \$800,000 over the 10 year and 8 month life of the contract. The SFCC implemented this new Port youth employment program on November 1, 2008, which will extend through June 30, 2013.

Education Development (GED) preparation classes, (c) case management for housing services for Larkin Street Youth Center participants in the program (d) substance abuse counseling and mental health counseling for Larkin Street Youth Center participants in the program and (e) assessments of the Larkin Street Youth Center participants in the program.

During the FY 2009-2010 budget deliberations, the Board of Supervisors reduced \$300,000 from the Port's proposed FY 2009-2010 budget. Subsequently, the Board of Supervisors added this \$300,000 back to the Port's FY 2009-2010 budget to expand the Port's existing Employment Training Program to provide job training for low-income adults over the age of 24 as well as young adults between the ages of 18-24. The Board of Supervisors placed the entire \$300,000 on Budget and Finance Committee reserve, pending the Port's submission of Employment Training Program details to the Budget and Finance Committee.

On October 8, 2009, the Port requested the release of the entire \$300,000 held on Budget and Finance Committee Reserve in the Port's FY 2009-2010 operating budget (File 09-1238) to fund the Pier 70 Shipyard Training Program². The Budget and Legislative Analyst's report that was prepared for this requested release of \$300,000 on reserve projected that the Port would only be able to expend \$155,957 of the \$300,000 in FY 2009-2010 and the remaining \$144,043 would be expended during the first six months of FY 2010-2011. Therefore, at the November 4, 2009 Budget and Finance Committee hearing, the Port amended their request and instead asked the Budget and Finance Committee to release \$225,000, with \$155,957 to cover the FY 2009-2010 anticipated expenditures and an additional \$69,043 provided "for cushion".

The Budget and Finance Committee approved the Port's amended requested release of \$225,000, leaving the remaining subject requested \$75,000 (\$300,000 less \$225,000) on Budget and Finance Committee Reserve pending Port staff's development of program details for two new employment programs, (a) the Sheriff's Garden Project's Earth Stewards Apprenticeship Program and (b) the Maritime Industry Immersion Internship Program, to be implemented in FY 2010-2011.

DETAILS OF PROPOSED LEGISLATION

On January 18, 2011, in the Port's original request, the Port requested the release of the remaining \$75,000 on reserve to fund two new projects under the Port's Employment Training Program, (a) the Sheriff's Garden Project's Earth Stewards Apprentice Program and (b) the Maritime Industry Immersion Internship.

However, according to Ms. Forbes, instead of requesting the release of the entire remaining \$75,000 on reserve for the Port's Employment Training Program, the Port is revising its request to ask that \$39,840 be released from the Budget and Finance Committee Reserve in order to fund the two new projects for the Employment Training Program, (a) the Sheriff's Garden Project's

² The Pier 70 Shipyard Training Program provides (a) additional training for 25 San Francisco residents who are employees of BAE Systems, the Port's shipyard operator, and 15 disadvantaged residents, (b) City College of San Francisco Welding Certificate Program for 50 students, and (c) advanced welding skills training for 48 trainees.

Earth Stewards Apprentice Program and (b) the Maritime Industry Immersion Internship, as summarized in Table 1 below.

Table 1: Port's Request for Release of Funds	
Sheriff's Garden Project: Earth Stewards Apprentice Program	\$29,840
Maritime Industry Immersion Internship	10,000
Total Revised Requested Amount for Release From Budget and Finance Committee Reserve	\$39,840

Ms. Forbes advises that the Port is also requesting that the \$35,160 balance (\$75,000 on reserve less \$39,840 for the Port's Employment Training Program shown in Table 1 above) be used to fund needed repair and replacement projects.

FISCAL ANALYSIS

The Sheriff's Garden Project: Earth Stewards Apprentice Program

According to Ms. Forbes, the Port proposes to work order \$29,840 to the Sheriff's existing Garden Project³ to create a new program, the Earth Stewards Apprentice Program. The funding for this Program would be used to propagate native plants, and then to plant, water and provide additional maintenance at the Port's parks. The funds requested for the Earth Stewards Apprentice Program would be used to hire one apprentice and one senior apprentice, both between the ages of 17 – 25, to provide enhanced park maintenance along the Port's Southern Waterfront and propagate native plant for Port parks. According to Ms. Forbes, Port gardening functions are currently understaffed with only one Port Operating Fund Gardener, such that regular and routine landscaping and maintenance jobs are deferred and only emergency gardening projects receive priority. Ms. Forbes advises that the daily presence of apprentices, as proposed under the Earth Stewards Apprentice Program, will significantly increase the Port's gardening and maintenance functions.

The requested \$29,840 would fund the Earth Steward's Apprentice Program for four months, from February 28, 2011 through June 30, 2011. Each of the two positions is estimated to work 30 hours per week over the four month period, with the apprentice paid \$13 per hour and the senior apprentice paid \$14.50 per hour.

As shown in Table 2 below, the Port's current estimated four-month budget for the Earth Steward's Apprentice Program is \$29,840 for the two positions and related costs.

³ The Sheriff's Garden Project is a partnership of public and private organizations, including the San Francisco Sheriff's Department, the San Francisco Police Department, the California Department of Forestry and more than 25 community organizations, created to provide job training and support to former offenders through counseling and assistance in continuing education.

Table 2: Port's Projected Four-Month Budget for the Earth Steward's Apprentice Program	
Budget Items	Cost
Salaries and Fringe Benefits	\$21,384
Propagation/Plant Purchases	4,200
Operating Expenses	1,974
Administrative and Overhead Costs	2,282
Total Program Costs	\$29,840

Ms. Forbes advises that the Port has annualized the Earth Stewards Apprentice Program into the Port's proposed budget for FY 2011-2012, for a total estimated cost of \$65,000, subject to appropriations approval by the Board of Supervisors.

Maritime Industry Immersion Internship Program

According to Ms. Forbes, the Port is also requesting the release of \$10,000 to increase the available funding for a new program, the Maritime Industry Immersion Internship Program. According to Ms. Forbes, \$1,916 has already been appropriated in the Port's FY 2010 – 2011 budget for this Program, such that the requested additional \$10,000 would fully fund the \$11,916 Maritime Industry Immersion Internship Program. The requested \$10,000 plus \$1,916 included in the Port's 2010-2011 budget, or a total of \$11,916, will be used to fund salaries for three internship positions for low-income adults.

Under the Maritime Industry Immersion Internship Program, the Port would create a summer internship opportunity for California Maritime Academy⁴ (Cal Maritime) students, with a preference for students who are San Francisco residents. Designed and administered in conjunction with the Cal Maritime's Cooperative Education Program, the Port will work with its diverse portfolio of maritime tenants to structure an internship opportunity that will provide a work experience in a variety of maritime settings⁵. The purpose of the internship is to integrate classroom study with academically related work experience. Maritime Industry Immersion Internship Program participants will draw from Cal Maritime students with the following majors: (a) Facilities Engineering Technology⁶, (b) Mechanical Engineering⁷, (c) International Business

⁴ California Maritime Academy is a specialized campus of The California State University that offers students bachelor's degrees in international business and logistics, facilities engineering technology, global studies and maritime affairs, marine engineering technology, marine transportation, and mechanical engineering.

⁵ Maritime activities include ship repair, cruise and cargo shipping, harbor services, ferries and excursions and Foreign Trade Zones.

⁶ Facilities Engineering Technology majors focus on operation, maintenance, and management of engineering facilities.

⁷ Mechanical Engineering majors focus on design and supervision of mechanical and energy systems.

& Logistics⁸ and (d) Global Studies & Maritime Affairs.⁹ Maritime Industry Immersion Internship Program students would be required to write a paper on their experience, receive evaluations from their supervisors and earn academic credit from participation in the Program. The Port and Cal Maritime have designed the internship and established performance criteria to judge program success. Each of the three interns will be responsible for completing 240 hours of work in order to meet Cal Maritime curriculum standards.

The first Maritime Industry Immersion Internship Program internships would be for the January - April 2011 semester and extend approximately 15 weeks. As shown in Table 3 below, there would be two interns working approximately 16 hours per week for a total of 240 hours during the course of this internship. Each intern would be paid \$16.55 per hour. There is a second internship planned for the more intensive May-June 2011 semester, which will last for eight weeks. There would only be one intern during the May-June 2011 internship who would work 30 hours per week for a total of 240 hours during the course of the internship. As shown in Table 3 below, the total salary cost of each intern would be \$3,972 for a total of \$11,916 for the three interns. Although the total anticipated cost is \$11,916, the Port is only requesting \$10,000 be released from reserve for the Maritime Industry Immersion Internship Program, because according to Ms. Forbes, as noted above, the additional \$1,916 will be covered by Port funds previously appropriated by the Board of Supervisors in the Port's FY 2010-2011 budget.

Table 3: Budget for Maritime Industry Immersion Internship					
	Number of Hours per Internship	Salary	Total Salary Per Intern	Number of Interns	Total Cost Per Semester
January – April 2011 Semester	240	\$16.55	\$3,972	2	\$7,944
May – June 2011 Semester	240	\$16.55	\$3,972	1	3,972
Total Budget					\$11,916
Total Requested for Release of Reserve					-10,000
Remainder Covered by Port funds					\$1,196

Ms. Forbes advises that the Port has annualized the Maritime Industry Immersion Internship Program into the Port's proposed budget for FY 2011-2012, for a total estimated cost of \$16,000 which will support four interns in the next budget year, subject to appropriations approval by the Board of Supervisors.

⁸ International Business and Logistics majors focus on management of domestic and international freight transportation.

⁹ Global Studies & Maritime Affairs majors focus on four maritime policy areas: Maritime Trade and Policy, Maritime Security, Maritime Environmental Policy and Maritime Law and Organizations.


Requested Balance of \$35,160 for Port Repair and Replacement

As discussed above, the requested \$39,840 funding for the Earth Stewards Apprentice Program and the Maritime Industry Immersion Internship Program will fully fund these two Employment and Training Program projects for the balance of FY 2010-2011. The Port is requesting full funding for these two programs in the Port's FY 2011-2012 budget at a total annual cost of \$81,000, subject to appropriation approval by the Mayor and the Board of Supervisors.

According to Ms. Forbes, the Port is also requesting that the Budget and Finance Committee release the balance of the reserve of \$35,160 (\$75,000 presently on reserve less the requested \$39,840 for the two Port projects under the Port's Employment and Training Program) for needed repair and replacement projects. Ms. Forbes notes that the recent approval of San Francisco as the Host City for the 34th America's Cup will have a significant financial impact on the ability of the Port to fully fund the Port's needed repair and replacement projects. Therefore, the Port is now requesting that the Budget and Finance Committee release the balance of \$35,160 to fund needed repair and replacement projects.

RECOMMENDATIONS

1. Release \$39,840 out of the requested \$75,000 for funding the Earth Stewards Apprentice Program and the Maritime Industry Immersion Internship Program as described above for the Port's Employment Training Program.
2. Release the balance of \$35,160 (\$75,000 less \$39,840) for needed repair and replacement projects.



Harvey M. Rose

cc: Supervisor Chu
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Supervisor Kim
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
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