

**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

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May 23, 2023

**TO:** Homelessness & Behavioral Health Select Committee

**FROM:** Budget and Legislative Analyst

**SUBJECT:** June 2, 2023 Homelessness & Behavioral Health Select Committee Meeting



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<b>Item 10</b> <b>File 23-0479</b>	<b>Department:</b> Department of Public Health (DPH)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed resolution would approve the third amendment to Department of Public Health's (DPH) agreement with Richmond Area Multi-Services, Inc. (RAMS), extending the contract term by three years from June 30, 2023 to June 30, 2026, and increase the contract amount to \$31,570,886.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>Under the proposed amendment, RAMS would continue to provide three programs: (1) children outpatient services, (2) school-based mental health services, and (3) early intervention services at childcare centers. Early intervention services will transfer to the Department of Early Childhood after FY 2023-24.</li> <li>DPH's program monitoring for FY 2021-22 is ongoing, but billing data for FY 2021-22 indicates that the children's outpatient, school-based program, and Fu Yau met their units of service that fiscal year (not including the substance abuse subcomponent, for which data is still being finalized). FY 2020-21 performance monitoring did not produce any major findings.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>FY 2023-24 spending is projected to be \$3.2 million. The total not-to-exceed amount is funded approximately 19 percent by federal funds, 24 percent by state funds, and 57 percent by the General Fund.</li> <li>Total projected spending in FY 2025-26 is \$30.9 million, which is less than the resolution's not to exceed amount of \$31.6 million. We therefore recommend a reduction in the proposed resolution's not to exceed amount to be consistent with the planned contract spending, including a 12 percent contingency.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>Amend the resolution to reduce the not to exceed amount to \$30,900,000.</li> <li>Approve the resolution, as amended.</li> </ul>	

**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****Procurement**

Following competitive solicitations, in 2018, DPH awarded a contract to RAMS to provide behavioral health crisis intervention, counseling, case management, outreach, and childcare consultation services, as well as on-site school-based wellness programs for children, youth and their families, with special focus on students with severe emotional disturbance, the Asian Pacific Islander (API) American, Filipino and Russian-speaking communities, including LGBTQIQ children, youth and their families. The contract was approved for the period of July 1, 2018 through June 30, 2020 for a total contract amount not to exceed \$9,679,205.

In 2020, the Board of Supervisors approved the first amendment to the 2018 agreement between RAMS and DPH, increasing the agreement's not to exceed amount up to \$26,069,776 and extending the term through up to June 2023 (File 20-0165). The Department executed the first amendment at a not to exceed amount of \$20,247,884 and term through June 2022, to be consistent with the Civil Service Commission approval in effect at that time. The Department executed the second amendment to the contract, increasing the not to exceed amount to \$25,765,744 and extending the agreement through June 2023.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve the third amendment to the behavioral health services for children, youth and families contract between DPH and Richmond Area Multi-Services, Inc. (RAMS), extending the contract term by three years from June 30, 2023 to June 30, 2026, and increase the contract amount to \$31,570,886. The proposed resolution would also authorize DPH to enter into further immaterial amendments to the contract.

Under the contract, RAMS provides the following services outlined in Exhibit 1.

**Exhibit 1: Scope of Services Description for Proposed RAMS Contract for Children, Youth and Families**

<b>Program Description</b>	<b>Service Description</b>
Children's Outpatient	Provides outpatient services to youth between the ages of 2-21 who are beneficiaries of public health insurance, and their siblings and parents who need psychiatric and psychological services. Services are specially focused on serving the Asian & Pacific Islander (including Filipino), Russian-speaking, and LGBTQ communities.  (160 clients per year)
Children, Youth & Family Outpatient Services School-Based Partnership	Provide on-site, school-based mental health services for students with severe emotional disturbance who are placed in a SOAR (Success, Opportunity, Achievement and Resiliency) Academy classroom, and other special education students that have mental health needs, and support to teachers/classroom/school environments to increase student engagement in learning and school connection.  (65 clients per year)
High Quality Childcare Initiative (Fu Yau)	Provides early intervention services, such as observation, staff training, individual and group counseling, and parental engagement for children 0-5. Services take place at childcare centers, family childcare providers, and family resource centers. Services are provided at 70 locations throughout San Francisco. This Early Childhood Mental Health Consultation Initiative service will be re-procured by the Department of Early Childhood in FY 2023-24 with new contracts with providers to start in FY 2024-25.

Source: Proposed Contract Amendment

**Fiscal & Performance Monitoring**

The FY 2021-22 fiscal monitoring conducted by the SF Department of Children, Youth and Their Families as part of the Citywide Fiscal and Compliance Monitoring process, as well as fiscal monitoring conducted by the DPH Office of Contract Compliance, did not produce any findings for fiscal and compliance monitoring for RAMS and no correction action plans were identified.

DPH's program monitoring for FY 2021-22 is ongoing, but billing data for FY 2021-22 indicates that the children's outpatient, school-based program, and Fu Yau met their units of service that fiscal year (not including the substance abuse subcomponent, for which data is still being finalized). FY 2020-21 performance monitoring did not produce any major findings.

**FISCAL IMPACT**

The estimated spending by program is shown in Exhibit 2 below.

**Exhibit 2: Uses of Funds**

	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Total</b>
Children Outpatient	\$1,062,748	\$1,062,748	\$1,062,748	\$3,188,244
Outpatient, School-Based	\$424,733	\$424,733	\$424,733	\$1,274,199
ECMHI - Fu Yau*	\$1,469,523	\$0	\$0	\$1,469,523
Cost of Doing Business	\$271,753	\$342,122	\$415,306	\$1,029,181
Subtotal	\$3,228,757	\$1,829,603	\$1,902,787	\$6,961,147
Contingency (12%)				\$835,338
<b>Total Uses</b>	<b>\$3,228,757</b>	<b>\$1,829,603</b>	<b>\$1,902,787</b>	<b>\$7,796,485</b>
Projected Spending through FY 2022-23				\$23,095,281
Total Projected Spending				\$30,891,766

Source: DPH

Notes: ECMHCI refers to Early Childhood Mental Health Consultation Initiative, which is moving to a DEC contract after FY 2023-24. The proposed third amendment's appendices includes a children's substance abuse program and school-based wellness program that are will not actually be included in the final contract due to expiration of solicitation authority for those programs; they will be funded by other agreements.

As shown above, the total projected spending the FY 2025-26 is \$30.9 million, which is less than the resolution's not to exceed amount of \$31.6 million. We therefore recommend a reduction in the proposed resolution's not to exceed amount to be consistent with the planned contract spending, including a 12 percent contingency.

The total not-to-exceed amount is funded approximately 19 percent by federal funds, 24 percent by state funds, and 57 percent by the General Fund.

**RECOMMENDATIONS**

1. Amend the resolution to reduce the not to exceed amount to \$30,900,000.
2. Approve the resolution, as amended.