

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

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TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst



SUBJECT: October 11, 2023 Budget and Finance Committee Meeting

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Item 6 File 23-0692	Department: Department of Children, Youth and their Families (DCYF)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would approve the Fourth Amendment to the grant agreement between the Department of Children, Youth, and their Families (DCYF) and Japanese Community Youth Council (JCYC) for the Opportunities for All Intermediary Program, increasing the grant amount by \$3,400,953 for a total not to exceed \$13,727,411, with no change to the grant term ending in June 2024. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> Opportunities for All is an initiative launched by Mayor London Breed to connect young people in San Francisco to paid employment, mentorship, and job training services. The Mayor's Office selected JCYC to operate the program without a competitive procurement process due to its experience on other similar initiatives. In 2019, DCYF executed a grant with JCYC, which has been amended three times, most recently by the Board of Supervisors in May 2022. DCYF is requesting the proposed Fourth Amendment to account for a \$3 million work order from the Office of Economic and Workforce Development (OEWD). Under the grant agreement, JCYC places youth interns in a mix of both on-site and remote internships. JCYC also conducts remote workshops on topics that include job readiness, transferable soft skills development, money management, career interest and identification, and community building. DCYF tentatively estimates approximately 800 program participants in FY 2023-24, but this estimate does not account for the additional work order funding from OEWD. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The proposed Fourth Amendment would increase the not-to-exceed amount of the grant agreement by \$3,400,953, for a total not to exceed \$13,727,411. Based on actual and projected expenditures, the Budget and Legislative Analyst recommends amending the proposed resolution to reduce the not-to-exceed amount by \$400,000, for a total not to exceed \$13,327,411. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> Due to the lack of a competitive procurement process and limited information on program performance, approval is a policy matter for the Board of Supervisors. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> Amend the proposed resolution to reduce the not-to-exceed amount by \$400,000, for a total not to exceed \$13,327,411. Approval of the resolution as amended is a policy matter for the Board of Supervisors. 	

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

Opportunities for All is an initiative launched by Mayor London Breed to connect young people in San Francisco to paid employment, mentorship, and job training services. The goal of the program is to provide a workforce opportunity to every interested young person in San Francisco. The program was announced in October 2018 and has had five summer intern cohorts since then.

The Mayor's Office selected Japanese Community Youth Council (JCYC) to operate the program without a competitive procurement process due to its experience on other similar initiatives, such as the Mayor's Youth Employment and Education Program and SF YouthWorks.¹ In June 2019, the Department of Children, Youth, and their Families (DCYF) executed a grant agreement with JCYC for a term of four years, from July 2019 through June 2023, and an amount not to exceed \$1,958,000. In October 2019, DCYF executed the First Amendment to the grant, increasing the amount by \$1,870,000, for a total not to exceed \$3,828,000. In January 2020, DCYF executed the Second Amendment to the grant, increasing the amount by \$4,290,000, for a total not to exceed \$8,118,000. In May 2022, the Board of Supervisors approved the Third Amendment to the grant, increasing the amount by \$2,208,458, for a total not to exceed \$10,326,458, and extending the term by one year through June 2024 (File 22-0061).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the Fourth Amendment to the grant agreement between DCYF and JCYC for the Opportunities for All Intermediary Program, increasing the grant amount by \$3,400,953, for a total not to exceed \$13,727,411, with no change to grant term.

Under the grant agreement, JCYC places youth interns in a mix of both on-site and remote internships. JCYC also conducts remote workshops on topics that include job readiness, transferable soft skills development, money management, career interest and identification, and community building.

The Third Amendment was intended to provide sufficient funding for the grant through FY 2023-24. However, the City's FY 2023-24 budget included a \$3 million work order from the Office of Economic and Workforce Development (OEWD) to DCYF for the program. According to DCYF, program participation has increased from 18 participants in FY 2019-20 to 1,236 participants in FY 2022-23, which was below the FY 2022-23 workplan that called for 2,360 unduplicated participants. Although the proposed amended grant agreement provides for 1,860 internship

¹ The original grant was awarded in 2019, prior to the creation of Administrative Code Chapter 21G in 2021, which requires competitive solicitations for grants awards.

placements (including 60 remote placements), DCYF tentatively estimates approximately 800 program participants in FY 2023-24, but this estimate does not account for the additional work order funding from OEWD. Full program participation is defined as 85 hours of participation, and full participation during the school year is defined as 240 hours of participation.

In August 2023, DCYF issued a Request for Proposals (RFP) for various programs, including Opportunities for All, with new grants to begin in July 2024.

Performance and Fiscal Monitoring

The grant agreement does not require performance monitoring or specify service or outcome objectives. DCYF monitors performance of the grantee through data that grantees enter into DCYF's online contract management system. DCYF staff reviews the data with monthly invoices submitted by the grantees.

FY 2021-22 performance monitoring indicated that 96 percent of participants completed a work-based learning experience lasting at least one month. However, only 36 percent of participants served compared to the projected number of participants (2,218) and zero percent of participants who completed a work-based learning experience lasting at least one month were provided with follow-up "support" for at least three months. Six additional performance criteria were not measured because JCYC did not administer a survey or enter any group or activity data into DCYF's database system, and the performance report did not provide objectives for any of the measures. According to Prishni Murillo, DCYF Senior Community Development Specialist, DCYF will work with the Human Rights Commission, which oversees the program, to clarify the data collection process. Senior Community Development Specialist Murillo notes that DCYF typically uses corrective actions for dire administrative and fiscal issues. DCYF seeks quality improvement through coaching, professional development, and technical assistance, and histories of underperformance affect future DCYF funding.

OEWD staff reviewed JCYC's financial documents as part of the FY 2022-23 Citywide Fiscal and Compliance Monitoring program and identified no findings.

FISCAL IMPACT

The proposed Fourth Amendment would increase the not-to-exceed amount of the grant agreement by \$3,400,953, for a total not to exceed \$13,727,411. Actual and projected expenditures by fiscal year are shown in Exhibit 1 below.

Exhibit 1: Actual and Projected Grant Expenditures by Fiscal Year

Fiscal Year	Expenditures
FY 2019-20 (Actual)	\$1,845,000
FY 2020-21 (Actual)	1,771,762
FY 2021-22 (Actual)	3,746,303
FY 2022-23 (Actual)	1,952,567
FY 2023-24 (Actual, through August 2023)	987,699
<i>Subtotal, Actual Expenditures</i>	<i>\$10,303,331</i>
FY 2023-24 (Projected)	3,020,623
Total Actual and Projected Expenditures	\$13,323,954

Source: DCYF

Based on actual and projected expenditures, the Budget and Legislative Analyst recommends amending the proposed resolution to reduce the not-to-exceed amount by \$400,000, for a total not to exceed \$13,327,411. In FY 2023-24, the grant is funded approximately 75 percent by interdepartmental work orders (OEWD and the Planning Department), 17 percent by DCYF funds,² five percent by the Community Safety Initiative,³ and four percent by HOPE SF.

According to the program budget in the proposed amendment, the FY 2023-24 budget funds salaries and benefits (32 percent), JCYC administrative fees and overhead (11 percent), other expenses such as intern compensation (56 percent), and materials and supplies (1 percent).

POLICY CONSIDERATION

Due to the lack of a competitive procurement process in selecting the grantee and limited information on program performance, approval is a policy matter for the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the not-to-exceed amount by \$400,000, for a total not to exceed \$13,327,411.
2. Approval of the resolution, as amended, is a policy matter for the Board of Supervisors.

² According to Loren Newquist, DCYF Senior Contracts and Compliance Analyst, DCYF funds for the program are based on availability in the budget, and a majority of this funding in FY 2023-24 is from the Children and Youth Fund.

³ The Community Safety Initiative is joint program between the San Francisco Human Rights Commission and Collective Impact, a non-profit organization, with a goal of connecting underserved youth with opportunities.