

File No. 190244

Committee Item No. 5

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date March 20, 2019

Board of Supervisors Meeting

Date April 2, 2019

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Information Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Award Letter |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong Date March 15, 2019

Completed by: Linda Wong Date March 25, 2019

1 [Accept and Expend Grant - The Workers Lab - Workers Fund - \$150,000]

2
3 **Resolution authorizing the Office of the Treasurer & Tax Collector to accept and**
4 **expend a grant in the amount of \$150,000 from The Workers Lab for designing and**
5 **piloting a Workers Fund at San Francisco International Airport from May 1, 2019,**
6 **through June 30, 2020.**

7
8 WHEREAS, The Office of Financial Empowerment (OFE) and the San Francisco
9 International Airport (SFO) were awarded \$150,000 from The Workers Lab to design and pilot
10 a Workers Fund intended to equip 40,000 private sector workers at SFO to manage financial
11 emergencies; and

12 WHEREAS, Access to this benefit in the workplace could help SFO private sector
13 workers make ends meet, maintain their jobs and reduce reliance on predatory financial
14 services; and

15 WHEREAS, Nearly half of all Americans say they couldn't cover an unplanned \$400
16 expense, and nearly two-thirds of American workers would struggle to cover a \$1,000 crisis;
17 and

18 WHEREAS, This is a struggle shared by the 40,000 private sector workers at the San
19 Francisco International Airport, of whom half earn less than \$50,000 annually; and

20 WHEREAS, The project period for the grant starts on May 1, 2019, and ends on June
21 30, 2020; and

22 WHEREAS, The grant does not require an Annual Salary Ordinance Amendment; and

23 WHEREAS, The Office of the Treasurer & Tax Collector proposes to maximize use of
24 available grant funds on program expenditures by not including indirect costs in the grant
25 budget; now, therefore, be it

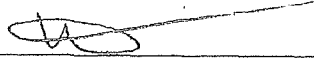
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RESOLVED, That the Board of Supervisors authorizes the Office of Treasurer & Tax Collector to accept and expend the grant of \$150,000 from the The Workers Lab; and, be it

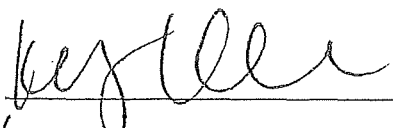
FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget; and, be it

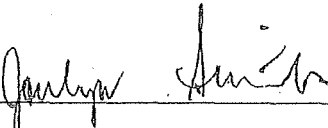
FURTHER RESOLVED, That Board of Supervisors authorizes the Treasurer, or his designee, to enter into the agreement on behalf of the City and county of San Francisco.

Recommended:



Department Head

Approved: 
for Mayor

Approved: 
for Controller

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: San Francisco International Airport Workers Fund
2. Department: Treasurer & Tax Collector
3. Contact Person: Amanda Fried Telephone: 415-554-0889
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: \$150,000
6. a. Matching Funds Required: \$0
b. Source(s) of matching funds (if applicable):
7. a. Grant Source Agency: The Workers Lab
b. Grant Pass-Through Agency (if applicable):
8. Proposed Grant Project Summary: Design and pilot a Workers Fund intended to equip 40,000 private sector workers and San Francisco International Airport to manage financial volatility.
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: May 1, 2019 End-Date: June 30, 2020
10. a. Amount budgeted for contractual services: \$150,000
b. Will contractual services be put out to bid? Yes
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? Yes
d. Is this likely to be a one-time or ongoing request for contracting out? one-time
11. a. Does the budget include indirect costs?
 Yes No
b. 1. If yes, how much? \$
b. 2. How was the amount calculated?
c. 1. If no, why are indirect costs not included?
 Not allowed by granting agency To maximize use of grant funds on direct services
 Other (please explain):
c. 2. If no indirect costs are included, what would have been the indirect costs?
Similar grants included 5% indirect cost rate which would result in approximately \$7,500.
12. Any other significant grant requirements or comments:

****Disability Access Checklist***(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Existing Site(s) | <input type="checkbox"/> Existing Structure(s) | <input type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s) | <input checked="" type="checkbox"/> New Program(s) or Service(s) |
| <input type="checkbox"/> New Site(s) | <input type="checkbox"/> New Structure(s) | |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

if such access would be technically infeasible, this is described in the comments section below:

Comments:

consultants should be educated on reasonable accommodation process, if needed,

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Nicole Bohn

(Name)

Director, Mayor's Office on Disability

(Title)

Date Reviewed: *1/22/19*

[Signature]
(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Tajel Shah

(Name)

Chief Assistant Treasurer

(Title)

Date Reviewed: *1/18/2019*

[Signature]
(Signature Required)

November 21, 2018

SOLIDAGO
FOUNDATION

Sean Kline, Director
Office of Financial Empowerment
Office of the Treasurer & Tax Collector, City & County of San Francisco
City Hall Room 140, 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4603

Re: The Workers Lab grant award

Dear Sean:

We are pleased to inform you that the Innovation Fund of The Workers Lab, an area of interest fund of the Solidago Foundation, has decided to award a grant of **\$150,000.00 to the City and County of San Francisco ("Grantee")**. **This grant is to be used for the Office of Financial Empowerment's SFO Workers Fund project.**

Attached and incorporated by reference in this letter-agreement is a copy of our grant agreement: standard terms ("Terms"). Please carefully review the restrictions and permitted uses of this grant in Terms.

To accept the terms of this letter-agreement, please have an appropriate officer of your organization countersign this document, and return the document in its entirety to the Foundation.

It is understood that by countersigning this letter, your organization confirms that there has been no change in its qualification as an organization exempt from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code or its classification as not a private foundation. If any change occurs, please notify the Foundation.

Please retain a copy of the agreement for your files. Upon our receipt of the signed copy of this letter, payment will be issued via live check and sent through U.S. mail.

Additionally, as you will note from the grant agreement, Solidago will no longer serve as the fiscal sponsor for The Worker's Lab effective December 31, 2018. The Worker's Lab now has its own IRS 501c3 status and will assume all of the rights and responsibilities of the grantor. Therefore, your organization will be responsible for reporting directly to The Worker's Lab with respect to performance and reporting, in accord with the grant agreement.

SOLIDAGO FOUNDATION
150 MAIN STREET, SUITE 24
NORTHAMPTON, MA 01060
PHONE: 413-587-0174
FAX: 413-587-0175
WWW.SOLIDAGO.ORG




If you have any questions regarding this grant, please contact our Grants Associate, Michele Spring-Moore. The staff of the Solidago Foundation wishes you success in your efforts.

Sincerely,



Elizabeth Barajas-Román
Chief Executive Officer

Accepted: Name, Title, on behalf of City & County of San Francisco

By  / Chief Assistant Treasurer 11/30/2018
Signature Title Date

If Signatory is not the Addressee to this letter, please print your name here:

Tajel Shah

Sean Kline \$150,000 TWL 2018
Office of Financial Empowerment
Office of the Treasurer & Tax Collector, City & County of San Francisco
City Hall Room 140, 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4603

**SOLIDAGO FOUNDATION
GRANT AGREEMENT: STANDARD TERMS**

The Solidago Foundation (Solidago) is a tax-exempt public charity under §501(c)(3) and §509(a)(1) of the U.S. Internal Revenue Code ("IRC").* Solidago makes grants only in compliance with that status, subject to the terms and conditions set forth in this instrument, which constitutes part of Solidago's legally binding Grant Agreement with each Grantee (see ¶1. for scope of Grant Agreement).

Solidago will no longer serve as the fiscal sponsor for The Worker's Lab effective December 31, 2018. The Worker's Lab now has its own IRS 501c3 status and will assume all of the rights and responsibilities of the grantor. Therefore, your organization will be responsible for reporting directly to The Worker's Lab with respect to performance and reporting, in accord with the grant agreement.

1. Scope of Grant Agreement. All references to the Grant Agreement or Agreement include (a) this document ("Terms"), (b) Solidago's Grant Award letter(s), and (c) any other documents to the extent specifically included in a Solidago Grant Award letter.

2. Grant terms.
 - a. Uses. Grantee will utilize and expend the grant only for non-violent charitable and educational activities that are consistent with Solidago's tax-exempt status, Grantee's written request for Solidago funding ("Proposal"), and terms of the Grant Agreement. Therefore, unless Solidago agrees otherwise in writing (including, but not limited to Solidago's Grant Award letter), Grantee will engage in no (i) electoral advocacy (supporting or opposing a political party or candidate for public office), (ii) activity or expenditure that results in private, in contrast to public, benefit, or (iii) substantial lobbying (attempting to influence legislation) or voter registration in support of a political party or candidate, as is prohibited by IRC §501(c)(3) or, if applicable, §§4911 or 501(h).

 - b. Repayment. Grantee shall repay Solidago any portion of the amount granted which is not used for the purposes of the grant.

3. Grantee Reports and Records. Grantee will, as and when requested by Solidago, promptly:
 - a. **Grantee shall submit a narrative and financial report describing the use of the funds and activities undertaken as a result of this grant no later than November 21, 2019. If all grant funds have not been expended in this period, a final report must be submitted after all funds are expended;**

 - b. provide any additional information and documents, and permit Solidago or its agent to inspect and copy books and records, which Solidago considers relevant to ascertaining the use of or to evaluate its grant;

 - c. keep adequate records to demonstrate compliance with the Agreement and retain all grant-related records and documents for at least four years after this Agreement's term ends.

* IRC refers to the U.S. Internal Revenue Code. §501(c)(3) defines and governs "charitable," "educational," "scientific" and other activities, which this instrument refers to collectively as "charitable."

4. Legal compliance.
 - a. General. Grantee represents and agrees that (i) it does and will comply with all applicable laws; and (ii) all information and documentation provided in, and in support of, its Proposal is complete and accurate to the best of Grantee's knowledge.
 - b. Terrorism. Grantee represents and agrees that it does not and will not engage in or support any terrorism, as warranted and defined in the attached footnote.
 - c. Tax and legal effects of grant. Solidago has not, and will not, provide Grantee with any tax or other legal advice or recommendation pertaining to this grant or any other matter.
 - d. If the purpose of this grant is specified, including any specifically authorized lobbying expenditure, Grantee shall show receipt and expenditure of these grant funds separately on its books.
5. Payments. Solidago alone will determine, and may modify, the timing of grant payments.
6. Grantee's Expenditure Responsibility. Solidago does not require Grantee to transfer any funds to another organization or person, including any mentioned in the Proposal or other communications with (or from) Solidago. Instead, Grantee (a) accepts full responsibility for the grant and, its expenditure and disposition, and for compliance with the Grant Agreement, and (b) agrees to return to Solidago any funds not properly expended or committed when the Grant Agreement terminates.
7. Term.
 - a. Duration. The Grant Agreement's term, unless Solidago's Grant Award specifies otherwise, is one year from its acceptance by grantee.
 - b. Termination. Solidago reserves the right at any time to determine if Grantee is satisfactorily performing under the Grant Agreement and to suspend or terminate Solidago's obligations and the Grant Agreement for any activity or failure to act that Solidago views as a violation of the Grant Agreement's terms, conditions or purposes. Unless Solidago finds or suspects serious Grantee misconduct or legal risks, it will first notify Grantee of Solidago's concerns and give Grantee an opportunity to explain Grantee's performance or failure to perform.
8. Restrictive Covenant.
 - a. Nondisparagement. Grantee acknowledges that any disparaging comments against Solidago are likely to substantially depreciate its reputation and the relationship between organizations. Therefore Grantee shall act in good faith so as not to harm Solidago's reputation in any way. Grantee shall also not directly or indirectly defame, disparage, or publicly criticize the services, business, integrity, veracity, or reputation of Solidago or its directors, officers, or employees in any forum or through any medium of communication. Nothing in this Agreement precludes Grantee from supplying truthful information to any governmental authority or in response to any lawful subpoena or other legal process.

b. Breach. Any breach of ¶8.a. constitutes a material breach of this Agreement and entitles Solidago to recover all amounts paid to Grantee under this Agreement. Grantee understands and acknowledges that repayment by Grantee is not, and is not intended to be, a penalty but rather constitutes an estimate of the damages that Solidago would suffer as a consequence of a breach by Grantee and that those damages would otherwise be very difficult to calculate.

9. Confidentiality.

In the course of work with the Foundation, Grantee may have access to confidential or proprietary information of the organization, its volunteers, donors, and other funding sources ("Confidential Information"). Such information may include, but not limited to, a) financial data including credit and debt arrangements, banking information, investment and holdings information, b) marketing data, strategies, and materials, c) strategic plans with prospective business ventures, d) methods of operation, e) computer software, or databases, and/or other technologies, f) vendor/supplier information, j) staff information, and k) trade secrets. Confidential Information includes information stored, transmitted, or kept in any format, including electronic and paper originals, copies, summaries, and notes of Confidential Information. Confidential Information shall not include information that is or becomes generally known to the public through no action on the Grantee's part, is generally disclosed to third parties by Foundation without any restrictions or is approved for release to the public by the Foundation Board. Protection of Confidential Information is a legitimate business interest of the Foundation. During grant period, and at any time thereafter, Grantee will not directly or indirectly disclose or use Confidential Information without prior approval of the Foundation except as may be required in the ordinary course of performing duties under this Agreement. Grantee shall protect the confidentiality of, and take all reasonable steps to prevent unauthorized disclosure or use of, Confidential Information. Grantee further agrees to report promptly to the Foundation any situation or transaction that may arise that constitutes a breach of confidentiality.

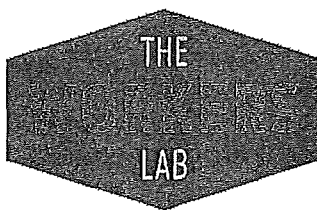
10. Media and Publicity.

The Foundation will include information on this grant in its periodic public reports. The Foundation may also refer to the grant in a press release, in which case a copy would be sent to the Grantee in advance. If the Grantee wishes to make their own press announcement, they will first consult with the Foundation. At the end of the grant period the Foundation also shall be furnished a copy of any publication, audio or video program, film or other media product produced by Grantee under this grant for archival and/or research purposes. The Foundation shall have the right to make and disseminate additional copies of any such grant product. In addition, Grantee hereby grants to the Foundation a license to disseminate on the Foundation's website any product produced by your organization under this grant.

11. General Provisions.

a. Written notice required. Any notice, report, authorization, or other communication described or required by the Grant Agreement must be in writing and actually received (including electronically) by its recipient.

- b. Governing law. The Grant Agreement is governed by and will be interpreted under the laws of the State of Massachusetts.
- c. No agency. Grantee is not Solidago's agent, which means that Grantee cannot act or speak for Solidago in any way. Rather, Grantee and Solidago are independent of one another, and each is responsible for its own actions and failures to act.
- d. Compliance with law. Grantee will comply with all applicable laws in its activities, whether or not they are supported by Solidago's grant, and will notify Solidago promptly of any legal problem, question or violation it learns of regarding its actual or contemplated activities.
- e. Agreement's scope and modification. The Grant Agreement (defined in ¶1, above) constitutes the full understanding between Grantee and Solidago regarding its subject matter. Any modification, waiver or contrary understanding will bind a party only if that party has so agreed in writing.
- f. Partial invalidity, waiver. If any provision of the Grant Agreement is invalid or unenforceable, in whole or in part, the remainder of the Grant Agreement shall remain valid and enforceable. No waiver of (or failure to seek sanctions for) any violation of the Grant Agreement shall waive or permit a subsequent violation, no matter how similar.
- g. Binding Agreement. The Agreement is legally binding. In executing it, Grantee warrants that it has had an opportunity to read this instrument and the other component(s) of the Agreement and understand all key terms. Grantee's acceptance of any grant payment by Solidago and/or the signature of a Grantee's officer or agent on Solidago's grant award letter will constitute Grantee's acceptance of and agreement to be bound by the Grant Agreement's terms and conditions.
- h. Survival of Agreement terms. After this Agreement terminates, Grantee's obligations under the following paragraphs remain in effect and are enforceable by Solidago: numbered paragraphs 2-4, 6, 7b, 8, and 9.



The Workers Lab at Solidago Foundation 2018 grant application form

Date of application: November 5, 2018

Organization name: San Francisco Office of Financial Empowerment

Organization contact: Sean Kline Title: Director

Address (street, city, state, zip code):

Office of Financial Empowerment
Office of the Treasurer & Tax Collector
City and County of San Francisco
City Hall Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4603

Telephone #: 415-554-4320

email: sean.kline@sfgov.org

Website: sfofe.org and

Name of fiscal sponsor (if applicable): NA

Amount of grant request: \$150,000

Time period grant will cover: one year

Check one: This grant request is for general support () This grant request is for a project (x)

Name of project: SFO Workers Fund Total project budget: \$509,788

Please list past support received from Workers Lab or Solidago Foundation: NA

<u>Amount</u>	<u>Purpose</u>	<u>Date awarded</u>
---------------	----------------	---------------------

Summarize the organization's mission (300 words):

Leverage the power of City Hall to strengthen economic security and mobility of low-income families

Summary of project or grant request (300 words):

Design and pilot a Workers Fund intended to equip 40,000 private sector workers to manage financial volatility.

What are your major achievements since your last Solidago or Workers Lab grant (if applicable)?

NA

Workers Lab: Round One Application

8. Name of Project or Program

SFO Worker Fund

9. Which of the following topics is your project focused on? (Choose 1)

Financial tools

10. Please provide a brief overview of your solution. (5000 characters or less)

Around 40,000 non-city employees work at the San Francisco International Airport (SFO), a hub for more than 100 employers. Many of these are low wage workers struggling to make ends meet in the Bay Area, which has one of the highest costs of living nationwide. Nearly half of SFO workers live in San Francisco and San Mateo counties, where a family of three making \$106,000 annually is considered low income. Across the Bay in Alameda and Contra Costa counties, where one in five SFO workers lives, a family of three making \$81,000 annually is considered low income. With the excessive cost of housing in the Bay Area, nearly one in three airport workers commute from outside of the nine Bay Area counties to work at SFO. The nature of airport work coupled with the Bay Area's high cost of living creates additional financial challenges for these workers including long commutes, high transportation costs, irregular work schedules and work hours misaligned with dependent care schedules.

The San Francisco Office of Financial Empowerment (OFE) will partner with SFO to design a Worker Fund, a benefit that provides workers access to funds to help provide stability during periods of financial volatility. With the airport a hub for employers hiring full-time, part-time and contract workers, the Fund would draw on portable benefit models in other sectors with employers contributing on behalf of their employees. With nearly half of Americans unable to cope with a \$400 financial emergency, the Worker Fund would provide employees access to funds to manage financial hardships such as a car breakdown, a high winter heating bill, or a medical emergency. Access to this benefit in the workplace could help workers stabilize and make ends meet, maintain their jobs, and reduce reliance on predatory financial services that can be detrimental to their financial well-being and often trap borrowers in a cycle of debt. A 2014 study by the CFPB found that 80% of payday loans are rolled over or renewed. Over the course of one year, 20% of borrowers will default on a loan and 64% renew a loan one or more times.

In collaboration with airport workers and their unions and SFO and their tenant employers, OFE will design and pilot a Worker Fund. OFE will define how employees access the funds, the amount of funds accessible to each employee, and how to administer and evaluate the Fund. OFE will also explore how to fund the model with contributions from tenant employers and the airport. OFE will test the Worker Fund with a subset of employers and their employees to assess its impact on employee financial well-being and household stability and to collect insights that inform how best to operationalize the Fund at scale. As OFE works with key

stakeholders to design and pilot the Worker Fund, we will focus on how to sustain and scale the Worker Fund to benefit the 40,000 non-city workers at the airport.

11. Please explain how this project builds worker power. (5000 characters or less)

This project relies on the voice and experience of workers to inform the design of the Worker Fund. The design process will engage workers at every stage to ensure the benefit developed meets their financial needs. OFE will start by conducting a needs assessment with workers to better understand their financial challenges and needs. OFE will use insights from the needs assessment to develop a model of a Worker Fund and then conduct one-on-one in-depth interviews with workers to share the initial idea, assess demand for it, and generate insights on key features of the Fund. The conversations with workers will help determine how such a fund is governed, how employees access the funds, the level of funding, the type of funding such as a loan or grant, and methods for disbursing funds. The conversations will provide a safe space for workers to articulate their needs, and their involvement from beginning to end of the design process will ensure their voices are incorporated. OFE will use insights from early-stage interviews to develop a prototype of the Worker Fund and will conduct a few final rounds of interviews with workers to refine the model prior to the pilot period. This pilot period, with a subset of workers, will assess the impact of the Worker Fund. This iterative design process incorporates an ongoing feedback loop to evaluate and refine the Fund to ensure it positively impacts the financial lives of workers before the benefit is scaled.

The Worker Fund itself will empower workers with a benefit during financially volatile periods. Access to capital at times of financial need enables workers to make the right choices for them and their families so they can effectively cope with financial hardships and stabilize their households.

12. Please explain how this project has the potential to generate independent revenue. (5000 characters or less)

We don't anticipate this generating independent revenue, but we plan to create a Worker Fund that can be sustained at the airport with a pool of funds made available as a benefit to employees through funding from tenant employers and the airport. As we work with SFO to design and pilot a Worker Fund, we will develop a strategy to scale and sustain the Worker Fund to reach the 40,000 non-city workers. SFO and many of their tenant employers will be key stakeholders in the design process to ensure their voices are heard and a scalable model is designed.

We also believe that a Worker Fund makes financial sense for SFO and its tenant employers. A 2017 CFSI report on Employee Financial Health summarized the cost of financial stress on employers, from higher rates of absenteeism, lower rates of job satisfaction and lower productivity. One in three workers report distraction at work due to financial stress, which could amount to 20 hours in lost productivity from a worker per month. Lower job satisfaction or financial hardship could result in turnover, with replacement costs as high as 200% of an

employee's annual salary due to loss of productivity and cost of hiring and training. Stressed employees are two times more likely to use sick pay when not ill. Dealing with personal finances at work can cost an employer up to \$7000 annually per employee. The impact of financial stress on the employer coupled with the cost of living in the Bay Area, creates added challenges to SFO tenant employers in attracting and retaining talent. We believe the Worker Fund provides a cost-effective worker benefit that could help employers recruit, retain, and stabilize their workforce.

As OFE considers a scalable, sustainable Fund, we will model funding scenarios to determine the role of tenant employers and SFO in supporting this benefit to airport workers. The work will build from existing models of portable benefits such as the Black Car Fund in New York state that provides worker compensation insurance to drivers who are independent contractors (Aspen Institute, 2016). OFE will work with SFO to explore the level of employer contributions based on a range of factors such as the number of employees and their hours worked. The funding from employers and SFO would generate and replenish the pool of funds available for employees to utilize when needed.

13. Please explain how this project has the potential to scale beyond the initial geography, industry or sector. (5000 characters or less)

Lessons coming out of the partnership with SFO will be shared across OFE's network of funders, policy makers, private and non-profit partners, and peer cities across the country. Employers at SFO, having successfully implemented the program and experienced its benefits, might expand the model outside their SFO-based workforce. Other airports might also follow suit, as they have done when SFO set new wage and security standards with the Quality Standards Program (QSP) that was first adopted in 1999 to raise wages and improve working conditions, security and safety at SFO. A 2003 UC Berkeley study of the QSP found that 73% of ground-based non-managerial workers received a significant wage increase and experienced improvements in health and quality of life. The QSP policy cost on average 0.7 percent of airline revenues with employers reporting improvements in productivity and reduced turnover and absenteeism, which offset the policy cost. Because SFO is in a unique position as a hub for hundreds of employers and tens of thousands of workers, the Worker Fund model could potentially be adapted for independent contractors. OFE will seek opportunities to pilot test the model's portability into the gig economy, which houses one of the Bay Area's most vulnerable and rapidly-expanding labor forces.

As we pilot the model we also seek to develop a tool to administer the Worker Fund at scale – making it easy for SFO and tenant employers to fund, the administrator to manage and track utilization, and workers to access the funds when needed. This tool could be deployed with other employers and industries to help administer portable benefits to workers.

14. What is the primary goal of this project? (5000 characters or less)

Design and pilot a scalable model of a Worker Fund that helps SFO workers manage financial volatility and stabilize their households.

15. What is the secondary goal of this project? (5000 characters or less)

Help SFO scale the Worker Fund to reach all 40,000 non-city employees working at SFO.

16. What is the tertiary goal of this project? (5000 characters or less)

Design a portable benefit model that can be tested outside of SFO to reach other low-income and contract workers.

17. What constituency and/or communities will be positively impacted by this project? (5000 characters or less)

The project aims to positively impact the lives of SFO workers and their families. Around 40,000 primarily low-income workers are employed by tenant employers at SFO. A 2017 Economic Impact Study of SFO by the Economic Development Research Group summarized labor income earned by workers (payroll) and found that 46% had average payroll less than \$50,000 and an additional 7% under \$75,000. In total, 90% of the workforce had average payroll under \$100,000. With average household size of 3 in California and the high cost of housing in the Bay Area, many of these workers are considered very low income (HUD FY2018 Income Limits Summary). Workers in ground transportation, concessions and aviation support have the lowest average incomes.

The 2015 FINRA National Capability survey found that in California, 57% of households are just getting by financially or spending more than their income, highlighting the vulnerability of families if faced with any financial hardship. The Worker Fund would provide these workers with a benefit that helps them manage financial volatility to stabilize and support their families.

We also believe this project will benefit SFO and its tenant employers by helping attract and retain talent and reduce the costs of financial stress on employers. In addition, we hope to develop a portable model that can be tested with other employers and industries to reach additional low-wage workers with a tool and resource to manage financial volatility in their lives.

18. Where will you be executing this project? Please include city and state (5000 characters or less)

The project will be executed at San Francisco International Airport, which is 13 miles south of downtown San Francisco near the cities of Millbrae and San Bruno in unincorporated San Mateo County.

Workers Lab: Round Two Application

1. Contact Information

Sarika Abbi
San Francisco Office of Financial Empowerment

2. Name of Project or Program

SFO Workers Fund

3. Please describe how you plan to accomplish each of the goals of your project listed in the First Round of the application. (1500 characters)

We will first work with San Francisco International Airport (SFO) to identify and enlist key stakeholders — workers, union representatives, tenant employers and SFO staff — in our design process. The process will start with conversations with workers to understand their financial challenges. We will then facilitate discussions with our stakeholders group and draw on in-depth interviews with workers to assess demand for the Fund and inform its design. We will use these insights to develop a prototype of the Fund and reengage workers and other stakeholders to refine the model prior to a pilot.

While the initial goal of this project is to design and pilot a Workers Fund, we aspire to scale it to serve all 40,000 low-income workers at SFO. We will work with SFO to engage tenant employers in the design process, build buy-in, model employers and SFO's role in funding the Fund, and partner with two to three employers for the pilot. If successful, SFO is committed to working with us and tenant employers to scale the Fund.

Given the unique nature of SFO as a hub for hundreds of employers and tens of thousands of workers, a technology tool to support the administration of and access to the Workers Fund is critical to sustaining and scaling it within SFO, and enabling its portability to other airports and industries. We seek to develop this tool alongside the design of the Fund to enable SFO and tenant employers to fund, administrators to manage, and workers to access the Fund.

4. Where are you in the process of developing this project? Please include timeline and progress to date. (1500 characters)

In our last fiscal year ending June 30, 2018, we engaged SFO, a department of the City and County of San Francisco, to identify opportunities to strengthen the financial security and wellbeing of their large low-income workforce. SFO expressed interest in bringing solutions to the airport that could benefit workers, and in the Office of Financial Empowerment (OFE) leading a human-centered design process to understand the financial service needs of workers and design innovations with and for workers. SFO was also very interested in exploring the

development of a Workers Fund that could provide workers access to emergency funds and be funded by tenant employers.

OFE developed a budget for this engagement and SFO committed to funding the design and pilot of a Workers Fund. The budget was approved in late July 2018, at which point we began staffing up to support the project and finalizing an MOU with SFO. In parallel, SFO recruited a project consultant to facilitate our work at the Airport, including engaging workers, unions and other stakeholders in the design process.

We will begin soon with a kick-off meeting with SFO, the identification and engagement of key stakeholders, and a needs assessment with workers. Following a thorough design process, we seek to pilot a prototype Workers Fund starting June 2019.

5. Aside from financial resources, what other support would be helpful to achieve the goals of your project? (1000 characters)

A few specific areas of support would help us achieve our goals. First, as we begin design of the Workers Fund, we would value thought partners who can bring insights on portable benefits models, ensuring the SFO model addresses portability, universality, flexibility for workers, and pro-rated access. Second, as we develop a technology tool crucial to scaling the model and making it portable beyond SFO, we would value introductions to technology developers in this space. Lastly, since we want to build a model that can be scaled beyond SFO, we would value support on the development and dissemination of a Workers Fund toolkit that helps others adapt and build on the model and informs a community of practice.

6. Should you receive the Innovation Fund grant, what specifically would the funds be used for? (1000 characters)

While we have funding for the design and pilot of the Workers Fund, an Innovation Fund grant would support our ability to scale the Workers Fund to reach 40,000 workers at SFO and support its portability to workers beyond SFO. Specifically, the grant would fund a consultant to develop and document the business model for the Workers Fund. This would include modeling funding scenarios for tenant employers and SFO; documenting the Funds' governance; assessing the necessity for a new legal entity to manage the Fund; and creating policies and procedures that ensure funds are administered fairly and disbursed swiftly. The grant would also support the development of a technology tool to manage the Fund at scale, including employer contributions, distribution and employee access.

The Workers Lab Grant Expense

May 2019-April 2020

Personnel \$0

Travel \$0

5/210

Consultants/subcontractors

Develop and Document Fund Business Model \$15,000

Design Technology Application \$135,000

Assess Functional Needs of Users

Develop Design Ideas with Users

Develop Prototype Technology

Pilot and Evaluate with Users under Workers Fund Pilot

Refine and Document Technology

Total \$150,000



January 16, 2019

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find an original and one copy of proposed resolution for Board of Supervisors approval, which authorizes the Treasurer to accept and expend grant funding from The Workers Lab.

The following accompanying documents are included:

- Grant Information Form (including Disability Checklist).
- Grant Budget
- Copy of Grant Application
- Copy of Award Letter
- Completed Ethics Commission Form SFEC-126

Thank you,

A handwritten signature in black ink, appearing to read "Amanda Fried".

Amanda Fried
Chief of Policy and Communications
(415) 554-0889
Amanda.Fried@sfgov.org

2019 MAR -4 AM 9:21

BY AK

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Amanda Fried
DATE: March 4, 2019
SUBJECT: Accept and Expend Resolution for Subject Grant

GRANT TITLE: San Francisco International Airport Workers Fund

Attached please find the original* and 1 copy of each of the following:

Proposed grant resolution; original* signed by Department, Mayor, Controller

Grant information form, including disability checklist

Grant budget

Grant application

Grant award letter from funding agency

Ethics Form 126 (if applicable)

Contracts, Leases/Agreements (if applicable)

Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted resolution:

Name: Amanda Fried

Phone: 415-554-0889

Interoffice Mail Address:

Certified copy required Yes

No

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: The Workers Lab	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board of Directors: Margo Brandenburg, Ian Fuller, Sean Murphy, Luiz Vega-Marquis, Haeyoung Yoon, Sarita Gupta, Anna Fink, Matt Klein, Nidhi Mirani, Guillermo Quinteros CEO: Carmen Rojas CFO: Adrian Haro	
Contractor address: 1111 Broadway, Floor 3, Oakland, CA 94607	
Date that contract was approved:	Amount of contracts: \$150,000
Describe the nature of the contract that was approved: The Office of Financial Empowerment received a grant of \$150,000 from The Workers Fund to support development of a worker's fund—a cash benefit that private sector workers at SFO can access when they have a financial emergency—in partnership with SFO.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed