[San Francisco Bonding Program.]

Ordinance amending Chapter 30 of the San Francisco Administrative Code to add Article II thereto to create the San Francisco Bonding Program and to authorize the City to purchase bonds for employers who agree to hire hard-to-place employees.

Note: Additions are single-underline italics Times New Roman; deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by adding a new Article II to Chapter 30, to read as follows:

Article II - San Francisco Bonding Program.

Sec. 20.32030.20. FINDINGS. The Board of Supervisors finds and declares the following:

(a) The City and County of San Francisco funds many programs that provide employment training, career counseling, access to job lists, and placement for people looking for work; and

(b) Many people accessing these services face barriers to employment including criminal histories, substance abuse histories, or poor credit histories, which lead some employers to view these people as potentially untrustworthy workers; and

(c) There is a significant public interest in providing an incentive for prospective employers to grant job opportunities to people with these barriers who may be overlooked simply because of their histories.
Section 20-32430.21. DEFINITIONS. For purposes of this Article only, the following definitions apply:

(a) "At-risk job applicant" means a person seeking employment who faces barriers to employment that include a criminal history, a substance abuse history, or a poor credit history. In addition, an "at-risk job applicant" includes an economically disadvantaged person who lacks a work history, and any other individual who the DEWD determines could secure employment with the assistance of a bond under this Program.

(b) "Bond amount" means the total insurance amount issued by the Program as determined by the City based on the reasonable justification by the employer as to the theft risk of the job, not to exceed $25,000.00.

(c) "Bond unit" means one unit of $5,000.00 of insurance coverage for a six-month period.

(d) "Employer" means any individual, group, company, or business, or any other entity in either the public or private sector that attempts to hire at risk job applicants for any work to be performed, which may include but not be limited to work in the following industries: construction, restaurant, hotel, retail, janitorial, or office support.

(e) "Fidelity Bond Program" means the federal bonding program administered by the United States Department of Labor that facilitates the sale of fidelity bonds to purchasing entities for the purpose of providing free bonds to employers to ensure them against acts of dishonesty by new employees.

(f) "Fidelity Bond Purchase Agreement" means the written agreement that the federal Fidelity Bond Program requires to purchase bonds for purposes of this Program.
Section 20.32230.22. ESTABLISHMENT. A San Francisco Bonding Program ("Program") is hereby established. The San Francisco Department of Human Services ("DHS") Department of Economic and Workforce Development ("DEWD") shall administer the Program. DEWD is authorized to enter into a Fidelity Bond Purchase Agreement with the Federal Bonding Program on behalf of the City. DEWD shall provide bonds to prospective employers who agree to hire at-risk applicants consistent with the rules and regulations of the Federal Bonding Program.

Section 20.32330.23. PURPOSE. The purpose of the Program is to provide free bonds to employers as an incentive for the employer to hire at-risk applicants and to protect the employer against acts of dishonesty.

Section 20.32430.24. OUTREACH REQUIREMENTS.

Consistent with the requirements under this Article, DHS and the San Francisco Human Rights Commission the Department of Economic and Workforce Development, other City departments, and City-funded organizations implementing workforce development services shall inform potential at-risk job applicants seeking services within from those agencies of the bonding opportunities through the San Francisco Bonding Program and shall provide contact and location information of the Program to those individuals. In addition, the San Francisco Office of the District Attorney, the San Francisco Office of the Public Defender, the San Francisco Juvenile Probation Department, the San Francisco Adult Probation Department, and the San Francisco Sheriff's Department shall provide the same information to potential at-risk job applicants exiting the criminal justice system.
Section 20.3253.25. POWERS AND DUTIES. The DEWD shall have all of the powers and duties necessary to administer the Program consistent with the Federal Bonding Program. In addition, the DEWD shall have the following powers and duties:

(a) Eligibility Criteria. Consistent with this Article, the DEWD shall determine eligibility criteria for people to secure employment with the assistance of a bond under this Program. In no event shall a person be eligible for a bond under this program unless an employer has made a job offer to that person and the person has a date scheduled to start work.

(b) Bond Amount. The DEWD shall establish guidelines that determine the appropriate bond amount for each employer, but in no instance shall a bond amount exceed $25,000.00 per employee. The DEWD shall take into account the employer's reasonable estimation of the theft risk of the job.

(d) Record keeping and reporting requirements. The DEWD shall comply with all record keeping requirements of the Federal Bonding Program as may be updated from time to time. In addition, the DEWD shall prepare and submit bi-annual reports to the Board of Supervisors that shall include but not be limited to information on the following: outreach efforts to at-risk applicants; the number of bonds that the City purchases on behalf of at-risk applicants; the number of at-risk applicants assisted under the Program, and the number of employers that utilize the Program. The reports shall also inform the Board of Supervisors of administrative changes that the DEWD made to improve the program and if necessary, recommendations for legislative changes that will improve the program.

Section 20.3263.26. LIMITATION OF LIABILITY. By adopting this Article, the City and County of San Francisco is assuming an undertaking only to promote the general welfare. It is not
assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such a breach proximately caused injury.

Section 20.32730.27. SEVERABILITY. If any section, subsection, clause, phrase or portion of this Article is for any reason held invalid or unconstitutional by any court or federal or state agency of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:  
JENNIFER WILLIAMS
Deputy City Attorney
Ordinance amending Chapter 30 of the San Francisco Administrative Code to add Article II thereto to create the San Francisco Bonding Program and to authorize the City to purchase bonds for employers who agree to hire hard-to-place employees.

October 30, 2007 Board of Supervisors — AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

October 30, 2007 Board of Supervisors — CONTINUED AS AMENDED
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

November 13, 2007 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

November 20, 2007 Board of Supervisors — FINALLY PASSED
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on November 20, 2007 by the Board of Supervisors of the City and County of San Francisco.

Date Approved

11.20.07

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom