

**Performance Audit of
The Department of Children, Youth and Their Families
Implementation of the Children's Fund**

Prepared for the

**Board of Supervisors
of the City and County of San Francisco**

by the

San Francisco Budget and Legislative Analyst

October 29, 2014

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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October 29, 2014

Honorable London Breed, Chair,
Government Audit and Oversight Committee
and Members of the Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Breed and Members of the Board of Supervisors:

The Budget and Legislative Analyst is pleased to submit this *Performance Audit of the Department of Children, Youth and Their Families Implementation of the Children's Fund*. In response to a motion adopted by the Board of Supervisors on July 9, 2013 (Motion No. M13-084), the Budget and Legislative Analyst conducted this performance audit, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114 and in accordance with U.S. Government Accountability Office (GAO) standards, as detailed in the Introduction to the report.

The purpose of the performance audit was to evaluate the economy, efficiency and effectiveness of the City's implementation of the Children's Fund, including the allocation of fund monies, the role of the Citizen's Advisory Committee, and the Children's Fund allocation planning process.

The performance audit contains three findings, and 10 recommendations directed as appropriate to the Director of the Department of Children, Youth and Their Families with three recommendations directed to the Board of Supervisors. The Executive Summary, which follows this transmittal letter, summarizes the Budget and Legislative Analyst's findings and recommendations.

The Director of the Department of Children, Youth, and Their Families has provided a written response to our performance audit which is attached to this report, beginning on page 38. The Department agrees with all seven of the applicable recommendations.

Board of Supervisors
Budget and Legislative Analyst

Honorable London Breed, Chair
Government Audit and Oversight Committee
and Members of the Board of Supervisors
Performance Audit of the Department of Children, Youth and Their Families Implementation
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We would like to thank the Director of the Department of Children, Youth and Their Families
and her staff for their cooperation during this performance audit.

Respectfully submitted,



Severin Campbell
Budget and Legislative Analyst's Office

cc: President Chiu
Supervisor Avalos
Supervisor Breed
Supervisor Campos
Supervisor Farrell
Supervisor Kim
Supervisor Mar
Supervisor Tang
Supervisor Wiener
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Kate Howard
Controller
Director of Children, Youth and Their Families

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Executive Summary

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of the Department of Children, Youth and Their Families (DCYF) implementation of the Children's Fund including an evaluation of the role of the Children's Fund Citizens' Advisory Committee, through a motion (M13-084) approved on July 9, 2013.

The Children's Fund has Grown by 60 Percent over the Last 11 Years

The size and programming of the City's Children's Fund has been relatively stable with steady growth in the previous three years. Children's Fund budgeted amounts have steadily increased over the period from FY 2011-12 to FY 2013-14 by 12.3 percent from \$43,983,000 to \$48,253,000. Approximately \$2,560,173 went to newly funded agencies in FY 2013-14 while \$3,236,462 in funding was shifted from service providers who were not successful in the subsequent RFP or did not re-apply. All supervisorial districts saw an increase in Children's Fund spending from FY 2012-13 to FY 2013-14 with the first, second, fifth, seventh, and tenth supervisorial districts receiving the greatest increases. The average increase by supervisorial district during the two year period was 3.7 percent.

Exhibit I below shows the growth of Children's Fund expenditures for the most recent 11 years from FY 2002-03 through FY 2013-14. As seen in Exhibit I, the Children's Fund has generally had steady growth during that period with a few decreases due to a reduction in General Fund revenues.

Exhibit I: Children’s Fund Expenditures, FY 2002-03 to FY 2013-14

Year	Total Expenditures
FY 2002-03	\$29,787,017
FY 2003-04	31,180,709
FY 2004-05	27,281,725
FY 2005-06	28,980,966
FY 2006-07	34,832,534
FY 2007-08	41,770,922
FY 2008-09	41,366,242
FY 2009-10	43,502,858
FY 2010-11	37,289,467
FY 2011-12	38,125,329
FY 2012-13	42,858,156
FY 2013-14	47,678,740
11-Year Increase	\$17,891,723
Percent	60.1%

Source: Financial Accounting and Management Information System (FAMIS)

Although DCYF’s Evaluation Responsibilities Will Expand with the Proposed Charter Amendment, the Charter Amendment Does Not Require Independent Third Party Evaluations

The proposed charter amendment that the Mayor and Board of Supervisors submitted to the voters on the November 2014 ballot to renew the Children’s Fund includes an expansion of DCYF’s evaluation responsibilities. The amendment proposes to include the evaluation of all services funded through the Children’s Fund and prepare an Evaluation and Data Report for the Oversight and Advisory Committee. However, the proposed charter amendment to the November 2014 ballot does not include a requirement that the evaluation be conducted by one or more independent third parties. The Board should consider legislation to include this requirement to provide greater objectivity and legitimacy to evaluation findings.

Proposed Oversight Committee Should Provide Input for Use of One-Time Program Funding

During the City’s annual budget review process the Board of Supervisors may re-allocate funds to certain departments to assist in providing services to the public (sometimes referred to as “add-backs”). DCYF staff report that programming these funds can be challenging due to the one-time infusion of funds into Children’s Fund services, which is otherwise programmed on a multi-year funding cycle. The Board of Supervisors should consider legislation to enable the proposed Children’s Fund

Oversight Advisory Committee (assuming the Charter Amendment is passed by voters in November 2014) to provide input on how funds re-allocated by the Board of Supervisors during the annual budget review process are programmed.

While Expanding the Funding Cycle from Three Years to Five Years Under the Proposed Charter Amendment Allows More Time for Planning for Children’s Fund Allocations, DCYF Should Further Improve the Planning and Funding Process

The planning process for the Children’s Fund is conducted on a three-year cycle, as mandated by the City Charter. This planning process consists of a Community Needs Assessment (“Needs Assessment”) and the preparation of a three-year Children’s Services Allocation Plan (“Plan”), which incorporates the results of the Needs Assessment. If the proposed Charter Amendment is passed by the voters in November 2014, the planning cycle will be extended to a five year period.

Needs Assessment Reports Conducted in Different Planning and Funding Cycles Are Inconsistent

The format and service categories in the Community Needs Assessment change between each three-year cycle, making it difficult for members of the public to track progress and changes in the Community Needs Assessment. DCYF should develop consistent formats and service categories for each cycle (and a service category crosswalk if service categories change between funding cycles) to allow members of the public to track information across funding cycles.

Minimum Qualifications and Training for Proposal Readers are Not Consistent

The Department solicits volunteers (“readers”) from the community to review and score proposals submitted by community organizations in response to the Requests for Proposals (RFPs) to compete for Children’s Fund monies. The readers generally have experience in youth services, according to Department staff, but the Department does not set minimum qualifications to serve as a reader. The Department provides training to the readers, but does not track if each reader is completing the training. In 2013, the training video had 350 views, but the average viewer only viewed 11 of the 20 minute video, or 55 percent of the provided content.

The Proposed Charter Amendment Replaces the Citizen’s Advisory Committee (CAC) with an Oversight and Advisory Committee, Which Will Need to Address Participation and Conflict of Interest Issues

The Citizens’ Advisory Committee (CAC) is designed to provide the Department of Children, Youth & Their Families feedback on the Department’s implementation of the City’s Children’s Fund. The Committee is established through the City’s Charter, which details composition and function, and is governed by the Committee’s

Bylaws, which lay out rules and additional requirements for the Committee and its membership.

Citizens’ Advisory Committee is Not Meeting Charter and Bylaw Requirements for Membership and Participation

The CAC is not meeting Charter and Bylaw requirements for membership and participation. The CAC has struggled to maintain membership and meet requirements for youth participation. On average, 13 of the 15 membership slots are filled, and only 8 members attend meetings. Since 2012, only 2 of the 3 youth membership slots have been filled. According to audit interviews, the lack of a formal process for the Department to respond to the feedback received from the CAC on Children’s Fund implementation may contribute to the CAC’s inability to meet all membership and participation requirements. Currently, DCYF only reports to the CAC to update Committee members on the status of the Fund and issues surrounding the Fund. If the voters approve the proposed Charter Amendment in November 2014 extending the Children’s Fund, the CAC would be replaced by the Oversight and Advisory Committee with an expanded role in overseeing the Children’s Fund.

Citizens’ Advisory Committee Does Not Have a Formal Policy Preventing Members from Voting on Matters that would Present a Conflict of Interest

The CAC Bylaws allow representatives of community based organizations receiving Children’s Fund grants to be members of the CAC. The CAC lacks a conflict of interest policy for voting members and does not restrict members from voting on issues that directly affect their organization. DCYF should amend the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014) Bylaws to state that a member who has a financial interest in a matter before the Committee should abstain from voting on the matter.

Oversight and Advisory Committee membership, structure, functions, appointment criteria, terms and support would be approved by ordinance of the Board of Supervisors. If the voters approve the proposed Charter Amendment in November 2014, the Board of Supervisors should consider whether representatives of organizations receiving Children’s Fund allocations should be allowed as members of the Oversight and Advisory Committee.

Introduction

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of the Department of Children, Youth and Their Families (DCYF) implementation of the Children's Fund including an evaluation of the role of the Children's Fund Citizens' Advisory Committee, through a motion (M13-084) approved on July 9, 2013.

Scope

The performance audit of DCYF implementation of the Children's Fund evaluated the allocation of fund monies, the role of the Citizens Advisory Committee, and the Children's Fund allocation planning process.

Methodology

The performance audit was conducted in accordance with Government Auditing Standards, 2011 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard performance audit practices, we carried out the following performance audit procedures:

- Conducted interviews with executive, management and other staff at the DCYF as well as members of the Citizens Advisory Committee and a former Department Director.
- Reviewed reports regarding the allocation of Children's Fund monies as well as previous Community Needs Assessments and Children's Services Allocation Plans.
- Reviewed San Francisco Administrative Code provisions; Citizens Advisory Committee bylaws, meeting agendas and minutes; and, departmental memorandum regarding the Children's Fund.
- Conducted reviews of Children's Fund (a) budget data; (b) expenditure data; and, (c) allocation data including information on funding by service area, geography, newly funded and no longer funded agencies, and demography of youth served.
- Submitted a draft report, with findings and recommendations, to the San Francisco Department of Children, Youth and Their Families on September 30, 2014; and conducted an exit conference with the Executive Director of the Department on October 22, 2014.
- Submitted the final draft report, incorporating comments and information provided in the exit conference, to the Department of Children, Youth and Their Families on October 23, 2014.

Establishment and Growth of the Children’s Fund

The City established a Children’s Fund in 1991, which annually received a set portion of 2.5 cents for every \$100 of assessed property value to only be spent on services to children less than 18 years old. The services provided with these monies had to be new services (services that were not being provided prior to 1991). The fund was established to continue for ten years (until June 30, 2002) with certain restrictions on what children’s services would be eligible to be funded with its monies.

In November 2000 the voters approved Proposition D, which extended the Children’s Fund until 2016 (via the “Children’s Amendment” to the City Charter¹) and made the following major changes to the Fund:

- A three year planning cycle for the Children’s Fund was established, including an assessment of the needs of children, which serves as the basis of a three year allocation plan.
- A 15-member Children’s Fund Citizens’ Advisory Committee was established to help decide how the City should use money from the Fund.
- The portion of the property tax set aside for the Fund was increased to 3 cents for each \$100 of assessed property value (from 2.5 cents);
- An allowance was established to increase the set aside after 2010 if the percentage of children in the City rose.²

The Children’s Fund has grown or contracted each year in conjunction with assessed property values, but has grown substantially over the long term as shown in Exhibit 1 and Exhibit 2 below. As seen in Exhibit 1, the total amount expended from the Children’s Fund since FY 2002-03 (the first year of the re-authorized Children’s Fund, which is when the set aside was increased from 2.5 cents to 3 cents per \$100 in assessed property value) has grown by about \$18 million or approximately 60 percent.

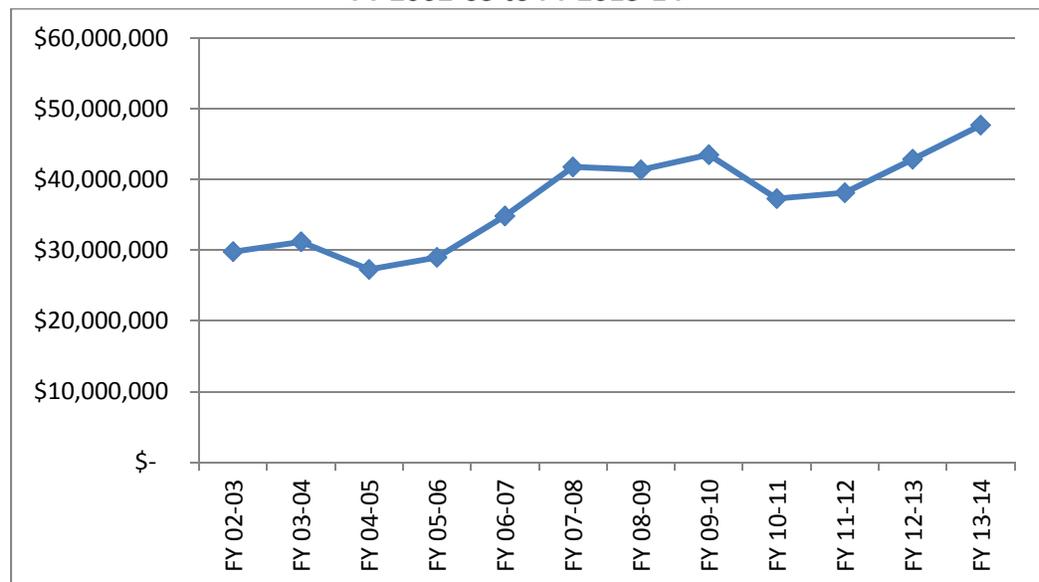
¹ Charter Section 16.108

² The percentage of children in the 2010 census was lower than the percentage in 2000 so the property tax set aside was not increased.

Exhibit 1: Children’s Fund Total Expenditures, FY 2002-03 to FY 2013-14

	FY 2002-03	FY 2013-14	Percentage Growth (FY 2002-03 to FY 2013-14)
Total Amount Expended from Children’s Fund	\$29,787,017	\$47,678,740	60.1%

Source: Financial Accounting and Management Information System (FAMIS)

**Exhibit 2: Chart of Annual Children’s Fund Expenditures
FY 2002-03 to FY 2013-14**

Source: FAMIS

Children’s Baseline

When the Children’s Fund was established, the Children’s Amendment³ stipulated that monies from the Fund could not be used to fund services that existed prior to the Fund’s establishment. When the Children’s Fund was reauthorized in 2000 the Children’s Amendment was revised to stipulate that the Children’s Fund should be used exclusively to increase aggregate City appropriations and expenditures for children. The revisions further stipulated that existing services would be part of a “Children’s Baseline,” which the City is prohibited from reducing through the life of the Fund (through June 30, 2016).

According to the Controller’s FY 2013-14 Nine-Month Budget Status Report, dated May 13, 2014, the City was required to budget \$125.9 million in Children’s Baseline

³ Charter Section 16.108

expenditures in FY 2013-14. The report further states that \$131.2 was actually budgeted, which exceeded the Children's Baseline requirement by \$5.3 million.

Eligible Services

The Children's Amendment restricts eligible services that may be paid for from the Fund to the following:

1. Affordable child care and early education;
2. Recreation, cultural and after-school programs, including without limitation, arts programs;
3. Health services, including prevention, education, mental health, and pre-natal services to pregnant women;
4. Training, employment and job placement;
5. Youth empowerment and leadership development;
6. Youth violence prevention programs;
7. Youth tutoring and educational enrichment programs; and,
8. Family and parent support services for families of children receiving other services from the Fund.

Funding Allocation Planning Process

When the Children's Fund was reauthorized in 2000, a new three-year planning cycle was established for all fiscal years beginning after June 30, 2004. The purpose of the three-year planning cycle, according to the City Charter, is to provide time for community participation and planning and to ensure program stability. The planning process, as stipulated by the City Charter, includes a Community Needs Assessment, a Children's Services Allocation Plan, and a Request for Proposals for the selection of vendors every third fiscal year beginning with FY 2001-02 as summarized in Exhibit 3 and described in more detail below.

Exhibit 3: Overview of the Children’s Fund Three Year Planning Cycle

Year 1	Year 2	Year 3
Community Needs Assessment	Children’s Services Allocation Plan	Requests for Proposals
The Community Needs Assessment identifies needs and communicates actions.	The Children’s Services Allocation Plan analyzes overall spending and identifies funding priorities.	The Requests for Proposals solicit proposals from contractors to fund programs and services identified in the Needs Assessment and Allocation Plan.

Source: DCYF website

Community Needs Assessment

DCYF produces a Community Needs Assessment in the first year of the three year planning cycles. The Department is required, per the Children’s Amendment, to prepare a Community Needs Assessment every three years to determine the needs in the community for services eligible to receive monies from the Fund. The Children’s Amendment further requires the City to hold at least one public hearing in each Supervisorial District and make opportunities available for parents, youth, and agencies receiving monies from the Fund to provide information for the Community Needs Assessment. In addition, the Children’s Amendment requires the Community Needs Assessment to include the results of a citywide survey of parents and youth to be conducted by the Controller every three years. DCYF is required to submit the assessment to the Board of Supervisors for approval. The most recent completed Community Needs Assessment was released in May 2011 for the FY 2013-14 through FY 2015-16 funding cycle.

Children’s Services Allocation Plan

The Department is also required to prepare a Children’s Services Allocation Plan every three years. The Department typically completes the Allocation Plan in the second year of the three year planning cycles. The Children’s Services Allocation Plan establishes funding priorities and desired outcomes for DCYF based on needs identified in the Community Needs Assessment. The Children’s Services Allocation Plans include a specification of amounts of funding to be allocated toward: (1) achieving specified goals, measureable and verifiable objectives and outcomes; (2) to specified service models; and, (3) for specific populations and neighborhoods. DCYF is required to submit the Children’s Services Allocation Plan to the Board of Supervisors for approval. The most recent completed Children’s Services Allocation Plan was released in May 2012 for the FY 2013-14 through FY 2015-16 funding cycle.

Selection of Contractors

The Department issues a Request for Proposals in the third year of the three year planning cycles in order to select contractors to provide services that have been determined by the Children's Services Allocation Plan. DCYF assigns paid community volunteers to review and assess proposals submitted by potential contractors. The final decisions on funding allocations are determined by DCYF staff.

Citizens' Advisory Committee

The Children's Amendment revision in 2000 established a Children's Fund Citizens' Advisory Committee made up of 15 members appointed by the Mayor to a three-year term. The Children's Amendment prescribes certain requirements for Committee membership as described in detail in Section 3 of this report. The purpose of the Committee is to advise the Department of Children, Youth and Their Families and the Mayor concerning planning and implementation of the Children's Fund, including the Community Needs Assessment and the Children's Services Allocation Plan. The Committee is required to meet at least quarterly.

DCYF History and Organizational Structure

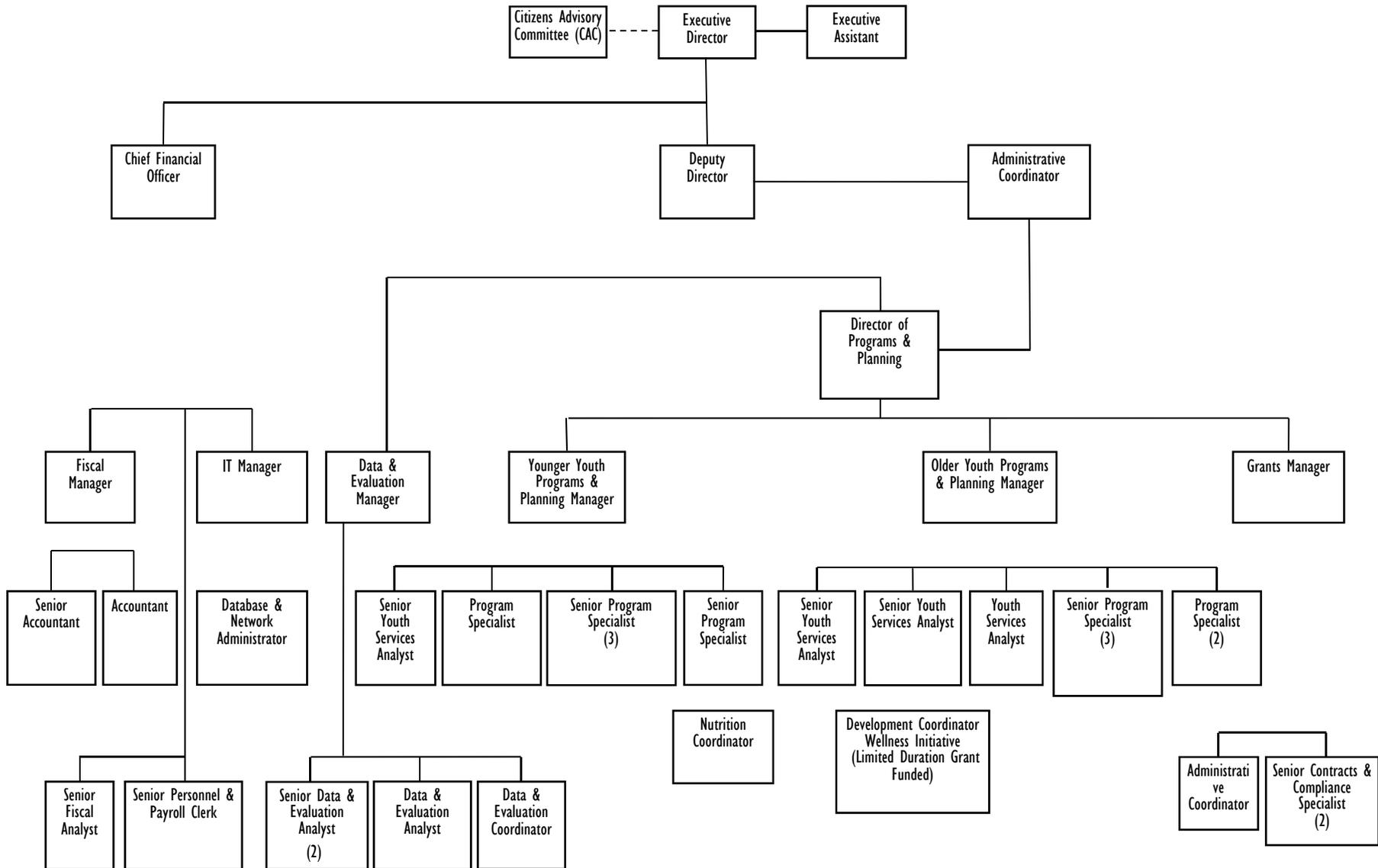
The Mayor's Office for Children, Youth and Their Families (MOCYF) was created in 1989 by Mayor Art Agnos after several decades of community advocacy to have an entity within government specifically designated to coordinate children's services. After the 1991 passage of the Children's Amendment the Office gained a substantial budget and Mayor Willie Brown turned the MOCYF into a full City department, the Department of Children, Youth and Their Families (DCYF).

The current mission of DCYF is to "ensure that families with children are a prominent and valued segment of San Francisco's social fabric by supporting programs and activities in every San Francisco neighborhood." The Department allocates over \$60 million, including over \$40 million in Children's Fund monies, to a wide range of grants and initiatives that serve children, youth, and their families. The primary areas of funding are:

- Early Care and Education;
- Out of School Time;
- Youth Leadership, Empowerment, and Development;
- Family Support; and,
- Violence Prevention and Intervention

The Department is organized as shown in Exhibit 4 below.

Exhibit 4: DCYF Organization Chart



1. Allocation of Children's Fund Monies

- The size and programming of the City's Children's Fund has been relatively stable with steady growth in the previous three years. Children's Fund budgeted amounts have steadily increased over the period from FY 2011-12 to FY 2013-14 by 12.3 percent from \$43,983,000 to \$48,253,000. Approximately \$2,560,173 went to newly funded agencies in FY 2013-14 while \$3,236,462 in funding was shifted to other service providers from service providers who were not successful in the subsequent RFP or did not re-apply. All supervisorial districts saw an increase in Children's Fund spending from FY 2012-13 to FY 2013-14 with the first, second, fifth, seventh, and tenth supervisorial districts receiving the greatest increases. The average increase by supervisorial district during the two year period was 3.7 percent.
- The Department of Children, Youth, and their Families (DCYF) does not receive complete records from Children's Fund service providers on the number of children served if DCYF is only funding a portion of the services. DCYF staff note that the Department's estimate of the number of children served in multiple service areas likely underrepresents the impact of Children's Fund dollars due to the lack of mandatory reporting by service providers who do not receive all of their funding from DCYF. DCYF staff report that many service providers report only a portion of the children served to match the proportion of their revenues that comes from the Children's Fund even though many of the same organizations would be unable to continue operating without these monies.
- The proposed charter amendment that the Mayor and Board of Supervisors submitted to the voters on the November 2014 ballot to renew the Children's Fund includes an expansion of DCYF's evaluation responsibilities. The amendment proposes to include the evaluation of all services funded through the Children's Fund and prepare an Evaluation and Data Report for the Oversight and Advisory Committee. However, the proposed charter amendment to the November 2014 ballot does not include a requirement that the evaluation be conducted by one or more independent third parties. The Board should consider legislation to include this requirement to provide greater objectivity and legitimacy to evaluation findings.
- During the City's annual budget review process the Board of Supervisors may re-allocate funds to certain departments to assist in providing services to the public (sometimes referred to as "add-backs"). DCYF staff report that programming these funds can be challenging due to the one-time infusion of funds into Children's Fund services, which is otherwise programmed on a multi-year funding cycle.

The Children's Fund is the largest source of revenues for the Department of Children, Youth, and their Families (DCYF) making up about 55 percent of total revenues in FY 2013-14. As shown in Table 1-1 below, the Children's Fund revenues¹ increased by \$5,270,000 or 12.3 percent between FY 2011-12 and FY 2013-14. The Department's fund balance has fluctuated modestly in recent years due to changes in work order services provided to other departments, varying amount of grant funding, and minor changes in general fund support. The amount of work-order funds has dropped by \$3,953,986 or 62.8 percent from FY 2011-12 to FY 2013-14 primarily due to the creation of the Office of Early Care and Education under the Human Services Agency and First 5 San Francisco in FY 2012-13. Previous to the creation of this office, Children's Fund supported early care and education services were provided by DCYF funded community service providers.

**Table 1-1
DCYF Budget Sources, FY 2011-12 through FY 2013-14**

SOURCE	FY 2011-12	FY 2012-13	FY 2013-14	Change in Funding FY 2011-12 to FY 2013-14	Percent Change FY 2011-12 to FY 2013-14
Children's Fund	\$42,983,000	\$45,019,000	\$48,253,000	\$5,270,000	12.3%
General Fund Support	28,443,641	27,760,125	28,966,662	523,021	1.8%
Work-order Funds	6,300,375	2,180,455	2,346,389	(3,953,986)	-62.8%
Fund Balance	1,900,000	609,046	4,819,128	2,919,128	153.6%
Grants	4,128,468	4,703,529	4,185,921	57,453	1.4%
TOTAL	\$83,755,484	\$80,272,155	\$88,571,100	\$4,815,616	5.7%

Source: DCYF Budget Data (excludes SFUSD funds)

Children's Fund supported community service providers served an average of 53,260 children between FY 2010-11 and FY 2012-13, as seen in Table 1-2. Approximately 22,000 children were served annually by programs in the Out of School Time service area, the highest of any of the service areas.

Department management notes that the count of children served under the Y-LEaD program represents only "core" program participants per instructions provided to Y-LEaD service providers. DCYF staff note that in FY 2012-13, Y-LEaD funding was changed for specialized teen programs to provide an intentional skill building experience. As a result, rather than asking service providers to record a participant record for every youth that dropped into the program, DCYF asked them to only report the youth who actually enrolled with the intention of completing the program (the "Core"

¹ Excluding funding from SFUSD.

participants). DCYF staff report that this is the likely cause for fewer youth being reported for FY 2012-13.

Table 1-2
Children Served by Service Area, FY 2010-11 to FY 2012-13

Service Area	FY 2010-11	FY 2011-12	FY 2012-13
Beacon	6,286	7,025	5,872
Citywide Investments and System Support ²	N/A	N/A	N/A
Early Care and Education	2,220	2,144	2,985
Health & Wellness ³	7,140	7,559	7,682
Out of School Time	21,117	22,201	22,112
Violence Prevention and Intervention	5,776	6,019	5,372
Youth Leadership, Empowerment, and Development (Y-LEaD)	8,189	9,780	7,302
TOTAL	50,728	57,728	51,325

Source: DCYF data on children served as reported by service providers

The Youth Leadership, Empowerment, and Development (Y-LEaD) service area received the largest allocation of DCYF administered grant monies and received the largest nominal increase in funding (\$3,972,063 or 25.8 percent) from FY 2012-13 to FY 2013-14 as seen in Table 1-3 below. The Out of School Time programs received a similar sized increase during that period (\$3,461,363 or 23.4 percent), however the other service areas did not receive significant increases over the same period.

² Programs categorized under Citywide Investments and System Support do not directly work with children, but rather focus on support for service providers and community outreach. Therefore, there are no children directly served through this service area.

³ Health and Wellness has been a Y-LEaD service strategy since FY 2010-11.

Table 1-3
Change in DCYF Administered Grant Funding by Service Area
FY 2012-13 to FY 2013-14⁴

Service Area	FY 2012-13	FY 2013-14	Change FY 2012-13 to FY 2013-14	Percent Change FY 2012-13 to FY 2013-14
Youth Leadership, Empowerment, and Development (Y-LEaD)	\$15,376,540	\$19,348,603	\$3,972,063	25.8%
Out of School Time	14,776,540	18,237,903	3,461,363	23.4%
Violence Prevention and Intervention	12,592,070	13,091,388	499,318	4.0%
Early Care and Education	10,639,436	10,639,436	0	0.0%
Health and Wellness ⁵	5,067,811	5,142,811	75,000	1.5%
Family Support	4,556,291	4,556,291	0	0.0%
Beacon	3,180,341	3,246,152	65,811	2.1%
Other ⁶	1,547,425	2,545,656	998,231	64.5%
TOTAL	\$67,736,454	\$76,808,240	\$9,071,786	13.4%

Source: DCYF budget data

There was little change in the service areas funded by the Children's Fund from the 2010-2013 funding cycle to the 2013-2016 funding cycle. Family Support was grouped with Health and Nutrition to become Children and Family Support, Health and Nutrition. Similarly, Citywide Investments and Systems Support and Development were combined into Citywide Investments and Systems Support. These changes have had minimal effect on the actual allocation of services. The service areas that are funded with Children's Fund monies are determined each funding cycle by the Children's Services Allocation Plan, which is guided by the Community Needs Assessment.

⁴ These figures include all sources of funding administered by DCYF including work-order funding (including for services provided and requested by the Department). These figures exclude administrative costs.

⁵ Health and Wellness has been a Y-LEaD service strategy since FY 2010-11.

⁶ Programs included in the "Other" service area include miscellaneous programs that are not easily coded into one of the other service strategies. Some of this is funded by "add-back" funds provided by the Board of Supervisors during the annual budget review and approval process.

Table 1-4
Service Areas, 2010-2013 Compared to 2013-2016

2010-2013	2013-2016
Citywide Investments	
Early Care and Education	Early Care and Education
Family Support	Children & Family Supports, Health & Nutrition
Out of School Time (K-8 th Grade)	Out of School Time
Systems Support and Development	Citywide Investments and Systems Support
Violence Prevention and Intervention	Violence Prevention and Intervention
Youth Leadership, Empowerment, and Development (Y-LEaD) ^a	Youth Leadership, Empowerment and Development (Y-LEaD)

Source: DCYF website

^a Includes Youth Workforce Development, Wellness Empowerment, and services formerly known as Out of School Time Teen

In FY 2013-14 there were 27 newly funded agencies (five of which received multiple grants) with Children's Fund monies totaling approximately \$2.5 million. Table 1-5 below lists these agencies as well as the program, service area, grant amount, District in which the service was provided, the population served, and whether the program allows for citywide access.

Table 1-5
List of Programs by Agency Newly Funded by DCYF in FY 2013-14

Agency	Program	Service Area	Total FY13-14 DCYF Grant Amount	District in which service is provided	Population Served	Citywide Access
ABADA-Capoeira San Francisco	Reaching All Youth (RAY) Project at ABADA-Capoeira San Francisco	OST	\$ 50,750	9	K-8 youth	Y
American Conservatory Theater (A.C.T.)	Theater Arts as a Tool for Change: A Partnership between A.C.T. and Ida B. Wells High School	YLEAD	\$ 50,750	5	Students attending Ida B. Wells	
American Friends Service Committee	67 Suenos San Francisco	YLEAD	\$ 60,900	9	High school age migrant youth	Y
Bay Area Video Coalition	Digital Pathways	YLEAD	\$ 97,440	9	High school age youth	Y
Brava! For Women in the Arts	Mission Academy of Performing Arts at Brava (MAPA@Brava)	YLEAD	\$ 50,750	9	High school age youth	Y
Breakthrough San Francisco	Breakthrough 7th & 8th Grade Summer Program	OST	\$ 70,000	5	Rising 7th & 8th graders	Y
Edventure More	Camp Edmo at San Francisco Community School	OST	\$ 55,664	9	K-5 youth	Y
Exploratorium	Explainer Program: Meaningful Work & STEM Training for Teens	YLEAD	\$ 152,250	3	High school age youth	Y
Exploratorium	XTech: STEM Academic Enrichment & Leadership Development for Youth	YLEAD	\$ 101,500	3	Middle and high school age youth	Y
First Exposures San Francisco Camerawork	First Exposures	YLEAD	\$ 51,765	6	Middle and high school age youth	Y
First Place for Youth	Youth Employed for Success at First Place for Youth Independent Living Skills Program	YLEAD	\$ 152,250	9	Serving youth 18 to 21 in the criminal justice system.	
GASP (Grattan After School Program)	SY EXCEL @ Grattan Elementary School	OST	\$ 41,142	5	Students attending Grattan Elementary School	
GirlVentures	On The Rise: Empowering Girls to Build Leadership Skills, Confidence and Cross-Cultural Allies	YLEAD	\$ 7,495	8	Girls entering grades 10-11	Y
Health Initiatives for Youth	Aptos Diversity and Leadership	YLEAD	\$ 84,583	2	Students attending Aptos Middle School	
Health Initiatives for Youth	Denman Diversity and Leadership	YLEAD	\$ 84,583	7	Students attending Denman Middle School	
Health Initiatives for Youth	Presidio Diversity and Leadership	YLEAD	\$ 84,583	11	Students attending Presidio Middle School	
Peer Resources	Peer Resources	YLEAD	\$ 101,500	2,4,8,9,11	Middle and high school age youth at Galileo, Lincoln, Buena Vista/Horace Mann, Denman, Balboa, and Mission	
Pomeroy Recreation & Rehabilitation Center	Sensing Success	OST	\$ 67,532	10	K-8 youth with developmental disabilities	Y
Project Commotion	Youth Outreach Program at Project Commotion	OST	\$ 41,515	9	K-8 youth with developmental disabilities	Y

1. Allocation of Children's Fund Monies

Agency	Program	Service Area	Total FY13-14 DCYF Grant Amount	District in which service is provided	Population Served	Citywide Access
San Francisco Conservation Corps	San Francisco Conservation Corps Program Site	YLEAD	\$ 101,500	2	Youth 18 and over and not in school	Y
San Francisco Mime Troupe	San Francisco Mime Troupe's Youth Theater Program	YLEAD	\$ 29,080	9	Middle and high school age youth	Y
San Francisco Police Activities League	SF PAL Western Addition Spring & Summer Conditioning	OST	\$ 50,750	5	K-8 youth	Y
SaveNature.org	Nature Connection by SaveNature.Org	OST	\$ 50,750	Assigned to multiple sites*	K-8 youth	Y
Seven Tepees	Seven Tepees Learning Center After-school Program	OST	\$ 40,600	9	Middle school age youth	Y
Seven Tepees	Seven Tepees Learning Center Summer Program	OST	\$ 30,000	9	Middle school age youth	Y
Spark	Spark San Francisco Apprenticeship Program	OST	\$ 50,750	Assigned to multiple sites*	K-8 youth	Y
Techbridge	Stem Training	OST	\$ 310,540	Assigned to multiple sites*	K-8 youth	Y
The Vision Academy	The Vision Academy Afterschool Program at Calvary Hill Community Church	OST	\$ 67,723	10	K-8 African American and Latino/a youth in Bayview	
The Vision Academy	The Vision Academy Chess Club at Tenderloin Community School (Partner Up On Top)	OST	\$ 36,540	Assigned to multiple sites*	K-8 youth	Y
Urban Ed Academy	UrbanEdAcademy Focus On Success	OST	\$ 101,500	10	Targets 3rd - 5th grade African American, Latino & Pacific Islander boys	Y
YMCA - Richmond	LEAP (Learning Enrichment Afterschool Program)	OST	\$ 75,413	1	4th-8th graders	Y
YMCA - Richmond	Scholarships for the Program at Argonne Elementary School	OST	\$ 30,450	1	K-3 youth attending Argonne Elementary	
Youth Leadership Institute	BLING - Building Leaders in Innovative New Giving	YLEAD	\$ 177,625	6	High school age youth	Y
Total			\$ 2,560,173			
* These programs are assigned to go into existing afterschool programs to provide enrichment activities. DCYF manages the assignment, which can change from year to year.						

Source: DCYF Budget Data

In FY 2013-14 33 programs throughout the City did not continue to receive Children's Fund monies from the previous funding cycle because either the agencies administering the programs were (1) not successful in the most recent RFP; (2) did not submit a proposal in response to the RFP; or, (3) missed the response deadline. Table 1-6 lists the amount of funding discontinued in FY 2013-14 by service area and supervisorial district.

Table 1-6
Agencies No Longer Funded in FY 2013-14 by District and Service Area

Supervisor District	Sum of Removed Funding in FY 13-14	Out of School Time	Y-LEaD	VPI	# of Agencies
1	-	-	-	-	0
2	58,113	58,113	-	-	1
3	94,211	94,211	-	-	1
4	62,817	62,817	-	-	2
5	95,396	95,396	-	-	2
6	184,657	92,938	91,719	-	4
7	-	-	-	-	0
8	101,633	101,633	-	-	2
9	253,207	159,663	93,543	-	5
10	216,171	165,216	50,955	-	3
11	-	-	-	-	0
Citywide	2,170,257	139,719	732,950	1,297,588	13
TOTAL	\$3,236,462	\$969,706	\$969,167	\$1,297,588	33

Source: DCYF data on agencies funded in FY 2012-13 vs. 2013-14

Table 1-7 below shows the agencies that lost funding from FY 2012-13 to FY 2013-14 by supervisorial district with an explanation as to why the funding was discontinued.

Table 1-7
List of Agencies No Longer Funded in FY 2013-14

Supervisor ¹ District	Agency Name	Notes
2	First Graduate	Not awarded through RFP.
3	YWCA of San Francisco & Marin	Not awarded through RFP.
4	Edgewood Center for Children and Families	Not awarded through RFP.
6	Conscious Youth Media Crew	Did not apply in RFP.
9	Friendship House Association of American Indians, Inc.	Not awarded through RFP.
10	City of Dreams	Not awarded through RFP.
10	Economic Opportunity Council	Not awarded through RFP.
10	Girls After School Academy	Missed Application Deadline

Source: DCYF data on agencies funded with Children's Fund monies in FY 2012-13 vs. FY 2013-14

¹Supervisor District Allocations are approximate. Many nonprofit agencies operate program sites in multiple districts. In these cases, the district with the majority of funding is reflected in the list above.

Table 1-8 below shows the changes in the allocation of DCYF grant monies (not just Children's Fund monies) by supervisorial district⁷. There were large increases in Districts 1, 2, and 5. The 30 percent increase in District 1 is due to increased funding for a few programs and new funding for one agency not funded in FY 2012-13, the YMCA-Richmond, which provides K-8 Out of School Time services. The 22.3 percent increase in District 2 is a result of the Presidio YMCA receiving a larger allocation from FY 2012-13 to FY 2013-14. The amount of Children's Fund monies allocated to District 5 increased by 12 percent due to increased funding for a few programs as well as new funding for two agencies not funded in FY 2012-13, the Grattan After School Program (GASP) and the San Francisco Police Activities League (SF PAL), both of which provide K-8 Out of School Time services.

Table 1-8
Change in DCYF Funding by District and Fiscal Year
FY 2012-13 to FY 2013-14

Supervisor District	Sum of Funding FY 2012-13	Sum of Funding FY 2013-14	Percent Change FY 2012-13 to FY 2013-14
1	\$1,436,878	\$1,867,812	30.0%
2	363,948	444,984	22.3%
3	2,313,037	2,381,259	2.9%
4	1,510,659	1,530,390	1.3%
5	2,922,235	3,275,402	12.1%
6	2,742,927	2,913,957	6.2%
7	864,361	970,700	12.3%
8	1,805,727	1,826,269	1.1%
9	4,633,235	5,003,925	8.0%
10	6,427,585	7,107,626	10.6%
11	3,989,771	4,218,602	5.7%
Citywide	24,620,951	24,090,257	-2.2%
Total	\$53,631,316	\$55,631,183	3.7%

Source: DCYF data on grant funds spent by geography in FY 2012-13 vs. FY 2013-14

⁷ Table 1-8 reflects programs for which DCYF provides direct service grants and for which DCYF therefore collects information regarding the Districts where the programs are located. DCYF does not collect District information for programs that are co-funded by and managed by other agencies. For example, DCYF's investments in Early Childcare and Education (ECE) and Family Support Services are not reflected in this table because the direct services are managed by other agencies.

Table 1-9 below shows the number of youth served by service area and age as reflected by the priority populations identified in the FY 2010-2013 funding cycle RFP. DCYF is unable to provide accurate counts of pre-school age children because these services are administered by the Office of Early Care and Education and First 5 San Francisco and DCYF does not manage the monitoring or evaluation of such services.

**Table 1-9
Actual Unduplicated Count of Youth Served by Service Area
FY 2010-11 to FY 2012-13**

Service Area	Grades/ Ages* Served	# of Youth Served		
		FY 2010-11	FY 2011-12	FY 2012-13
Out-of-School Time (OST)	K-8	21,424	22,513	23,723
Beacon	K-12 and families	8,623	8,929	7,691
Health & Wellness	SFUSD high school students	7,140	7,559	7,682
Youth Leadership, Empowerment, and Development (Y-LEAD)	Ages 13-21	9,168	10,623	8,269
VPI	Ages 10-25	4,103	4,291	3,857
*Ages/ Grades Served reflect the priority populations identified in the 2010-13 RFP.				

Source: DCYF data on the number of children served by service area

Table 1-10 below shows the estimated number of youth served by ethnicity from FY 2010-11 through FY 2012-13.

**Table 1-10
Estimated Number of Youth Served by Ethnicity and Fiscal Year,
FY 2010-11 to FY 2012-13**

Ethnicity	FY10-11 (actual)	FY10-11 actual %	FY11-12 (actual)	FY11-12 actual %	FY12-13 (actual)	FY12-13 actual %
Asian/ Pacific Islander	16,637	33.94%	18,019	34.31%	13,390	37.16%
Black	11,578	23.62%	12,014	22.87%	7,939	22.03%
Hispanic and Latino	13,366	27.26%	14,012	26.68%	9,501	26.37%
Multiracial	2,940	6.00%	3,233	6.16%	1,968	5.46%
Other	1,287	2.63%	1,465	2.79%	906	2.51%
White	3,217	6.56%	3,779	7.20%	2,331	6.47%
TOTAL	49,025	100%	52,522	100%	36,035	100%

Source: DCYF participant data. DCYF notes that the counts in this table do not match the counts in other tables due to race/ethnicity sometimes being left off participant records.

Table 1-11 below shows the Children's Services Allocation Plan (CSAP) funding ranges planned for the 2010-2013 and 2013-2016 funding cycles compared with actual expenditures in FY 2012-13 (for the 2010-2013 CSAP) and in FY 2013-14 (for the 2013-2016 CSAP). As seen in Table 1-11, the actual funding amounts typically are within the funding allocation windows as established in the CSAPs.

Notably, actual funding for the Violence Prevention and Intervention, Family Support, Health and Wellness, and other programs was higher in FY 2012-13 than initially anticipated in the CSAP funding allocation. DCYF staff has indicated that the actual amounts provided were higher due to an increase in the Children's Fund as well as from monies that were re-programmed by the Board of Supervisors from other City functions during the annual budget review process. DCYF staff report that incorporating monies re-allocated by the Board of Supervisors during the annual budget process (sometimes referred to as "add-backs") can be challenging due to the multi-year planning process used for programming Children's Fund monies. The Board of Supervisors may want to consider legislation that would enable the Oversight and Advisory Committee (assuming the Charter Amendment is passed by voters in November 2014) to provide input on how these additional funds are programmed.

Similarly, the amount funded in FY 2013-14 for the Out of School Time service area was higher than planned in the CSAP funding allocation for 2013-2016. DCYF staff indicated that this difference is attributable to the anticipated amount of need for summer programming that could be met with estimated funds when the 2013-2016 CSAP was prepared compared to the years when the programs were implemented (when more funding than anticipated was available). DCYF have asserted that the actual amounts spent on Early Care and Education were slightly lower in FY 2013-14 than anticipated in the 2013-2016 CSAP due to the consolidation of Early Care and Education programs citywide.

Table 1-11
Children's Services Allocation Plan Funding Ranges Compared with Funding Amounts
for the 2010-2013 and 2013-2016 Funding Cycles

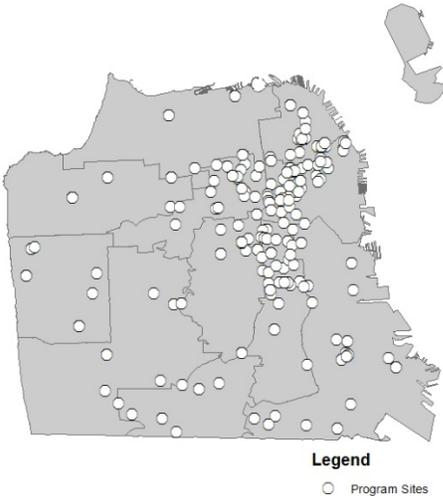
Service Area	2010-2013 CSAP Funding Allocation		FY 2012-13	2013-2016 CSAP Funding Allocation		FY 2013-14
	Low	High		Low	High	
ECE	\$9,612,000	\$12,015,000	\$10,639,436	\$11,000,000	\$11,300,000	\$10,639,436
Out of School Time	12,480,000	15,600,000	14,776,540	13,760,000	16,685,000	18,237,903
Beacon Initiative	-	-	3,180,341	2,800,000	3,100,000	2,863,037
Y-LEaD	14,803,000	18,504,000	15,376,540	17,425,000	21,160,000	19,348,603
VPI	8,000,000	10,000,000	12,592,070	10,110,000	13,820,000	13,091,388
Family Support	3,122,000	4,000,000	4,753,350	4,500,000	4,950,000	4,556,291
Health/Wellness	3,517,000	4,397,000	5,067,811	4,885,000	5,140,000	5,142,811
Other	2,839,000	5,773,000	1,547,425	-	-	2,545,656
Total	\$54,373,000	\$70,289,000	\$67,933,513	\$64,480,000	\$76,155,000	\$76,425,125

Source: Children's Services Allocation Plans and budget data provided by DCYF staff

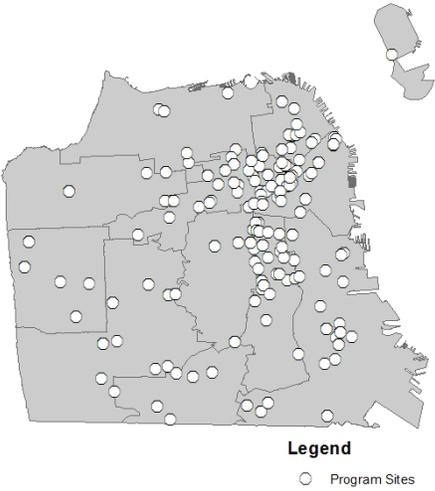
Maps 1-1 through 1-3 below show the geographic distribution with supervisorial district lines of programs supported with Children's Fund monies for the current three year cycle (FY 2013-14 through FY 2015-16) as well as the two previous funding cycles.

As seen in the maps, there are Children's Fund programs distributed throughout all supervisorial districts and nearly all neighborhoods with the highest concentrations in the Tenderloin, Chinatown, Mission, and Bayview neighborhoods.

Map 1-1
FY 2007-08 through FY 2009-10 Funding Cycle
Children's Fund Program Site Locations⁸ by Supervisorial District

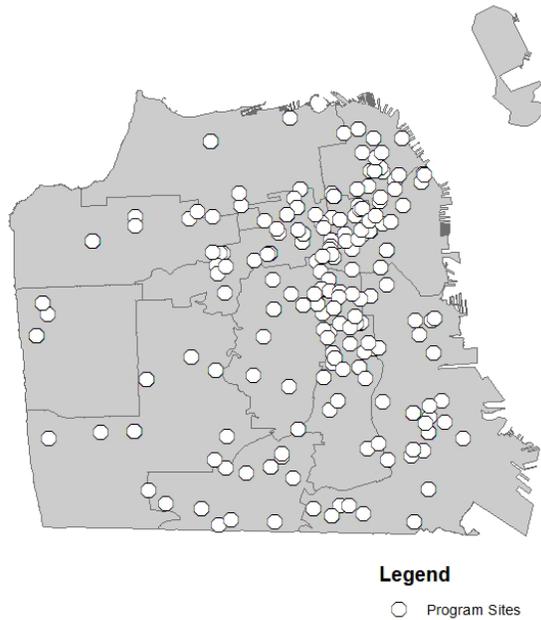


Map 1-2
FY 2010-11 through FY 2012-13 Funding Cycle
Children's Fund Program Site Locations⁹ by Supervisorial District



⁸ Children's Fund site refers to the location where services are provided, which may or may not be the same as the location of the service provider's administrative offices.

Map 1-3
FY 2013-14 through FY 2015-16 Funding Cycle
Children's Fund Program Locations by Supervisorial District



Conclusions

The size and programming of the City's Children's Fund has been relatively stable in the previous three years. The Children's Fund budgeted amounts have steadily increased over the period from FY 2011-12 to FY 2013-14 by 12.3 percent from \$43,983,000 to \$48,253,000. All supervisorial districts saw an increase in Children's Fund spending from FY 2012-13 to FY 2013-14 with the first, second, fifth, seventh, and tenth supervisorial districts receiving the greatest increases. The average increase by supervisorial district during the two year period was 3.7 percent.

The proposed charter amendment that the Mayor and Board of Supervisors submitted to the voters on the November 2014 ballot to renew the Children's Fund includes an expansion of DCYF's evaluation responsibilities. The amendment proposes to include the evaluation of all services funded through the Children's Fund and prepare an Evaluation and Data Report for the Oversight and Advisory Committee. However, the proposed charter amendment to the November 2014 ballot does not include a requirement that the evaluation be conducted by one or more independent third parties. The Board should consider legislation to include this requirement to provide greater objectivity and legitimacy to evaluation findings.

During the City's annual budget review process the Board of Supervisors may re-allocate funds to certain departments to assist in providing services to the public (sometimes referred to as "add-backs"). DCYF staff report that programming these funds can be challenging due to the one-time infusion of funds into Children's Fund services, which is otherwise programmed on a multi-year funding cycle.

Recommendations

The Board of Supervisors should:

- 1.1. Consider legislation to require that the Department of Children, Youth, and their Families utilize one or more independent third parties to carry out its Children's Fund evaluation responsibilities to ensure an objective analysis.
- 1.2. Consider legislation to enable the Children's Fund Oversight and Advisory Committee (assuming the Charter Amendment is passed by voters in November 2014) to provide input on how funds re-allocated by the Board of Supervisors during the annual budget review process are programmed.

Costs and Benefits

The costs of these recommendations, if implemented, would include minimal additional time of the Board of Supervisors, City Attorney, and Clerk of the Board to draft, review, approve, and process legislation.

The benefits of these recommendations, if implemented, would include an objective evaluation of Children's Fund services and more clarity regarding the use of funds re-allocated by the Board of Supervisors during the annual budget review process.

2. Children’s Fund Planning Process

- The Department of Children, Youth and Their Families (DCYF) completes the Community Needs Assessment and develops the Children’s Services Allocation Plan every three years, in accordance with Charter requirements. The Children’s Services Allocation Plan is the basis for annual allocation of Children’s Fund monies to programs and services. The Department has 12 months from completion of the Community Needs Assessment to develop the Children’s Services Allocation Plan, and then 24 months to complete the next Community Needs Assessment. According to interviews with DCYF staff and community members, the three-year planning cycle is not sufficient time to complete the Community Needs Assessment and develop the Children’s Services Allocation Plan based on the findings of the needs assessment. The proposed Charter Amendment on the November 4, 2014 ballot would increase the time for conducting the Community Needs Assessment and developing the Children’s Services Allocation Plan from three years to five years.
- The format and service categories in the Community Needs Assessment change between each three-year cycle, making it difficult for members of the public to track progress and changes in the Community Needs Assessment. DCYF should develop consistent formats and service categories for each cycle (and a service category crosswalk if service categories change between funding cycles) to allow members of the public to track information across funding cycles.
- The Department solicits volunteers (“readers”) from the community to review and score proposals submitted by community organizations in response to the Requests for Proposals (RFPs) to compete for Children’s Fund monies. The readers generally have experience in youth services, according to Department staff, but the Department does not set minimum qualifications to serve as a reader. The Department provides training to the readers, but does not track if each reader is completing the training. In 2013, the training video had 350 views, but the average viewer only viewed 11 of the 20 minute video, or 55 percent of the provided content.

The Community Needs Assessments are Not Consistent between Funding Cycles

Mandated Children's Fund Planning Process

Every three years, as mandated by the City Charter, the Department of Children, Youth & Their Families (DCYF) manages the Children's Fund planning process. This planning process consists of a Community Needs Assessment ("Needs Assessment") and the preparation of a three-year Children's Services Allocation Plan ("Plan"), which incorporates the results of the Needs Assessment.

The purpose of the Needs Assessment is to provide information necessary to develop a citywide action plan and funding priorities. The Department facilitates surveys, focus groups, and hearings to collect and assess data and feedback to complete the Needs Assessment. The first Needs Assessment was mandated by the Charter to be performed in Fiscal Year (FY) 2001-02. The Charter further requires that the Department initiate and complete a Needs Assessment every third year following FY 2001-02,¹ and release a public draft by January 31 of the mandated fiscal year.² DCYF typically implements the Needs Assessment process during the first year of the three year cycles (two years before the deadline).

The Plan is the City's three year blueprint for how Children's Fund monies will be allocated to different service areas and service providers, and should incorporate the results of the Needs Assessment. The City Charter requires that the Plan report on all services provided for children "furnished or funded by the City or funded by another governmental or private entity and administered by the City, whether or not they received or may receive monies from the Fund." The Charter mandated that the first Plan be produced in FY 2002-03, immediately following the Needs Assessment process, and that a public draft be released by January 31 of the mandated fiscal year. The Charter further requires that the Department generate new Plans every third fiscal year following FY 2002-03, pacing with the Needs Assessment process. DCYF typically releases Plans in the second year of the three year cycle (one year before the deadline).

The Charter requires the Plan to allocate specific amounts of funding, including the reasons for the specific allocation:

1. "Toward achieving specified goals, measurable and verifiable objectives and measurable and verifiable outcomes;

¹ The mandate years include 2004-05, 2007-08, 2010-11, and 2013-14.

² Charter Section 16.108 (h)

2. "To specified service models; and,
3. "For specific populations and neighborhoods."

Finally, the Charter requires that the Plan "demonstrate how the allocations are consistent with the Community Needs Assessment." After the Plan is produced, the Department generates a Request for Proposals to solicit applications for funding from service providers to meet the strategy areas set forth in the Plan, which should meet the needs laid out in the Needs Assessment.

Limitations of Three-Year Planning Cycle

Interviews with members of the community and Department staff revealed general concern regarding the process of translating the Needs Assessment to a Plan, especially the limited time (12 months) allotted for the translation of the Needs Assessment into the Plan. Once a Needs Assessment is completed, the Department has 12 months to draft the Plan, and then from the last Plan, the Department has 24 months to release a new Needs Assessment. Overall, according to audit interviews, the lack of time in the three-year planning cycle inhibits the translation of the Plan from the Needs Assessment. A proposed Charter Amendment on the November 2014 ballot would increase the planning cycle from the current three years to five years.³

Lack of Consistency between Needs Assessments Conducted in Different Planning Periods

Across the years, the Needs Assessment reports shift in format, presenting information in different categories and subcategories in each of the three-year planning periods, which makes it difficult for members of the community to track progress and expectations. The 2008 Needs Assessment includes four overarching categories with 30 subcategories, which do not align with the 2005 Needs Assessment categories, and 35 goals for the given categories and subcategories. The four overarching categories in the 2008 Needs Assessment are:

- 2.1 Service areas (e.g. funding, wellness, family support, etc.),
- 2.2 Special populations (e.g. homeless families, special health care needs, violence exposed, etc.),
- 2.3 System reforms (e.g. transportation, information, accountability, etc.), and
- 2.4 Community building (e.g. empowering community, parents, community hubs, etc.).

³ The Board of Supervisors unanimously approved in the July 15, 2014 Board meeting placing the Charter Amendment on the November 2014 ballot that would (1) extend the Children's Fund authorization by 25 years, (2) increase the set-aside from \$0.03 to \$0.04 of \$100 assessed value over a four-year period, and (3) extend the planning cycle to five years.

The 2008 Needs Assessment also includes detailed descriptions of different attributes of specific service areas, which are: early care and education, family support, out of school time, health and wellness, youth workforce development, violence response, and truancy prevention.

In contrast to the four categories and 30 subcategories in the 2008 Needs Assessment, the 2005 Needs Assessment presents 34 categories in the body of the report, such as "Money" and "Accountability," and as well as subcategories where improvements could be made. The 2005 report also presents 111 recommendations, not prioritized, related to those 34 categories for City departments and community groups. Overall, the 2008 Needs Assessment completely altered in structure from the 2005 Needs Assessment.

In further contrast to the four categories and 30 subcategories in the 2008 Needs Assessment, the 2011 Needs Assessment organizes the report by four completely new categories. As noted above, the 2008 Needs Assessment includes four categories for: Service Areas; Special Populations; System Reforms; and, Community Building. The 2011 Needs Assessment includes four categories for: Early Childhood, ages 0 to 5; Elementary School and Middle School Age, ages 6 to 13; Older Youth, youth ages 14 to 18, disconnected transitional age youth ages 16 to 24; and, Families with Children. These completely new categories in 2011 are a tremendous conceptual shift from the 2008 Needs Assessment.

The Department should, in collaboration with the Board of Supervisors and members of the community, firmly establish long-term funding priorities and goals, which can be amended, but provide a foundation from which each Needs Assessment and Plan is drafted. This will allow the public to easily understand the status of ongoing areas of concern and see the resources allocated to those areas of concern from planning period to planning period.

Minimum Qualifications and Training for Proposal Readers are Not Consistent

The Department assigns volunteers to review and score proposals submitted by community organizations in response to the Requests for Proposals (RFPs) to compete for Children's Fund monies. These individuals, or "readers," are volunteers from the community who are solicited by the Department to participate. Department personnel maintain a list of readers from previous RFPs and also reach out to known qualified individuals in the field to aid in the reading process. Each reader generally reads and scores seven to eight different proposals, but not more than ten. Each proposal is read by three to five readers. Readers are assigned proposals to review based on an application

that they submit with their specialties, interest, and experience. Readers are paid \$20 per proposal read and scored.

While the readers are sought out by the Department based on an internally maintained list and recommendations by Department staff, the Department does not have a specific vetting process of the list of potential readers, although, according to Department staff, readers generally have experience working in youth services. The Department should establish minimum qualifications for readers to assure proposers and the community that the readers have sufficient expertise to read and score proposals.

The Department provides training to the readers but does not ensure that the readers access the training. The Department hosted a series of webinars in 2010 to provide readers with a forum to receive knowledge about the RFP and scoring process. A total of 55 of the 240 registered readers, or just under 23 percent, participated in the hour-long webinars. Further, on average, these participants were logged into the webinar for just under 42 of the total 60 minutes, or about 70 percent of the webinar.

Three years later the Department developed a 20-minute training video for participating readers for the 2013 RFP, which was posted on YouTube. The Department circulated the link to the training video via email to all readers when the readers received their assignments. A total of 320 readers registered to read proposals in 2013. The training video requires a unique log-in to be accessed. However, the Department does not use this to track viewing of the video. The Department did track the number of overall views of the video. In total, there were 350 views, and on average, the viewers watched the 20-minute video for about 11 minutes, or 55 percent of the video.

Conclusions

The Charter requires the Needs Assessment and Plan processes be completed to ensure that the Department is meeting the needs of the community, and to ensure that the community has the ability to influence and respond to the Department's perceptions of community need. The Department's Needs Assessment reports and Plan reports vary broadly in presentation of information and in content between planning periods, making it difficult for the public to track funding priorities between funding cycles.

Additionally, the Department relies on readers to review proposals from service providers in response to the Department's Requests for Proposals,

issued after each Plan. These readers are not vetted through any formalized process. While training is available for the readers, the Department does not ensure that the readers attend all trainings.

Recommendations

The Director of the Department of Children, Youth and Their Families should:

- 2.1 Develop consistent report formats, and service categories for each funding cycle's Community Needs Assessment and Children's Services Allocation Plan (and a service category crosswalk if service categories change between funding cycles) to allow member of the public to track information across funding cycles.
- 2.2 Develop minimum qualifications for proposal readers.
- 2.3 Require that all readers participating in the proposal review process for the Children's Fund RFP view the Department's training video prior to scoring proposals and properly track participation to ensure readers are well-prepared.

Costs and Benefits

All the recommendations potentially aid in the efficient allocation of Children's Fund monies. For recommendation 2.1., costs are not clearly associated with its implementation, but the benefits could include the more efficient allocation of Children's Fund monies if clearly defined priority areas sufficiently guide the Department in the allocation. The implementation of recommendations 2.2 and 2.3 would require minimal staff time and effort given that the training video and tracking abilities are already at the Department's disposal.

3. Citizen's Advisory Committee Membership and Role

- The Citizens' Advisory Committee (CAC) is designed to provide the Department of Children, Youth & Their Families feedback on the Department's implementation of the City's Children's Fund. The Committee is established through the City's Charter, which details composition and function, and is governed by the Committee's Bylaws, which lay out rules and additional requirements for the Committee and its membership.
- The CAC is not meeting Charter and Bylaw requirements for membership and participation. The CAC has struggled to maintain membership and meet requirements for youth participation. On average, 13 of the 15 membership slots are filled, and only 8 members attend meetings. Since 2012, only 2 of the 3 youth membership slots have been filled. According to audit interviews, the lack of a formal process for the Department to respond to the feedback received from the CAC on Children's Fund implementation may contribute to the CAC's inability to meet all membership and participation requirements. Currently, DCYF only reports to the CAC to update Committee members on the status of the Fund and issues surrounding the Fund. If the voters approve the proposed Charter Amendment in November 2014 extending the Children's Fund, the CAC would be replaced by the Oversight and Advisory Committee with an expanded role in overseeing the Children's Fund.
- The CAC Bylaws allow representatives of community based organizations receiving Children's Fund grants to be members of the CAC. The CAC lacks a conflict of interest policy for voting members and does not restrict members from voting on issues that directly affect their organization. DCYF should amend the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014) Bylaws to state that a member who has a financial interest in a matter before the Committee should abstain from voting on the matter. Also, Oversight and Advisory Committee membership, structure, functions, appointment criteria, terms and support would be approved by ordinance of the Board of Supervisors. If the voters approve the proposed Charter Amendment in November 2014, the Board of Supervisors should consider whether representatives of organizations receiving Children's Fund allocations should be allowed as members of the Oversight and Advisory Committee.

Citizen’s Advisory Committee Membership and Participation Is Inconsistent

The Children’s Fund Citizens’ Advisory Committee (CAC) is governed by both the City Charter and the Committee Bylaws. As the Committee currently exists, it may not be adhering to the existing restrictions and requirements established by the Charter and Bylaws. Furthermore, the Charter and Bylaws exclude some stipulations that may aid in improving the fairness of the Committee.

Children’s Fund Citizens’ Advisory Committee

According to the City Charter, the Children’s Fund Citizens Advisory Committee is a 15-member committee with each member appointed by the Mayor for three-year terms with the following requirements:

- At least three members should be parents;
- At least three members should be less than 18 years old when appointed; and,
- Membership should include individuals with an expertise in: early childhood development, childcare, education, health, recreation, and youth development.

The Committee is required to meet at least quarterly, and it serves to “advise the department or agency that administers the Children’s Fund and the Mayor concerning the Children’s Fund.” As such, each member of the Committee is required to receive copies of each proposed Community Needs Assessment (Needs Assessment) and Children’s Services Allocation Plan (Plan) from the Department of Children, Youth, and Their Families (DCYF). The members serve without pay though they may be reimbursed for related expenses incurred.¹

In addition to the City Charter mandates, the Committee Bylaws outline the following requirements:

- Members will include people with and without fiduciary relationships² with DCYF;
- A quorum, or eight members, must be present at any regular, specially scheduled, and sub-committee meetings in order to take any official action, and consists of a majority of the seated membership; and,

¹ Section 16.108, (n)

² The Bylaws do not specifically define “fiduciary relationships”. A fiduciary relationship typically includes two parties, in which one party takes care of money for another. In practice, the “fiduciary relationship” for the CAC has been defined as members who work for organizations that receive Children’s Fund monies through the Department’s granting process.

- Regular meetings will be held monthly.

The Bylaws also clarify the purpose of the Committee to include the following, in addition to the advisory role:

- Review “the progress of the Children's Services and Allocation Plan and the Community Needs Assessment;”
- “Assist in the design of evaluation processes for the Children's Fund;”
- “Assist DCYF with leveraging private resources that will expand the scope and scale of DCYF-funded services;” and,
- “Review the Children's Baseline Budget and other major city department budget and initiatives that will have an impact on the Children's Services and Allocation Plan.”

Membership on the CAC Is Inconsistent

The membership of the CAC is historically inconsistent with the standards established by the Bylaws and Charter, and the inconsistency violates the terms of the Charter and the Committee Bylaws. Table 3-1 below demonstrates the Committee membership and then the number of attendees for each of the meetings for which meeting attendance was available.

Table 3-1: CAC Membership and Attendance Analysis, 2011-2013

Year	Month	Number of Attendees	Total Membership	Percent Attendance
2011	January	13	12	108.3%
	February	No attendance provided in minutes		
	March	No attendance provided in minutes		
	April	No attendance provided in minutes		
	May	12	15	80.0%
	June	No meeting though one was scheduled		
	July	No meeting though one was scheduled		
	August	No meeting scheduled		
	September	9	15	60.0%
	October	6	14	42.9%
	November	9	15	60.0%
	December	9	14	64.3%
		Average	10	14
	Median	9	15	62.1%
2012	January	9	14	64.3%
	February	7	14	50.0%
	March	10	14	71.4%
	April	10	14	71.4%
	May	8	14	57.1%
	June	8	14	57.1%
	July	No meeting scheduled		
	August	9	14	64.3%
	September	No meeting scheduled		
	October	8	14	57.1%
	November	8	12	66.7%
	December	8	13	61.5%
		Average	9	14
	Median	8	14	62.9%
2013	January	No meeting scheduled		
	February	10	13	76.9%
	March	6	13	46.2%
	April	7	11	63.6%
	May	No meeting scheduled		
	June	6	11	54.5%
	July	6	9	66.7%
	August	No meeting scheduled		
	September	6	11	54.5%
	October	No meeting scheduled		
	November	7	10	70.0%
	December	No meeting scheduled		
		Average	7	11
	Median	6	11	63.6%
Overall Average		8	13	63.9%
Overall Median		8	14	63.6%

Source: CAC meeting agendas and minutes, available on the CAC website

Table 3-1 shows the following deficiencies:

- The formal CAC membership, which should be at 15, has only been at capacity about 13 percent of the time over a recent three year period. The membership was only at the required level for three out of 23 meetings reviewed between January 2011 and December 2013.
- Since 2012, the CAC has not met the requirement that three members be below the age of 18 years. The CAC has only had two members under the age of 18 years since 2012.
- Both the Committee Bylaws and the City Charter require that the membership be comprised of adults with a broad spectrum of professional expertise in “early childhood development, childcare, education, health, recreation, and youth development.” However, there is no publically available tool for ensuring that the membership is properly comprised of individuals with these areas of expertise.
- Finally, at least three members are required to be parents, and there is no tool to verify this.

Other advisory committees in the City have similar requirements and the way these committees comply with such requirements may provide possible solutions as described below.

The City’s Recreation and Park Department has a Citizen’s Advisory Committee for the Park, Recreation and Open Space Fund. Much like the Children’s Fund CAC, the Open Space Fund CAC has requirements for their membership, including that some proportion be comprised of individuals with varying backgrounds.³ The members are appointed by the Board of Supervisors, with each Supervisor given two nominations: one nomination is to be from a preset list maintained by the Recreation and Park Commission of individuals nominated by organizations with a focus on park, environmental, recreational, cultural, sports, youth, or senior issues, and the second appointment is entirely at the Supervisor’s discretion. One additional appointment is made by the Mayor.

The provision of a pre-approved list of qualified individuals to appointing offices would ensure that the CAC meets the Charter and Committee Bylaw requirements for appointees with specific areas of expertise. Maintaining such a list of pre-approved individuals would provide the City with a relatively straightforward method for ensuring the committee meets membership requirements. Additionally, such a list may expedite the appointment process by the Mayor’s Office to aid the office in the decision-making process.

³ Charter Section 16.107

Additionally, the Department should consider publishing short biographies of the Committee members in a publically available forum to allow the public to see their qualifications for participation and that the Committee is meeting Charter and Bylaw requirements.

Youth participation has been a challenge for the Committee. The Committee has only had two youth formally on the Committee since 2012 and youth attendance has been limited to 14, or about 61 percent, of the 23 meetings reviewed over a three-year timeframe. Audit interviews revealed several reported reasons for the low youth turnout, including that the preexisting demands on youth under the age of 18 (namely academic responsibilities) are extensive and that youth may feel unsure about or uncomfortable with the protocols for operating in a formal committee setting. These matters can all impede a youth's attendance to Committee meetings. However, other groups within the City, including the Youth Commission, regularly convene and engage local youth. The Department should consider engaging groups like the Youth Commission to develop a plan for ensuring the meaningful integration of youth into the CAC.

The Oversight and Advisory Committee Proposed by the Charter Amendment Replaces the CAC

The Charter states that the Committee “shall advise the department or agency that administers the Children's Fund and the Mayor concerning the Children's Fund.” However, the extent to which the Department must consider the Committee's advice is not specified in the Charter. As currently structured, DCYF management only report to the CAC to update Committee members on the status of the Fund and issues surrounding the Fund. According to audit interviews, the limited role of the CAC in providing feedback to DCYF on implementation of the Children's Fund contributes to the flagging attendance for adult Committee members.

The Board of Supervisors approved submission of a Charter Amendment to the voters⁴ that would replace the Citizen's Advisory Committee with an Oversight and Advisory Committee. The proposed Charter Amendment would reduce Committee membership to 11 members, of which six are appointed by the Mayor and 5 are appointed by the Board of Supervisors. Committee membership, structure, functions, appointment criteria, terms and support would be approved by ordinance of the Board of Supervisors.

⁴ The Board of Supervisors unanimously approved in the July 15, 2014 Board meeting placing the Charter Amendment on the November 2014 ballot that would (1) extend the Children's Fund authorization by 25 years, (2) increase the set-aside from \$0.03 to \$0.04 of \$100 assessed value over a four-year period, and (3) extend the planning cycle to five years.

While the existing CAC is advisory to DCYF, the proposed Oversight and Advisory Committee would:

- (1) Review the governance and policies of DCYF;
- (2) Monitor and participate in the administration of the Children's Fund; and,
- (3) Take steps to ensure that the Fund is administered in a manner accountable to the community.

The proposed Oversight and Advisory Committee would approve the Community Needs Assessment process and the final Community Needs Assessment report and the Services and Allocation Plan.

CAC Lacks Restrictions on Membership Conflicts-of-Interest

While the CAC is advisory and does not directly vote on Children's Fund allocations, CAC members vote on items on which they are advising, such as the DCYF budget. As the CAC is currently structured, there are no voting restrictions for members when they may have a conflict of interest. As noted above, the Committee Bylaws stipulate that some members may have fiduciary relationships with the Department, i.e. the organization an individual works for may be the recipient of Children's Fund monies. Given that the CAC Bylaws note that some members will be affiliated with the Department's service providers receiving Children's Fund monies, it may be a conflict of interest for those members to vote on matters brought before the CAC that relate to the distribution of the Fund. The CAC Bylaws should be amended to state clearly that a member who has some interest in a matter before the Committee should abstain from voting on the matter.

If the voters approve the proposed Charter Amendment in November 2014, the Board of Supervisors should consider whether representatives of organizations receiving Children's Fund allocations should be allowed as members of the Oversight and Advisory Committee. If representatives of organizations receiving Children's Fund allocations were excluded from membership in the Oversight and Advisory Committee, they would still have a mechanism to voice concerns about administration of the Children's Fund through the Service Provider Working Group, established by the proposed Charter Amendment to advise the Oversight and Advisory Committee on funding priorities, policy development, the planning cycle and other issues.

Conclusions

The Citizens' Advisory Committee is a key tool for community feedback on the Department's governing of the Children's Fund. Unfortunately, the Committee is not meeting all requirements to ensure that it is an effective tool for providing the Department feedback.

The Committee is not meeting the membership or participation requirements set forth by the City Charter or the Committee Bylaws. Historically, the Committee has not been at capacity nor has the Committee met requirements for youth participation. The Committee is also not governed by a conflict of interest policy for voting members. Finally, when the Committee does provide feedback to the Department, the Department is not mandated by the Charter to engage the feedback received from the CAC.

Given these deficiencies, the Committee is likely not performing its advisory role as effectively as possible. The importance of having community input in the management of the Children's Fund monies should compel the City to ensure that the mechanism through which the feedback from community members is heard is functioning as effectively and meaningfully as possible.

Recommendations

The Director of the Department of Children, Youth and Their Families should:

- 3.1 Maintain a list of pre-approved individuals eligible for membership on the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014).
- 3.2 Publish short biographies of the Committee members in a publically available forum.
- 3.3 Engage groups like the Youth Commission to develop a plan for ensuring the meaningful integration of youth into the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014).
- 3.4 Amend the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014) Bylaws to state that a member who has a financial interest in a matter before the Committee should abstain from voting on the matter.

If the voters approve the proposed Charter Amendment in November 2014, the Board of Supervisors should consider:

- 3.5 Whether representatives of organizations receiving Children's Fund allocations should be allowed as members of the Oversight and Advisory Committee.

Costs and Benefits

The costs of implementing these recommendations would include minimal additional staff time. The benefits of implementing these recommendations include further ensuring that the City is using the Children's Funds monies in the most effective way by improving the composition of the advisory body and further integrating it into the planning process.



Maria Su, Psy.D.
EXECUTIVE DIRECTOR



Edwin M. Lee
MAYOR

October 28, 2014

To: Severin Campbell
San Francisco Board of Supervisors
Budget Analyst's Office

From: Maria Su 
Director
Department of Children, Youth and Their Families

Re: Comment on Performance Audit of DCYF's Implementation of the Children's Fund

The Department of Children, Youth and Their Families (DCYF) appreciates the Budget and Legislative Analyst Office's effort in conducting the Performance Audit of the Department's implementation of the Children's Fund.

San Francisco has a deep and long standing commitment to families. In 1991, San Francisco became the first city in the country to guarantee funding for children and youth when voters approved the Children's Amendment to the City charter. Subsequently, the Children's Amendment was renewed in 2000 by an overwhelming majority of our voters. Each year since 1991, the city has set aside a portion of property tax revenues to create what is known as the Children's Fund. The Department of Children, Youth and Their Families (DCYF) is the city agency responsible for ensuring that Children's Fund dollars are invested for the greatest impact for our children and families in San Francisco.

Over the past 23 years, the Children's Fund has grown significantly, and so has DCYF's grant portfolio. The Fund directly supports over 200 community-based organizations, who served over 54,000 children, youth and families in Fiscal Year 2013-2014. The DCYF Citizens' Advisory Committee (CAC), the governing body that guides and advises the department, plays an active and important role in ensuring that the Department develops policies and programs that will reach all children and families in the City, and ensures that the Children's Fund will be allocated with the greatest impact.

DCYF agrees with all of the Report's recommendations for our department to accomplish. We will thoroughly review and attempt to fully implement the recommendations with the administrative resources we have available. We look forward to implementing our expanded evaluation responsibilities as defined in the proposed charter amendment that the Mayor and Board of Supervisors submitted to the voters for the November 2014 ballot measure to renew the Children's Fund. We also look forward to working with a more robust and structured Oversight and Advisory Committee (OAC), which will replace the current CAC.

Department of Children, Youth and Their Families

1390 Market Street Suite 900 * San Francisco, CA 94102 * 415-554-8990 * www.dcyf.org

Enclosed are DCYF's complete responses to the Budget and Legislative Analyst's recommendations directed to our department. We look forward to working with the Mayor, Board of Supervisors, and our Oversight and Advisory Committee to continue to be a strategic grant maker and convener that promotes innovation and essential policies and programs for children, youth and families in San Francisco.

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Performance Audit of the Department of Children, Youth and Their Families Implementation of the Children's Fund

Recommendation Priority Ranking

Based on the management audit findings, the Budget and Legislative Analyst has made 10 recommendations directed to the Department of Children, Youth and Their Families which are ranked based on priority for implementation. The definitions of priority are as follows:

- Priority 1: Priority 1 recommendations should be implemented immediately.
- Priority 2: Priority 2 recommendations should be completed, have achieved significant progress, or have a schedule for completion prior to June 30, 2015.
- Priority 3: Priority 3 recommendations are longer term and should be completed, have achieved significant progress, or have a schedule for completion prior to December 31, 2015.

Performance Audit of the Department of Children, Youth and Their Families Implementation of the Children’s Fund

	Recommendation	Priority	Department Response (Agree/ Disagree)	Department Implementation Status/ Comments
	The Director of the Department of Children, Youth and Their Families should:			
2.1	Develop consistent report formats, and service categories for each funding cycle’s Community Needs Assessment and Children’s Services Allocation Plan (and a service category crosswalk if service categories change between funding cycles) to allow member of the public to track information across funding cycles.	2	Agree	A first cross-walk can be created as we start our next round of planning in early 2015.
2.2	Develop minimum qualifications for proposal readers.	3	Agree	DCYF will draft these qualifications for its next RFP
2.3	Require that all readers participating in the proposal review process for the Children’s Fund RFP view the Department’s training video prior to scoring proposals and properly track participation to ensure readers are well-prepared.	3	Agree	This recommendation will be implemented in the next RFP

Performance Audit of the Department of Children, Youth and Their Families Implementation of the Children’s Fund

	Recommendation	Priority	Department Response (Agree/ Disagree)	Department Implementation Status/ Comments
	The Director of the Department of Children, Youth and Their Families should:			
3.1	Maintain a list of pre-approved individuals eligible for membership on the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014).	2	Agree	
3.2	Publish short biographies of the Committee members in a publically available forum.	2	Agree	DCYF can put short bios on www.dcyf.org .
3.3	Engage groups like the Youth Commission to develop a plan for ensuring the meaningful integration of youth into the CAC (or Oversight and Advisory Committee if approved by the voters in November 2012).	2	Agree	DCYF works closely with the Youth Commission and can engage with them on this issue.
3.4	Amend the CAC (or Oversight and Advisory Committee if approved by the voters in November 2014) Bylaws to state that a member who has a financial interest in a matter before the Committee should abstain from voting on the matter.	2	Agree	If reauthorization is approved, the Board of Supervisors will be providing detailed guidance on the Oversight and Advisory Committee in the ordinance that it is required to adopt by 7/1/15.