

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 SEP 16 PM 6:15

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: *Department of Human Services*
DATE: September 28, 2004

RE: **RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE PROFESSIONAL SERVICE CONTRACTS BETWEEN THE CITY OF OAKLAND AND OAKLAND FUND FOR CHILDREN AND YOUTH WAIT-LISTED NON-PROFIT AGENCIES TO PROVIDE DIRECT SERVICES FOR CHILDREN AND YOUTH FOR FISCAL YEAR 2004-2005 IN AN AMOUNT NOT TO EXCEED \$562,547**

SUMMARY

The Oakland Fund for Children and Youth (OFCY) Planning and Oversight Committee (POC) received a report from the City Auditor at its meeting on September 1, 2004. At the request of City Council, the POC has reviewed the report and proposes approval and authorization to execute contracts for organizations identified on the OFCY wait list, in light of the Auditor's findings and the availability of funds for the approved programs.

The POC forwarded the following key recommendations for Council consideration:

- That every effort be made to secure those funds identified in the Auditor's report as mandated revenues in the fund balance;
- that a portion of the fund balance be used to fund the OFCY FY04-05 wait-list programs to increase direct services for children and youth;
- that the remaining fund balance be made available for ongoing programming to maintain spending levels and special initiatives consistent with the future recommendations of the POC and the current strategic planning effort.

A resolution authorizing the City Administrator to negotiate and execute grant contracts for the organizations on the waiting list in an amount not to exceed \$562,547 is submitted for Council action. Council approval of the allocation of \$562,547 from the available unspent project balance (carryforward) for grants for direct services to children and youth is requested.

FISCAL IMPACT

Funds are available for the remaining programs on the OFCY wait-list totaling \$562,547. This amount is available from the unspent appropriations from prior years (project balance carryforward) in Fund 1780, Organization 90521, project P203630.

Item: _____
Life Enrichment Committee
September 28, 2004

The professional services contracts with youth service providers are subject to the City of Oakland's three percent contract compliance fee, which amounts to \$16,876. OFCY contracts have not been paying the contract compliance fee, but all such waivers of the contract compliance fee are currently under review. Not imposing the contract compliance assessment fee would increase the existing negative balance in the Contract Compliance Assessment Fund (1790).

BACKGROUND

On July 6, 2004, the City Council received the Planning and Oversight Committee's (POC) recommendations for the FY04-05 Oakland Fund for Children and Youth (OFCY) funding package. At that time, City Council approved the funding of a total of \$9.036 million for 74 programs to provide services for the children and youth of Oakland. This action resulted in grant contracts for 73 programs recommended by the POC and partial funding for one program on the OFCY wait-list. The Ala Costa Center was provided partial funding in the amount of \$66,973 for its proposal to expand services for children with disabilities to an Oakland site.

Six programs remain on the wait-list, requiring a total of \$562,547 for full funding of these requests. In light of the release of the City Auditor's report in June, "*Kids First! Oakland Children's Fund for the Period July 1, 1997 Through December 31, 2003, Matching Mandated Fiscal Year Revenues and Calendar Year Expenditures*", the Council requested that the POC consider the Auditor's report, as well as further funding of the waiting list by using a portion of the fund balance, and report back to the City Council.

KEY ISSUES AND IMPACTS

Revenues Owed to Kids First! Fund

The Auditor identified an additional \$1.86 million in revenues owed to the fund, based on the calculation of required transfers using actual rather than budgeted revenues. The Auditor's report is based on a City Attorney opinion (dated August 19, 2003) which found that actual revenues should be used for the Kids First! calculation. The Planning and Oversight Committee concurs with the Auditor's analysis and urges City Council consideration of this matter.

Auditor Review of Fund Balance

The Auditor calculated the OFCY fund balance based on mandated revenues (2.5% of GF unrestricted revenues using actual figures) through June 30, 2003 and actual expenditures through December 30, 2003. The Auditor's estimation of the Fund 1780 fund balance, when adjusted by revising the actual expenditures to June 30, 2003, is approximately \$11.47 million. This amount, less the \$1.86 million the Auditor believes is owed to the fund, approximates the fund balance per ORACLE trial balance at June 30, 2003. The fund balance is reviewed and updated annually.

Fund Balance Available for Grants

OFCY fund balance updated to 6/30/04 and inclusive of encumbrances (anticipated expenditures/commitments for 03/04 grants) is \$9.022 million. OFCY revenues are allocated by formula to grant contracts for direct services for children and youth (92%), administration (5%), and evaluation (3%) in the year received. The portion of the fund balance allocated to administration and evaluation in previous years and not available for grant contracts is \$660,236. The portion of the fund balance at 6/30/04 that has already been approved for contracts in 2004-05 is \$720,037. The total amount estimated as available for contracts from the fund balance as of June 30, 2004, in addition to the annual allocation of Kids First! revenues for grants, is \$7,642,186. This amount will be expended for grants beginning in FY05/06 and for the remaining years of the Measure K Kids First! lifespan.

KIDS FIRST! FUND 1780	
Fund Balance as of June 30, 2004	\$9,022,450
Less Allocations:	
Administration & Evaluation	(660,236)
04/05 Grant Contracts	(720,037)
Balance Available for Grants:	\$7,642,186
If Wait-List is approved	(562,547)
	<u>\$7,079,639</u>

Reauthorization Timing

Measure K provides funding for services for children and youth from a 2.5% general fund (unrestricted) set aside through June 30, 2009. The funds are to be expended for an additional six months after the revenue stream ends, through the calendar year ending December 30, 2009. The City Council may approve a 12 year extension by simple majority. If the Council does not do so by June 30, 2008, the Measure must be placed on the November 2008 ballot. If the Measure fails, there will be no additional revenues for FY09/10. The next time for an alternative measure will be March 2010. Alternatively, the Council may submit a substitute measure for the ballot in 2006.

As noted above, the current fund balance is sufficient to ensure that the final grant year is fully funded. These funds result from under-spending in the early years of OFCY and revenue growth. At this time, the POC anticipates either Council approval or passage of the next Kids First! reauthorization measure so that using the fund balance for the final year would not be necessary. The POC does not recommend a reserve for the last six months.

Use of the Fund Balance

At its meeting on September 1st, the POC considered several factors in determining guidelines for the use of the fund balance, including the schedule and likelihood of reauthorization and need for a reserve for the last six months of the measure, projected revenues and the use of the fund balance to maintain the spending level in excess of the annual budget for contracts, and the impact of funding additional programs from the FY04/05 wait-list on administrative and evaluation resources. These items were discussed by the POC Fiscal Committee, which will continue to track the Auditor's recommendations and provide fiscal oversight for OFCY.

The POC received considerable input from community organizations and children, youth and their families on the need for immediate funding of the programs on the wait list. As a result of all of these considerations, the POC is recommending that the wait-list for FY04/05 be funded.

The fund balance has been used in each of the last three years as a source of funding for grants in addition to the annual amount budgeted for contracts. The use of the fund balance in FY04/05, in the amount of \$720,037 (\$1,282,584 if the wait-list is funded) will likely result in future POC recommendations for allocations from the fund balance to maintain the spending level established in FY04/05.

Finally, the POC recommends that the fund balance be used to fund expanded or new special initiatives, identified by the POC as serving a particular need and/or capable of producing greater impact on the lives of children and youth. The strategic planning process currently underway will provide needs assessment and analysis of strategic opportunities for the last four years of the Kids First! life cycle.

POLICY/PROGRAM DESCRIPTION

Under the Measure K Charter Amendment, 92% of OFCY revenues are set aside annually for grants for nonprofit and public agencies to provide direct services to children and youth. Any unexpended funds (project carryforward) are to be used for the same purpose in the future period. Accordingly, the POC has recommended the use of a portion of the fund balance in each of the last three funding cycles to augment the annual budget for grants.

In FY04/05, the amount of \$720,037 from project carryforward contributed to the \$9,003,846 total funding available for grants, resulting in the amount of \$66,347 remaining for the first program on the wait-list. The organizations remaining on the wait-list and approved for additional funding are provided below:

Organization	Amount
Ala Costa Center	\$ 23,027
Asian Immigrant Women Advocates – Youth Build Immigrant Power	75,033
Marcus A. Foster Educational Institute - Family University	250,000
Marcus A. Foster Educational Institute – Prescott Circus Theatre	67,500
Attitudinal Healing Connection, Inc. – ArtEsteem	50,000
Family Violence Law Center- Relationship Abuse Prevention	46,987
New Hope Covenant Church- Family Development Center	50,000
Total	\$562,547

If approved, the anticipated contract starts for these grant programs is November to December. Staff will meet with the proposed grantees to reconsider the scope of work for each program, given the reduced timeframe for services.

SUSTAINABLE OPPORTUNITIES

Economic: An economic opportunity is available to youth who will participate in paid internships in the funded programs.

Environmental: There are no environmental opportunities at this time.

Social Equity: An equity opportunity is available to increase services to immigrant children and youth, children in disadvantaged areas, and youth exposed to violence.

DISABILITY AND SENIOR CITIZEN ACCESS

The funding of programs on the OFCY wait-list will result in an increase in the number of children and youth with disabilities served by OFCY in FY04/05.


RECOMMENDATION(S) AND RATIONALE

Staff recommends approval of the POC recommendation to fund the wait-list from the additional allocation of fund balance. The unspent appropriations from prior year are available for direct services for children and youth. These programs were approved by the POC through a competitive process, in accordance with the Measure K Charter Amendment and current OFCY Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Council action approving of the allocation of \$562,547 from the available unspent project balance (carryforward) for grants for direct services and authorization for the City Administrator to negotiate and execute contracts for the organizations on the OFCY FY04/05 waitlist, in an amount not to exceed \$562,547, is requested.


Respectfully submitted,



ANDREA YOUNGDAHL
Director, Department of Human Services

Prepared by:
Sandra Taylor, Manager
Children and Youth Services

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

FILED
OFFICE OF THE APPROVED AS TO FORM AND LEGALITY
CITY CLERK
OAKLAND
SEP 16 11 08 15
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE PROFESSIONAL SERVICE CONTRACTS BETWEEN THE CITY OF OAKLAND AND OAKLAND FUND FOR CHILDREN AND YOUTH WAIT-LISTED NON-PROFIT AGENCIES TO PROVIDE DIRECT SERVICES FOR CHILDREN AND YOUTH FOR FISCAL YEAR 2004-2005 IN AN AMOUNT NOT TO EXCEED \$562,547

WHEREAS, Measure K/Kids First! Initiative established the Oakland Fund for Children and Youth ("OFCY") to help young people grow to become healthy, productive, and honorable adults; and

WHEREAS, the Planning and Oversight Committee ("POC"), created by Charter Amendment in 1996, provides oversight and direction for the OFCY planning and funding review process; and

WHEREAS, the Request for Proposals from private non-profit and public entities to provide services for the period of July 1, 2004 through June 30, 2005 was released in November, 2003; and

WHEREAS, OFCY staff and trained reviewers evaluated 128 proposals for the Oakland Fund for Children and Youth in accordance with the criteria in the Request for Proposals; and

WHEREAS, in September 2001, the City Council approved the second OFCY Strategic Plan with four priority areas; and

WHEREAS, the POC has complied with the goals, objectives and service priorities in the Strategic Plan; and

WHEREAS, for fiscal year 2004-2005, the City Council has approved \$9,003,846 of OFCY revenues to be awarded to qualified organizations providing direct services to children and youth as outlined in the Strategic Plan; and

WHEREAS, the amount of \$9,003,846 has been awarded to 74 organizations recommended by the Planning and Oversight Committee and one wait-listed organization, the Ala Costa Center, to receive partial funding in the amount of \$66,973; and

WHEREAS, the POC recommended that the next most qualified respondents to the November 2003 RFP receive funding as additional funds become available; and

WHEREAS, amounts unspent or uncommitted by the fund at the end of any fiscal year are to be made available for future grants as specified in the Measure K/Kids First! Charter Amendment; and

WHEREAS, an additional amount of \$23,027 is needed to complete funding for the Ala Costa Center, the organization partially funded on the wait-list; and

WHEREAS, additional funds are available for the remaining 6 organizations on the OFCY wait-list and to complete funding for the Ala Costa Center from the unspent balance (project carryforward) in the amount of \$562,547 (Fund 1780, Org.90521, P203630); and

WHEREAS, the POC recommends funding the following 7 agencies in the order listed and for the amounts specified below:

Waiting List

	Organization/Agency Name	Project Title	Recommended Amount
1.	Ala Costa Center	Ala Costa Center Expansion	\$23,027
2.	Asian Immigrant Women Advocates	Youth Build Immigrant Power Project	\$75,033
3.	Marcus A. Foster Educational Institute	Prescott Circus Theatre	\$67,500
4.	Marcus A. Foster Educational Institute	Family University	\$250,000
5.	Attitudinal Healing Connection, Inc. (AHC)	ArtEsteem	\$50,000
6.	Family Violence Law Center	Relationship Abuse Prevention (RAP) Project	\$46,987
7.	New Hope Covenant Church	Family Development Center	\$50,000
		TOTAL	\$562,547

and

WHEREAS, the City Council finds that these agreements are for services of a professional nature; and

WHEREAS, the City Council finds that these agreements shall not result in the loss of employment or salary by any person having permanent status in the competitive services;

Now therefore, be it

RESOLVED: That the City Council approves the allocation of unspent monies from prior years in the amount of \$562,547 from the fund balance to Oakland Fund for Children and Youth Fund 1780 Org. 90521 (non-departmental funds) for grants for FY 04-05; and, be it further

RESOLVED: That the City Administrator is authorized to execute the agreements with the aforementioned 6 additional wait listed agencies using funds available in the amounts specified to provide services to children and youth in the City of Oakland in an amount not to exceed \$539,520, and to provide an additional amount not to exceed \$23,027 to Ala Costa Center, for a total not to exceed \$562,547; and is authorized to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related actions which may be necessary in accordance with the basic purpose of this resolution; and, be it further

RESOLVED: That said agreement(s) shall be approved as to form and legality by the Office of the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California