

FIELD CITY OF OAKLAND
OFFICE OF THE CITY CLERK
OAKLAND

AGENDA REPORT

2008 FEB 13 PM 12:17

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Department of Human Services
DATE: February 26, 2008

**RE: Informational Report on 10 Year Estimated Revenues and Expenditures for
Violence Prevention Programming Funded By Measure Y**

SUMMARY

The attached chart summarizes past expenditures and revenues and estimates future revenues and expenditures related to violence prevention programming funded through Measure Y and administered by the Department of Human Services.

FISCAL IMPACT

This is an informational report with no fiscal impact.

BACKGROUND

The Public Safety Committee directed staff, in their November 27, 2007 meeting, to return to committee with "clarification on how much has been expended" in Measure Y violence prevention programming. This report contains that clarification and also estimates future expenditures and revenues for prevention programming.

Passed by Oakland voters on November 2, 2004, Measure Y provides approximately \$20 million every year for ten years to fund violence prevention programs, additional police officers, and fire services. Measure Y funds are generated through a new parcel tax along with a parking surcharge in commercial lots. Per the legislation, the annual allocations of the revenue are as follows:

- \$4 million per year for Oakland Fire Department (OFD) services
- No more than 60% of the remainder for the Oakland Police Department (OPD) services
- No less than 40% of the remainder for violence prevention programs administered by the Department of Human Services (DHS)
- 1-3% of the OPD and DHS allocations set aside for internal and external evaluation

City Council approved the DHS allocation as exactly 40% of the remainder revenue, minus 3% set aside for evaluation and oversight. This is approximately \$6.4 million in Fiscal Year 2007-08. The attached chart contains information on past revenue and expenditures related to the prevention portion of the Measure Y fund and projects estimated costs and revenues for the remaining years of the fund, which expires December 31, 2014.

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City Council previously addressed the expenditure of carry forward Measure Y funds allocated to violence prevention. On May 2, 2006, City Council approved the allocation of \$4.4 million in carry forward Measure Y funding to several limited time (i.e. without sustained funding) projects: Operational Support for Youth UpRising; Capital Costs for Sexually Exploited Minors Safe House; Gap funding for the Family Violence Intervention Unit; Grantee Data Base Development, Strategic Planning and Technical Assistance; Gang and Homicide Intervention Programs (which later became Gang Intervention, Gang Parent Education, Caught in the Crossfire and the Crisis Response and Support Network); leaving a “Reserve Fund” of approximately \$800,000. During approval of the 2006-07 Mid-Cycle Budget, City Council set aside \$320,000 of the carry forward from DHS administrative costs associated with Measure Y in order to defray a funding shortfall for administrative expenditures in future years due to cost of living increases. On June 19, 2007, City Council allocated \$570,000 of the “Reserve Fund” to the Office of Parks and Recreation’s Radical Roving Program, the Restorative Justice program at Cole Middle School, and additional funding for Youth Radio. On December 4, 2007, per Mayor Dellums’ request, City Council allocated \$375,000 of Measure Y carry forward funds for a Street-Based Outreach program.

KEY ISSUES

The attached chart summarizes the projected revenues and expenditures related to Measure Y funded violence prevention programming over the life of the fund, January 1, 2005 through December 31, 2014. Over the life of the fund, administrative costs are projected to be 9.57% of the total expenditures.

Major Assumptions:

- Measure Y funded staffing levels are held constant at 4.98 FTE. While 4% Cost of Living Adjustments (COLAs) are calculated, there are no increases in the fringe rate assumed after Fiscal Year 2008-09.
- After Fiscal Year 2008-09, annual expenditures for ongoing violence prevention programming are held constant.
- Due to the current volatility of the economy and the fact that the past years have not shown substantial increases in Measure Y revenues, after Fiscal Year 2008-09, revenues are projected to remain at a constant level. **This is consistent with holding the expenditures constant as well.**

Future Issues:

- **Current Staffing Cannot be Maintained.** DHS has leveraged time-limited resources to support its administrative staffing for Measure Y. As a result, the current Measure Y-related staffing cannot be sustained. Specifically, there are no resources identified to maintain the

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following positions that will slated to terminate at the end of Fiscal Year 2008-09: (1) Violence Prevention Network Coordinator, who serves as the liaison between the police and Measure Y programs and coordinates and conducts street outreach (currently funded under a foundation grant); (2) Reentry Services Manager position who administers all prisoner reentry related Measure Y contracts and staffs the Reentry Advisory Committee (currently funded under a state grant); and (3) Master of Social Work Intern who assists with reentry and employment projects related to Measure Y (currently funded with a variety of time limited grants).

- **Current Programming Levels Cannot be Maintained.** In the current fiscal year, Measure Y funds almost \$7.5 million in violence prevention programming (not including administrative costs). However, there are only ongoing revenues for programming of about \$6.2 million. There are a number of pilot programs that City Council allocated one-time, carry forward funds to support that do not have any ongoing funding source earmarked within Measure Y. These programs – including the Mayor’s Street Outreach, Crisis Response and Support Network, Radical Roving Recreation, and Gang Intervention and Prevention services – are set to expire by June of 2009 unless Council alters the current ongoing violence prevention program strategy priorities.

SUSTAINABLE OPPORTUNITIES

No sustainable opportunities are identified in this report. However, many of the projects and programs funded by Measure Y make positive contributions to sustainable economics, environmental, and social equity opportunities.

DISABILITY AND SENIOR CITIZENS ACCESS

All programs funded by Measure Y are accessible to persons with disabilities.

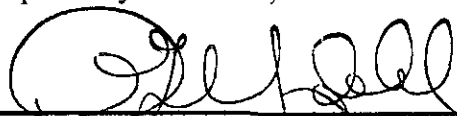
RECOMMENDATION(S) AND RATIONALE

That City Council accept this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council accept this is informational report.

Respectfully submitted,



ANDREA YOUNGDAHL

Director, Department of Human Services

Reviewed by:

Sara Bedford, Policy and Planning Manager

Prepared by:

Anne Marks, Violence Prevention Planner

Attachment: Projections of Measure Y Violence Prevention
Program Revenues and Expenditures, revised 2/6/08

**APPROVED AND FORWARDED TO THE
PUBLIC SAFETY COMMITTEE:**


OFFICE OF THE CITY ADMINISTRATOR

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Projections of Measure Y Violence Prevention Program Revenues and Expenditures, revised 2/6/08

ATTACHMENT

Actual expenses and revenues are in regular font; *Projected figures are italicized.*

SUMMARY	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	TOTAL
TOTAL Revenues	\$685,905.00	\$6,258,464.00	\$6,384,441.33	\$6,436,022.00	\$6,922,473.47	\$6,922,473.47	\$6,922,473.47	\$6,922,473.47	\$6,922,473.47	\$6,922,473.47	\$3,461,236.74	\$64,760,909.89
Administrative Expenditures	\$0.00	\$270,901.00	\$511,323.00	\$595,260.42	\$649,899.97	\$689,367.28	\$726,114.42	\$753,642.33	\$782,271.35	\$812,045.54	\$421,505.35	\$6,212,330.64
Ongoing Program Expenditures	\$0.00	\$1,823,159.50	\$5,706,592.78	\$6,046,849.00	\$6,261,212.55	\$6,261,212.55	\$6,261,212.55	\$6,261,212.55	\$6,261,212.55	\$6,261,212.55	\$3,130,606.28	\$54,274,482.86
Limited Time Program Expenditure	\$0.00	\$0.00	\$728,659.00	\$1,463,743.00	\$1,819,500.00	\$337,000.00	\$337,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$4,533,902.00
TOTAL Expenditures	\$0.00	\$2,094,060.50	\$6,946,574.78	\$8,105,852.42	\$8,530,612.52	\$7,287,579.83	\$7,324,326.97	\$7,026,854.88	\$7,055,483.90	\$7,085,258.09	\$3,564,111.62	\$65,020,715.50
Net Surplus (Deficit)	\$685,905.00	\$4,164,403.50	(\$562,133.45)	(\$1,669,830.42)	(\$1,608,139.05)	(\$365,106.36)	(\$401,853.50)	(\$104,381.41)	(\$133,010.43)	(\$162,784.62)	(\$102,874.89)	(\$259,805.61)
Running Total: End of Year Carry Forward	\$685,905.00	\$4,850,308.50	\$4,288,175.05	\$2,618,344.63	\$1,010,205.58	\$645,099.23	\$243,245.73	\$138,864.33	\$5,853.90	(\$156,930.72)	(\$259,805.61)	

Admin Cost Calculation Assumptions:

- Measure Y Funded Staffing levels of 4.98 FTE remain the same.
- All current Measure Y-related staffing, however, will NOT be sustained:
 1. Current VP Network Coordinator position,
 2. Reentry Services Manager position, and
 3. MSW Intern

are NOT funded by Measure Y, and current funding for these positions is expected to terminate in FY 08-09.

Staff expects this to substantially impact our ability to serve programs adequately, particularly in the Reentry and Street Outreach strategies.

- 4% COLA's each year, and annual step increases for those eligible.
- Fringe rate is 58.44% in FY 07-08, 60.59% in FY 08-09, and held constant at 60.59% from that point forward.

FYI: Over the lifetime of Measure Y, total administrative costs are 9.57% of expenditures.

Program Expenditure Cost Calculation Assumptions:

- Expenditures are shown according to the time period of the contract, i.e. all expenditures for a FY 06-07 contract are shown in FY 06-07, even if the final payment for that contract was made in early FY 07-08.
- A 3% increase for Cost of Living Adjustment for program expenditures is currently budgeted for FY 08-09. After FY 08-09, no annual COLAs are budgeted into the total.
- Because City Council has not indicated what they will do after the current 3 year funding cycle has ended, no assumptions are made about how future expenditures will be allocated across program strategies.

Revenue Assumptions:

- Revenues for FY0405 through FY0809 are taken from the actual budget allocations in the City system.
- Due to the up and down nature of the Measure Y revenue in the first few years, revenues for following years are held flat at the projected FY 0809 level to account for future volatility in the economy and therefore the tax collection.

Analysis of Carry Forward funds at a point in time, End of FY 0809:

- \$1,010,206 Carry Forward at the end of FY 0809
- \$722,000 Committed in future years by City Council directive for specific program support, including operational support for Youth UpRising and the Family Justice Center.
- \$79,877 Admin Carry Forward committed by City Council in FY 0607 to defray admin funding shortfall in future years

\$208,329 Remainder in Reserve and Carry Forward available to reprogramming

Sources of \$208,329 Reserve/Carry Forward Remainder available to reprogramming:

- \$144,329 Remainder of the \$244,329 withheld from FY 0607 contractors for failure to reach performance benchmarks. (\$100,000 of this money was used to pay for the \$375,000 allocated for the Mayor's Street Outreach program)
- \$64,000 Allocated into the Reserve by City Council from the Transitional Jobs program strategy in FY 0708 and FY 0809