

January 24, 2020

## MEMORANDUM

**To:** Councilmember Lisa Herbold  
**From:** Amy Gore, Council Central Staff  
**Subject:** 2020 Council Budget Adds to the Human Services Department

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At your request, Council Central Staff met with the Human Services Department (HSD) to discuss the status of executing contracts with providers to fund the Council's priorities in the 2020 HSD budget.

For each Council Budget Action (CBA)<sup>1</sup> included in the budget adopted by the City Council, HSD first determines an appropriate approach to contracting; deciding if the contract will be an extension of an existing contract; a new sole source or direct contract, or if the new contract will be competed through an Request For Qualifications (RFQ) or Request For Proposals (RFP) process. HSD staff indicated that they complete as many of their contracts as possible through an RFQ or RFP process. HSD uses sole source contracts when (a) the pass-through funding is a small, (b) only one organization is known to provide that service, or (c) the contract is for a pilot program. For some budget appropriations, HSD also works with organizations, stakeholders and the Mayor's office to refine parameters before contracting.

In general, the increased appropriations for contracts HSD administers included in the Council's 2020 Adopted Budget can be characterized as follows:

1. Addition to an existing contract – HSD's goal is to have these completed by January 31, 2020.
2. New direct/sole source contract – HSD's goal is to have these completed by February 29, 2020.
3. New direct/sole source contract with capital costs – Contracts with capital costs have additional considerations and require more legal review. HSD indicated they will take longer than the sole source contracts but did not have an expected timeline for these contracts.
4. Ongoing discussion – HSD continues to deliberate about these adds to determining the appropriate contract approach or the scope of work that will be funded. This work includes outreach to relevant organizations and input from the Mayor's office. HSD did not have an expected timeline for these contracts.

Attachment 1 shows the status of ten CBAs in HSD, excluding appropriations related to homelessness.

### Attachments:

1. Council Budget Actions in the Human Services Department's 2020 Budget

cc: Kirstan Arestad, Central Staff Director  
Aly Pennucci, Supervising Analyst

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<sup>1</sup> Council Budget Actions describe changes the Council makes to the Mayor's Proposed Budget.

**Attachment 1: Council Budget Actions in the Human Services Department’s 2020 Budget**

CBA	Amount to HSD	Title / Brief Description	New or Existing Contract	Expected Timing in 2020
<a href="#">CJ-61-B-1</a>	\$124,000	Add \$124,000 one-time GF for sex industry workers diversion program and impose a proviso.	Existing	31-Jan
<a href="#">CJ-62-C-1</a>	\$300,000	Add \$300,000 one-time GF for youth diversion, community building and education programs.	New	Ongoing Discussion - <i>HSD is meeting with the organizations to get a better understanding of programming to determine best contracting options.</i>
<a href="#">CJ-962-C-1</a>	\$222,600	Add \$222,600 ongoing GF for HSD youth diversion and education programs; cut \$222,600 from SPD’s budget for overtime.	New	See above
<a href="#">HSD-4-B-1</a>	\$60,000	Add \$60,000 GF (one-time) for state-wide human services lobbying and advocacy.	Existing	31-Jan
<a href="#">HSD-10-B-1</a>	\$10,000	Add \$10,000 GF (ongoing) to support transportation and activities for low-income seniors.	Existing	31-Jan
<a href="#">HSD-50-B-2</a>	\$1,800,000	Add \$1,800,000 GF in one-time funds to HSD to construct a health clinic.	New – Direct	Ongoing Discussion - Capital \$ Contract. <i>This is a direct contract but has additional contracting elements because it is for capital costs rather than provision of services. Therefore, it will be on a longer timeframe than other direct contracts.</i>
<a href="#">HSD-51-A-2</a>	\$55,000	Add \$55,000 GF in one-time funds to HSD for educational programs targeted to the African American diaspora on HIV/AIDS and chronic disease.	Existing	31-Jan

**Attachment 1: Council Budget Actions in the Human Services Department’s 2020 Budget**

CBA	Amount to HSD	Title / Brief Description	New or Existing Contract	Expected Timing in 2020
<a href="#">HSD-54-B-2</a>	\$140,000	Add \$140,000 GF one-time funding to HSD for a harm-reduction outreach program for street-based sex workers and drug users.	New – Direct	29-Feb
<a href="#">HSD-99-C-3</a>	\$3,500,000	Rescind CBA HSD-99-C-2 and replace with CBA HSD-99-C-3: Add \$3.5 million GF in 2020 (ongoing) to HSD to contract with a law enforcement assisted diversion program, add 1.0 unfunded Assistant City Prosecutor and impose three provisos.	Existing	Ongoing Discussion
<a href="#">OSE-2-D-1</a>	\$735,000	Add \$540,000 Sweetened Beverage Tax (SBT) to OSE, add \$735,000 SBT to HSD, add \$300,000 SBT to SPR, add \$475,000 SBT to DEEL, cut \$2,275,000 SBT from DON, and impose a proviso. <i>[Adds \$735,000 SBT to HSD to provide micro-grants to food banks, meal program sites, and home childcare programs for kitchen equipment and supplies, such as refrigerators, commercial grade ovens and other appliances, to help them provide fresh food options]</i>	Existing	Ongoing Discussion
<b>TOTAL</b>	<b>\$6,946,600</b>			