

## SAN FRANCISCO FY2020-21 BUDGET PRIORITIES

### San Francisco Human Services Network

July 7, 2020

The San Francisco Human Services Network (HSN) is an association of about 80 health and human service nonprofits that provide a comprehensive array of services to vulnerable City residents. HSN presents our budget priorities as the City faces a watershed moment created by the confluence of three crises: the ongoing public health emergency caused by the coronavirus; the national uprising over the disproportionate impacts of systemic racial and economic inequities on communities of color; and the pandemic's consequences on our economy and on people in poverty, with a potential \$1.7 billion two-year budget deficit and calls for major budget cuts.

Our nonprofits partner with the public sector to play a crucial role as the primary mechanism for delivering community-based front-line services. As the threat of COVID-19 has spread through our community, with particular impact on the unsheltered, congregate spaces, people of color, seniors and people with existing medical conditions, San Francisco has relied on our nonprofits to expand their capacity and implement new programs. The City benefits from nonprofits' community connections, cultural competence and flexibility, as well as their ability to perform their missions at lower cost than the City while also leveraging funds from other sources. Our sector is also a significant employer, providing middle class jobs to as many as 25,000 workers, many of them designated as essential workers during the City's shelter-in-place phase.

We call on the City to develop a prioritization approach that will address our short-term budget crisis, and conduct an inclusive planning process that will ensure the longterm capacity, sustainability and effectiveness of safety-net services to care for all San Franciscans, during and after the pandemic. We also stand with the Black Lives Matter movement's call to defund the police and reinvest resources into community-based responses to homelessness, mental health, poverty and restorative justice.

#### **Guiding principles**

Three principles guide HSN's budget priorities: equity, safety and prioritization.

Equity: Our community's pre-pandemic problems are still there, and those suffering the most under COVID-19 are the same people that were already suffering. While our resources have declined, we will see a groundswell of need exacerbated by our public health and fiscal crises. Our overarching budget priority is that the City protect safety net services that meet the critical needs of our most vulnerable. The City must prioritize and seek new assets to invest in economic justice for Black and Latinx, poor, underserved and at risk communities. We must also address inequity through full and equitable funding of contracts to ensure enough resources for all services that are essential to those communities, and through fair and adequate compensation of nonprofit workers, whose ethnic diversity often closely resembles that of our clients.

Safety: As partners with the City, our nonprofit essential workers risk their own health every day to serve their clients, often without access to adequate personal protective equipment. Their work brings them in contact with high-risk clients on the streets and in congregate spaces and SROs, which are not receiving regular testing for exposure to the virus. We must do more to protect both nonprofit staff and

the people they serve, and to maintain crucial prevention programs such as those that keep newly unemployed workers from losing their homes.

Prioritization: While the Mayor has asked all City departments to propose a 15-20% budget cut over two years, we need to prioritize the essential services provided and funded by departments that ensure the health and welfare of our residents. An across-the-board approach endangers those services that the City deems essential, which we must protect in the budget process. Other important nonprofit services may be less essential or impossible to deliver right now, but will be key elements of our economic recovery. As the City considers budget cuts, it's crucial that we focus on the sustainability of nonprofit organizations' infrastructure so that they will retain the ability to restore those programs when we need them.

### **Budget Priorities**

- 1) Protect the safety net for our most vulnerable City residents, expand our capacity to address the growing need created by the coronavirus pandemic, and prepare for ongoing outbreaks as the City eases its shelter-in-place policies. Don't cut essential priorities such as housing and homelessness, food security, physical and behavioral health, violence prevention and workforce development.
- 2) Provide nonprofits with access to testing and with COVID-19 related funding and other assistance to meet new requirements that will ensure the safety of our essential nonprofit workers and the people they serve.
- 3) Invest in the infrastructure and capacity of the nonprofit sector to ensure longterm sustainability and stability. The pandemic will magnify the fiscal challenges that already exist, such as the ability to pay for livable and equitable wages for all workers, health insurance and high real estate costs. Fully fund essential services, maintain appropriate cost-of-doing-business increases in the City budget, and fund incentive pay to attract the necessary workforce to maintain vital services.
- 4) Reduce funding to the San Francisco Police Department and redirect those funds to address systemic racism and to provide service and community development support for the Black community.
- 5) Develop workforce development and employment programs for laid off nonprofit staff, the people we serve, and those we will be serving soon. Redeploy "nonessential" workers to other critical positions. Recognize our sectors' economic role as a significant employer by including nonprofit jobs in training and placement programs.
- 6) When reducing services, maintain organizational infrastructure. Protect sites that the City would lose permanently due to closure, and consider which programs have the greatest ability to sustain a suspension and ramp back up as the economy recovers.
- 7) Use practical strategies to save money and preserve revenue. Maintain prevention programs that reduce the need for higher-end services, such as keeping people housed. Minimize cuts to services that leverage City dollars to bring in additional funds from the federal and state government and private donors.
- 8) Focus on revenue generation, with an emphasis on those who have benefited the most from our City's years of wealth.