

February 22, 2018

Dear San Francisco Human Services Network (HSN) members and friends,

One year ago, the HSN Steering Committee announced an ambitious two-year agenda for 2017-2018, focused on three strategic priorities: **sustainability, accountability and mobilization**. We further defined these priorities by establishing a set of [principles to guide our work](#):

Sustainability: Ensure that nonprofits serving our community are healthy organizations with the resources necessary to provide effective, high-quality services on which disadvantaged San Franciscans can depend. Key principles include contracts that reflect the true cost of providing services, multi-year contracts with cost escalators, sufficient funding to provide fair wages and fund government wage and benefit mandates, and City policies that address the need for affordable housing and affordable nonprofit office space.

Accountability: Publicly funded nonprofits are responsible for providing efficient and effective services at the contracted level of outcomes, and for providing government with information and access to monitor their performance. The City is responsible for supporting nonprofits' ability to provide services by ensuring that contracting and monitoring policies, procedures and measures are meaningful, consistent, efficient and sensible. We seek an appropriate balance that ensures the best use of city funds without excessive rules that have minimal public benefit. The City should treat nonprofits as full partners in the provision of crucial services to residents.

Mobilization: Identify strategies to create a culture of advocacy in our sector, marshaling San Francisco's nonprofit health and human service organizations' collective resources, influence and electorate, and focusing our sector's untapped potential in the political arena around common goals to address the health and well-being of our organizations and the people we serve. Nonprofit not only can engage in lobbying and advocacy – they have a civic responsibility to do so. HSN is committed to overcoming the barriers that deter nonprofit advocacy at all levels of the organization – leadership, workers, Boards and volunteers, and even clients.

Many of these priorities have been recurring themes **since our founding leaders first came together 20 years ago, in December 1997**. Since then, we have moved forward as a united nonprofit voice to affect City funding, contracting and monitoring, nonprofit displacement, healthcare and homeless policies, ballot measures, and legislative initiatives. More importantly, we have built strong relationships with all levels of City government to ensure that they hear our views, and relationships with our members, other coalitions and allies citywide to build support for issues important to our sector and the people we serve.

2018 Membership Dues

This year brings many opportunities to advance our goals further, and the HSN Steering Committee has made an important decision to maximize our effectiveness: **HSN must expand our staffing so we can fully participate in ongoing legislative, administrative and electoral advocacy in furtherance of our strategic goals – including proactively as well as reactively.**

For several years, HSN members have expressed support for the idea to hire an **HSN Community Organizer**. This position would be responsible for mobilizing our sector around our common goals by increasing our capacity for advocacy, marshalling our collective resources, and implementing campaigns to achieve social justice victories for disadvantaged populations.

This new full-time position will require an additional \$80,000 for wages, benefits, operating and program costs. Some of our Steering Committee members have committed to a one-time special assessment to enable this hire. **We also need to enact a dues increase, our first in three years.** We sought to accomplish the increase fairly, at all organizational budget levels, including a new dues category for organizations with budgets exceeding \$20 million.

We hope you will be able to pay the suggested dues level, but we do not want to lose you as a member. Please let us know if the increase is a significant problem for you, so we can discuss either an adjustment or installment payments. We want to move forward quickly, so the sooner you are able to pay your dues, the better. We particularly want to have somebody in place in time for HSN to play a major role influencing measures on the November 2018 ballot.

This staffing increase also will allow us to improve our services and information delivery to our members, and to increase our outreach to foundations and new members. We anticipate that the position will become self-supporting, which will mitigate future dues increases.

We thank all of our members for your support, and ask you to join us in our work this year by paying your annual membership dues today! Please use the dues form on our website at http://www.sfhsn.org/documents/hsn_inv_memb_form_02-22-18.pdf

2017 in Review

HSN continued our history of success in numerous policy arenas last year, including:

Increasing funding for health and human services: The Mayor's Office completed the first phase of its **Working Group on Nonprofit Sustainability and Accountability**, with an initial focus on cost-of-doing-business increases (CODB) in nonprofit contracts. The Mayor's Budget Office and Controller continue to carry out projects identified by the group's participants. While these projects – including decisions about a permanent CODB mechanism, a uniform indirect rate proposal, and several contract and RFP related issues – have been ongoing, Mayor Edwin Lee continued to stabilize the sector through **annual 2.5% CODB increases** in each budget year.

Our successes have also included the City's commitment to setting up funding pools to help nonprofit contractors with increases in San Francisco's minimum wage and new Paid Parental Leave mandate. We also support health and human services funding through participation in the Budget Justice Coalition, which advocates for an inclusive list of our community's City budget requests, and co-sponsorship of a City budget forum with the Mayor and Controller. We also meet with Supervisors and the Mayor's Budget Director regularly to keep them informed of our sector's challenges and needs.

Bringing the nonprofit perspective to policy decisions: HSN had another busy legislative and policy year. HSN's advocacy activities included:

- Supported extension of City funding to address **nonprofit displacement**, with \$6 million available over two years for short-term needs, longterm space acquisition and technical assistance, and joined a Northern California Grantmakers Working Group on the issue;
- Stopped legislation that would have increased the nonprofit **Minimum Compensation Ordinance** wage rate to \$15.86 per hour in July 2017 and \$16.86 in July 2018, while removing provisions that guarantee the City would fund the costs.
- Played a leadership role in developing Budget Justice Coalition recommendations to **reform the Board of Supervisors budget and addback process, and to oppose proposed set-aside reform that could reduce funding for important community needs**;
- Engaged in advocacy before the Ethics Commission, building a coalition that has **mitigated legislation that proposed several troubling policies with detrimental impacts on nonprofit fundraising and on the ability of nonprofit representatives to serve on City boards and Commissions**.
- Held our second **San Francisco labor law workshop with the Office of Labor Standards Enforcement** to provide an overview for 200 nonprofit human resource professionals;
- Secured amendments to new **Transit Demand Management legislation, including fee exemptions for nonprofits, and exemptions for service-related vehicles**;
- Helped bring together a large number of nonprofit coalitions to **sign on to an amicus brief opposing the federal threat to defund sanctuary jurisdictions**; and
- Weighed in on many other issues, including nonprofit siting and permitting issues through a Planning Department focus group, opposition to AB1250 – state legislation that would limit local governments' ability to contract with nonprofits, and participation in a Transit Justice Coalition and on the Mayor's Transportation Task Force.

Serving as an information resource: HSN continues to send out email updates to our members, and maintain a comprehensive website with information for nonprofits. We also engage in regular dialogue with policymakers to educate and inform them about nonprofit issues, including Supervisors, the Mayor's Budget Director, the Controller's Office and others.

We share these successes with our members, and thank all of you who have supported and participated in HSN. We ask you to [renew your membership today](#) and continue working with us in the coming year. We especially encourage your participation, and invite any member to get more involved and attend our Steering Committee meetings on the second Wednesday of each month, 10:00 to 11:30 am at the Progress Foundation, 368 Fell St.

Looking Ahead to 2018

HSN provides a unique perspective on policy issues that affect community-based services for vulnerable populations. This year will bring many opportunities to move our priorities forward:

- Educating a new Mayor and Supervisors: As a City, we mourn the loss of our Mayor Edwin Lee. He demonstrated exceptional support for our sector and the issues that

affect us. It's crucial that we renew our efforts to continue what Mayor Lee began through his **Nonprofit Working Group**. In conjunction with the Mayor's Budget Office and Controller, we have the opportunity to continue the dialogue to address a broad range of issues that affect the sustainability and effectiveness of our sector, from funding and contracting to wages and displacement. It's especially important that the new Mayor **maintain a commitment to annual cost-of-doing-business increases**.

- Budget advocacy and preventing cuts to services: HSN will continue to **advocate for community-based services as a member of the Budget Justice Coalition, support renewed funding for nonprofit displacement programs, and urge the City to backfill federal cuts** to services for vulnerable populations.
- Legislation and policy: We will continue to bring a nonprofit voice to the table when policymakers make decisions affecting our agencies and the people we serve. It is vital that we continue to build relationships with city leaders to make sure they understand the value and challenges of our sector, and support our work. We constantly keep an eye on City policy proposals, and weigh in on issues that create opportunities for or pose threats to service delivery. Currently, we are still facing **proposals to increase the Minimum Compensation Ordinance without adequate nonprofit funding, pass flawed ethics policies, and reduce set-aside funding for vulnerable populations and housing**.
- Mobilizing the nonprofit sector: **With two major local elections in 2018**, now is the time to ensure that our sector has the skills and resources to participate effectively in the public policy arena. Our goal is to **strengthen HSN's ability to influence policy decisions by fostering a culture of advocacy in our sector. By hiring a Community Organizer, we will build our capacity to focus our sector's untapped potential around policy goals**.

Please pay your 2018 HSN membership dues today!

HSN's work and success **depend on your active participation and financial commitment as members**. We ask that you pay your dues as soon as possible and that you pay at the highest level possible for your organization. **Please complete the dues form, which serves as an invoice, and return it to HSN. You must make your check out to our fiscal sponsor: Community Initiatives / S.F. Human Services Network.**

http://www.sfhsn.org/documents/hsn_inv_memb_form_02-22-18.pdf

Your active participation is also important. We are a member-driven organization, and welcome your involvement, ideas and input, as well as your active response to our calls for comment on policies and participation at public hearings and other advocacy opportunities.

We thank you for your support, and look forward to working with you this year!

Sincerely,

Sherilyn Adams
HSN Co-Chair

Steve Fields
HSN Co-Chair

Debbi Lerman
HSN Administrator