

SAN FRANCISCO HUMAN SERVICES NETWORK UPDATE: 5/11/09

- (1) HSN CALENDAR AND OTHER BUDGET ADVOCACY ITEMS
- (2) CONTROLLER'S OFFICE NINE-MONTH STATUS REPORT
- (3) MAYOR'S OFFICE
- (4) BOARD OF SUPERVISORS
- (5) DEPARTMENT OF PUBLIC HEALTH
- (6) ELECTION MAY 19
- (7) OTHER INFORMATION AND ANNOUNCEMENTS

(1) HSN CALENDAR AND OTHER BUDGET ADVOCACY ITEMS

Silver Tsunami: *Tues., May 12, 10:30 am to 12:30 pm, City Hall*

Over 500 senior and people with disabilities will "flood" the City Hall steps and plaza for a rally to protest proposed budget cuts to senior and disability programs and public health. The rally is sponsored by the Coalition of Agencies Serving the Elderly (CASE), Senior Action Network (SAN) and Planning for Elders in the Central City (PECC). The program includes music, marching, a picket line, speakers, lunch for elders, and delivery of a meal and messages to Supervisors and the Mayor.

HSN Steering Committee meeting: *Wed., May 13, 10 am to 12 noon, Progress Foundation, 368 Fell St.*

HSN Steering Committee meetings are open to any current member. An RSVP is required to debbilerman@sfnhsn.org.

Tenderloin Community Budget Town Hall: *Thurs., May 14, 4 pm, Hyde St. Community Clinic, 134 Golden Gate Ave.*

Sponsored by Gray Panthers, Coalition on Homelessness, SEIU 1021, La Voz Latina, St. Anthony Foundation, St. James Infirmary, and Hyde Street Community Clinic. Residents, service providers, and youth are invited to attend. Spanish translation will be provided. For more info, email alysabeth@thclinic.org.

HSN General Member meeting: *Fri., May 15, 9:30 to 11:30 am, LightHouse for the Blind and Visually Impaired, 214 Van Ness*

This is the busiest budget year yet, with policy and budget reforms and discussions happening on many levels. (See the HSN [Budget Central](#) web page for information and links.) This meeting will be an opportunity to discuss the latest updates and prepare for what's coming next. The featured topic is the Community Programs Stakeholder Engagement Process, a workgroup of CBOs and Department of Public Health representatives that has been meeting for the past six months. They are about to release policy recommendations in six areas: Integrating Primary Care and Behavioral Health, Coordinating Care, Managing Beds, Increasing Health Equity, Supporting Children, Youth, and Families, and Community Based Organizations.

Budget Justice Coalition press conference and rally: The Budget Justice Coalition has formed to coordinate joint advocacy events during this year's budget process. It includes HSN, Coleman Advocates, Senior Action Network, Council of Community Housing Organizations,

the Coalition on Homelessness, several contractor associations, and other advocacy networks. Participating coalitions are organizing weekly press events and releases focusing on proposed budget cuts to different service areas, and planning two upcoming events.

On *Wed., May 27*, there will be a press conference at 10 am at the Employment Development Department on 801 Turk St. The theme will be the need for services in a time of recession. It will feature CBOs discussing cuts and families losing services.

The major event is a rally against cuts to health and human services. **We are asking all of you to turn people out for this event!** We will begin at *Hallidie Plaza (the Powell St. cable car turnaround)* at 3 pm on *Wed., June 10*, and march through UN Plaza and around City Hall. Please help distribute the [rally flier](#) to your staff, clients (where appropriate), and others.

(2) CONTROLLER'S OFFICE NINE-MONTH STATUS REPORT

The Controller's Office released its [FY 2008-09 nine-month status report](#) on May 5, part of a series of annual reports that inform the budget process. The report provides expenditure and revenue information and projections as of March 31. The results are not encouraging and show a weakness in the City's revenue collections.

The major conclusions are as follows:

- * The economic downturn has caused current year revenues to weaken further. The projected revenue shortfall is \$10.8 million worse than the projection in the six-month report, leading to a \$137.7 million revenue shortfall. Property tax revenue is \$4 million below budget, property transfer taxes are 47% below the prior year, and sales tax is \$44 million under budget. Payroll tax has grown, but is likely to suffer from recent job losses, and a hotel tax shortfall is expected.
- * The good news is that the projected shortfall is offset by \$35.8 million in FY 2008-09 federal stimulus funds (mostly FMAP funds for health and human services) and \$5.6 million in further expenditure savings since the six-month report in February. Budget cuts in the current year also have reduced the current-year shortfall, with a net of \$100 million in current-year expenditure reductions.
- * The City will not need to withdraw a planned \$6.3 million from the Rainy Day fund in the current year, which increases the amount of funds available to balance the FY 2009-10 budget. The projected total fund at year-end is \$98.3 million.
- * The projected General Fund year-end balance remains at \$20.1 million.
- * Major uncertainty remains due to tax revenue fluctuations,

The next update will be contained in the Controller's Discussion of the Mayor's Fiscal Year 2009-10 Proposed Budget (also known as the "Revenue Letter") in mid-June.

(3) MAYOR'S OFFICE

(A) DEFICIT PROJECTION

Mayor's Budget Director Nani Coloretti has been presenting weekly budget updates to the Board of Supervisors Budget Committee. As of May 6, after taking account of revenue changes and mid-year cuts, the projected deficit for FY 2009-10 is \$438.1 million. Here's the latest status of the "balancing act":

\$144.3 million	12.5% reduction in departments' general fund
\$13.5 million	No CPI growth to contracts, materials and supplies
\$49 million	Use half the Rainy Day fund
\$15 million	Pull the Prop H trigger, deferring 25% of payments to schools
\$8 million	Renegotiated convention facilities contract
\$90 million	Labor contributions (still in negotiations)
(\$5 million)	Additional shortfall due to MTA Board actions

Remaining deficit needing budget solutions: \$123.3 million

Ms. Coloretti also reviewed three additional areas that could have serious impacts on the deficit:

- * Additional \$30 million shortfall if the Board of Supervisors rejects the MUNI budget
- * Potential impact as high as \$80-\$100 if voters reject the May 19 state ballot measures
- * Possible \$20-40 million annualized effect of projections in the Controller's 9-month report

Regarding the state ballot, she said the failure of the measures would help San Francisco by preserving First Five and Prop 63 mental health funding, but hurt projections if the proposal to borrow \$5 billion from future lottery sales fails. But the great unknown is the state's response if the measures do not pass, and the Governor has threatened to declare an emergency and suspend payment of property tax funds to counties. The state could also defer payments, and reduce or eliminate other categories of payments to counties.

(B) MAYOR REQUESTS DEEPER HEALTH AND HUMAN SERVICE CUTS

These projections do not reflect the additional 12.5% in contingency reductions that the Mayor's budget instructions requested from departments. In some cases, the Mayor's budget is likely to include the full 25%. In addition, we've heard that the Mayor has now asked some departments for additional "budget ideas". So far, we're aware that he asked the Human Services Agency for another \$15 million -- which they sent him without a public hearing, and the Department of Public Health for another \$40 million -- which they will bring to the Health Commission on May 19. I hope to have more information on this soon.

(C) MAYOR RELEASES PROPOSED ENTERPRISE DEPARTMENT BUDGETS

The Mayor has released the first part of his FY 2009-10 budget. The City Charter requires the submission of [Enterprise Department budgets](#) to the Board by May 1. The Board will begin its hearings May 20. The budget covers 10 departments: Airport, Board of Appeals, Child Support Services, First Five Commission, Law Library, Municipal Transportation Agency, Port, Public Utilities Commission, Rent Arbitration Board and Retirement System.

The most controversial is the MTA budget. Seven members of the Board have signed on to reject the budget because of work-orders to other departments, especially the 311 call

center and the Police Department, while at the same time raising MUNI fares and cutting services. However, rejection of the budget would require the use of general fund dollars for those expenses, leading to other cuts.

(D) CBO TASK FORCE REPORT

Early in the budget process, the Mayor established six work groups to develop policy recommendations for the budget and reform. One closely watched by HSN is the CBO Task Force, led by Sandra Hernandez of the San Francisco Foundation and by City Attorney Dennis Herrera. Their final report, [Partnering with Nonprofits in Tough Times](#), is available on the Mayor's website. Several HSN leaders provided input to the Task Force, and the report reflects many recommendations that HSN has advocated for a long time.

The Task Force made recommendations in six areas: consolidating nonprofit administration, supporting nonprofit mergers and closures, maximizing revenue, improving management and oversight, promoting nonprofit sustainability measures, and initiating a strategic planning process.

(4) BOARD OF SUPERVISORS

(A) BUDGET COMMITTEE

Items of interest this week:

Wed., May 13, 11 am, City Hall Board Chamber, Rm. 250

The [agenda](#) includes an update on the city's plans to use federal stimulus funds

Wed., May 13, 1:30 pm, City Hall Board Chamber, Rm. 250

The [agenda](#) includes budget updates; a motion to reject the MUNI budget; and accept and expend resolutions for CDBG block grants, the Emergency Shelter Grants program, and the HOME Investment Partnership program.

The Committee will also hold a hearing on a new joint report by the County Welfare Directors Association and California State Association of Counties entitled, "[Human Services in a Time of Economic Crisis - An Examination of California's Safety-Net Programs and Related Economic Benefits for Communities](#)." The report explores the impacts on human service providers caught by rapidly escalating demand, profound state cuts, and deteriorating county resources. The paper reviews data and literature on human assistance programs, analyzing the level of demand, status of funding (nearly \$2 billion annually in lost state funding!), counties' capacity to deliver services, the impact on individuals needing services, and how human service programs stimulate the economy as well as the costs of reducing and delaying services.

(B) BOARD BUDGET PRIORITIES

The Budget Committee has developed a policy document listing their [budget priorities](#), which will go to the Mayor before he finalizes his budget. The full Board will vote on the document on May 12. The document emphasizes safety net services and housing. The fire-fighters have mobilized against a controversial recommendation to increase regular work

time for firefighters or schedule rolling brownouts at fire stations.

(C) BUDGET REFORM

The Board and Mayor's Office are engaging in discussions to develop budget reform measures for the November ballot, including a two-year budget process, 5-year financial planning and other reforms. (Revenue measures are also part of the conversation.) The Board's deadline to introduce ballot measures is May 19. The Community Budget Reform Council (CBRC) -- a coalition that includes HSN, Coleman Advocates, the Council of Community Housing Organizations, Coalition on Homelessness and others -- recently met with Board President David Chiu to present our proposed reform measures. A draft of the [CBRC recommendations](#) is now posted on Budget Central. Our priorities include a mechanism for the Board to weigh in on any mid-year reductions, increasing the budget and policy analysis capacity of the Board, increasing the amount of time for the Board to review the Mayor's proposed budget, developing a five-year anti-poverty plan, and increasing the accessibility of budget information.

(5) DEPARTMENT OF PUBLIC HEALTH

On May 5, DPH once again put off the Health Commission's review of the proposed FY 2009-10 budget. They had previously approved revenues and budget cuts that address \$60 million of their \$100 million general fund target, much of it through the use of increased Federal Matching Assistance Percentage (FMAP) funds. With the Mayor's budget due at the Board by June 1, the Commission has one final opportunity to weigh in at 4 pm on *Tuesday, May 19, 101 Grove St., 3rd Floor*.

The reason for the delay is related to city labor negotiations, which have yet to produce the Mayor's request for \$90 million in concessions. If those talks succeed, the Mayor may not request additional cuts from DPH (although the state budget may also factor in to that decision.) DPH believes that they can reach the remainder of the \$100 million target primarily through increased revenues. However, with the Mayor's recent request for an additional \$40 million in "budget ideas", the Health Commission expects to receive a list of very serious cuts by their May 19 meeting.

(6) ELECTION MAY 19

For those who would like more information on the May 19 state ballot measures, here are some helpful links:

[California Voter Information Guide](#)

[California Budget Project analyses of May 19 measures](#)

[California Association of Nonprofits analysis](#): What the measures mean for California nonprofits

[League of Women Voters analysis](#)

(7) OTHER INFORMATION AND ANNOUNCEMENTS

Pitching to Funders: Understand Your Audience and Plan Your Pitch: This free workshop is presented by [Missionwise](#), a nonprofit that helps health and human service organizations in many areas including marketing and planning, and the [San Francisco Foundation Center](#). The event takes place on Thursday, May 28 from 3 to 5 pm at the Foundation Center, 312 Sutter St., Rm. 606. Space is limited, and registration is required.

Understanding your audience and making an appropriate "pitch" has never been more important than it is in this era of increasing competition for funding. This session will provide you with insights on the way that foundations work, and will explore the current foundation and grantseeking environment. It will also help you plan a winning pitch that is based on the individual foundation audiences you are approaching. The presenters are Larry Clark, President and CEO of the Comprehensive Health Education Foundation, and Ned Schaub, Consultant and Partnership Development Director of Missionwise.

See the Foundation Center website for more [information and registration](#).

Nonprofit Finance Fund: NFF has expanded its offerings for nonprofits and foundations to help support strategic decision-making and financial management during the economic recession. Their "[Tough Times](#)" services and tools include lending services such as loan refinancing, financial workshops, scenario planning, merger analysis and more.