

San Francisco Human Services Network Update: 3/31/08

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(1) HSN CALENDAR

The [HSN calendar](#) has been updated with April meetings. They include Health Commission hearings on the Department of Public Health (DPH) budget, our member meeting on April 18 with Mayor's Budget Director Nani Coloretti, the Public Policy Committee on April 30 and other HSN committee meetings.

(2) CITY BUDGET NEWS: JOINT REPORT, DPH

(A) CITY BUDGET STATUS: THE JOINT REPORT

On March 21, the City released the annual "joint report", a [3-year general fund budget projection](#) prepared by the Controller's Office, the Mayor's Budget Office and the Board's Budget Analyst. The report projects revenues and expenditures for FY 2008-09 through FY 2010-11.

The report paints a deteriorating picture for the coming fiscal year. The projected deficit, which was \$229 million when the Mayor issued his budget instructions in November, has risen to \$338.4 million. While revenues continue to increase, key factors in the size of the deficit are salary increases required under labor agreements, state funding cuts, voter initiatives (such as the use of \$26 million for MUNI) and a lawsuit that requires additional spending to house inmates at the county jail. The report estimates that only a \$7.6 million fund balance will be available at the end of this fiscal year. Projected deficits for the following years are \$45.9 million (FY 09-10) and \$40.7 million (FY 10-11).

The projections are based on many assumptions, and would change in response to any mid-year cuts or current-year supplementals, labor agreements for future years, a June ballot measure that will affect retiree health and pension benefits, and any decisions to delay rebuild plans for S.F. General or furniture for Laguna Honda.

One of the largest factors impacting the coming year is the state budget. The Governor's proposed budget would decrease funding to San Francisco by \$41.1 million. In addition, the proposed federal budget includes a number of cuts which have not been included in this report.

The City is already taking steps to decrease the deficit. Several mid-year cuts have been approved, including the closure of Buster's Place today. The City is also scrutinizing departments' excessive use of overtime.

On March 18, the Mayor issued an additional budget instruction asking departments to make deeper cuts. The first round of instructions asked for 8% cuts and 5% contingency cuts. He is now asking each department for an additional 8% salary reduction. This cut may be partially filled by deleting vacant positions. As a result, this will reduce the potential for the Board of Supervisors to save services through the June addback process.

(B) DEPARTMENT BUDGET CUTS; DPH

We are gathering information on budget cuts to health and human services throughout the city, and anticipate that Commissions will hold further hearings on any new cuts. But the most severe impact continues to be in the Health Department.

DPH budget status: The Commission continues to hold a series of hearings as it carefully considers a long list of devastating budget cuts. At its last hearing, the Commission approved [\\$17.3 million in cuts](#), but left open the 15% general fund cut to community-based services, the \$4.2 million HIV Health Services cut, and the replacement of residential and outpatient substance abuse slots with use of buprenorphine. The [next meeting](#), on Tuesday, April 1 at 3pm at 101 Grove St., 3rd Floor, will focus on the [sixth DPH budget memo](#).

DPH's initial general fund target was \$28 million, but the department also faced about \$27 million worth of increased expenses that had to be offset. They have increased revenues by \$18.2 million and approved \$22.7 million in cuts so far. The pending cuts to community-based, HIV and substance abuse services total \$14.7 million. If these cuts are approved, DPH will have exceeded its initial target by \$174,000.

First round cuts still pending: DPH has made significant changes to the pending cuts that will affect our sector. Tuesday's hearing is likely to be the final opportunity for our members to offer public comment about these cuts.

* *The \$1.3 million buprenorphine cut has been eliminated.* Substance abuse service providers felt that they were double-penalized because they were subject to both this cut and the 15% cut.

* The 15% general fund cut has been increased to offset the \$1.3 million hole. *DPH will now reduce contracts by an overall total of \$10.5 million, or 18% of unmatched general fund dollars.* They note that this amount is actually 4.4% of overall funding for community-based programs, but the impact will vary widely depending on each program's funding sources.

* The \$4.2 million HIV Health Services cut is still on the table. HIV/AIDS providers have spoken to this cut as a disproportionate impact because it represents about 40% of their general fund support. The department responds that the city has received an additional \$2 million in federal funds, so the true cut is \$2.2 million. To guide the Commission, the budget memo provides an analysis of AIDS contracts and services as well as the Planning Council's prioritization.

Second round of cuts: The Mayor's new budget instruction will require DPH to make an additional \$18 million general fund reduction. Although the instruction told departments to

reduce salaries, the Mayor's Office has informed DPH that they have already made sufficient salary cuts and can meet this new target with any revenues or reductions.

The budget memo proposes two initiatives to begin addressing this new target: a savings of \$210,000 through revisions in their sliding scale discount program, and the *elimination of \$4.8 million from the budget for the 2% contractor cost-of-doing-business increase*. Even with all of this, DPH must still identify another \$12.8 million in cuts, and will return to the Commission with new proposals on April 15.

HSN has fought hard for the cost-of-doing-business (CODB) increase. We have discussed the question of giving it up in the DPH budget (while continuing discussions on a citywide level) in order to reduce the cuts. At their last hearing, the Commission began to consider this option, and seemed prepared to take action in order to reduce the 15% (now 18%) and HIV cuts.

However, this proposal maintains those cuts, and takes the CODB increase. As a result, contractors will not only experience as much as 18% in budget cuts, but they also will not receive any funds to offset their cost increases (which according to HSN's data, average around 6%).

Speak up on April 1: So once again, we urge our members to speak out before the Commission about the impact of these cuts, including the lack of a CODB and any known state and federal cuts to your programs. We thank all of you who have endured long hours waiting for your chance to speak, and we hate to ask you to do it again (and again and again...) But this is also an opportunity for our members to show a strong united front and work for a better process that takes our sector's services and costs as seriously as the department does its own.

The hearing begins at 3pm, Tuesday April 1 at 101 Grove, 3rd Floor. The budget discussion follows an agenda item on the S.F. General Hospital rebuild, so public comment is likely to begin and end late. You may want to put in a speaker card at 2pm, and come back after 4pm.

(3) ISSUE UPDATES: SHELTERS, CHAMBERS, HCSO, CONTRACT REFORM

(A) WORKSHOPS ON SHELTER REDESIGN

At last week's HSN Public Policy Committee meeting, we heard from homeless service providers who are involved in discussions about proposals to redesign the shelter system. We learned about current proposals to incorporate on-site services and links to housing, initially focused on Next Door and MSC South.

Service providers have expressed some concerns. The process is moving very quickly and is due to be completed by June. Many questions need to be examined, including how changes to the two largest shelters will affect the other shelters and who has access to them; whether housing will be in place when needed; and whether the process will pit shelters with enhanced services against the other shelters in the budget process.

The Local Homeless Coordinating Board and the Shelter Monitoring Committee are leading a series of meetings to examine these questions and more. They would welcome your participation at these upcoming Shelter Enrichment Workgroup Meetings:

- Medical Services discussion on Thurs., April 3, 2 to 4 p.m. at 170 Otis
- On-Site Services discussion on Wed., April 9, 9:30 to 11:30 a.m. at 170 Otis
- Access discussion on Wed., April 23, 9:30 to 11:30 a.m. at 1440 Harrison

(B) CHAMBERS SETTLEMENT ALERT

In October 2006, several plaintiffs filed a federal class action lawsuit, *Chambers et al. v. City and County of San Francisco*, alleging violations of the Americans with Disabilities Act. The lawsuit alleges that the City fails to provide adequate community-based services and housing to Laguna Honda residents who are eligible for and prefer to live in the community. The parties then negotiated a settlement under which the City would agree to provide specified housing and services.

The settlement will go to the Board of Supervisors for approval on Tuesday, April 1. If the settlement is not approved by April 11, the parties will have to return to court.

The San Francisco Long Term Care Coordinating Council urges you to support the settlement and community-based services by [calling Supervisors](#) before Tuesday's Board meeting, particularly Supervisors Peskin, Chu, Mirkarimi and Daly.

For more information, read a [letter from the LTCCC](#) to the Board.

(C) HEALTH CARE SECURITY ORDINANCE

The Health Care Security Ordinance (HCSO), which took effect on January 9, requires San Francisco employers to make health care expenditures for their covered employees. The ordinance applies to nonprofits with 50 or more employees. The required payment is \$1.17 per hour for employers with 50-99 employees, and \$1.76 per hour if you have 100 or more employees. You may fulfill the requirement in a number of ways, including providing health insurance or making payments to the city. The payments will be used to enroll participants in Healthy San Francisco, or in some cases, set up medical reimbursement accounts for those employees.

If you choose to comply by paying the city for some or all of your employees, payments are due on a quarterly basis. *Your first payment, covering hours worked from January to March, is due on April 30.* You must also notify employees whenever a payment is made on their behalf.

To register for the city option, learn how to make payments, and obtain the employee notice form, see the [Healthy San Francisco](#) website. To learn about your responsibilities under the HCSO, see the [Office of Labor Standards Enforcement](#) (OLSE) website. The legislation also requires employers to file an annual report, but it is voluntary this year.

The Golden Gate Restaurant Association lawsuit against the HCSO's employer mandate will be heard by the 9th Circuit Court of Appeals on April 17. However, there is no way to predict whether they will issue a decision before the first payments are due on April 30.

(D) CONTRACT REFORM FOCUS GROUP REPORT

In November and December, HSN conducted six focus groups asking contractors for their feedback about departments' implementation of contract reform recommendations. The [final report](#) is posted on the contract reform page of the HSN website. We have presented this report to departments, and we are planning to hold follow-up meetings.

(4) OTHER ANNOUNCEMENTS

(A) CONFERENCE ON IMMUNIZATION AND HEALTH COALITIONS

The eighth National Conference on Immunization & Health Coalitions will be held in San Francisco, CA from May 21-23, 2008. The theme is *Building Bridges to Healthier Communities*.

This unique, interactive, and energizing conference brings together doctors, nurses, volunteers, public health, academic, business and nonprofit professionals, policy makers, community advocates, students, health educators, and other members and leaders of immunization and health coalitions nationally and internationally.

The goal of this unique conference is to impart successful ways public/private collaborations can prevent disease, increase health access, reduce health disparities, educate new populations, build community health infrastructure, and improve important health outcomes across the lifespan. The agenda will teach participants skills to start, maintain, and make health coalitions more effective.

Continuing education credits will be provided for nurses, health educators, and social workers.

See the [conference website](#) for information and registration.

(B) EARNED INCOME VENTURES CONFERENCE

The California Association of Nonprofits will hold a one-day conference providing the tools for a successful social enterprise program. Social enterprises are not traditional non-profit organizations that depend on charitable giving for sustainability, nor are they simply socially responsible for-profit companies. Rather, they represent a powerful new breed of organizations that create sustainable societal change by combining the passion of social mission and the efficiency of a market-based approach.

Launching, managing and growing a social enterprise require a unique set of skills, experience and networks. Social enterprisers often find they are working in isolation, on the edge of both the traditional charitable and market-driven cultures, each with their own set of norms.

The conference will take place in Los Angeles on Tuesday, April 8. See the [conference website](#) for more info.

(C) INSTITUTE ON AGING EDUCATIONAL SERIES

IOA will present its next professional education program on Thursday, May 15. The topic is *Brain Health Across the Lifespan*. [Visit their website](#) for details.

(D) ANNUAL COMPENSATION & BENEFITS SURVEY

There is still time to participate in this year's Northern California Compensation and Benefits Survey, a vital resource used by nonprofits to compare their employee compensation with similar organizations. The deadline for the [survey](#) has been extended to April 11. Participants receive a significant discount when purchasing the report.