

**HSN Membership Meeting
July 16, 2004
Meeting Minutes**

I. Announcements and Updates

- HSN Staff Changes: Merrill Buice gave birth to an 8 lb. 7 oz. baby boy July 15th and will be leaving HSN. Although she was unable to attend, members asked to convey their congratulations and appreciation for all of her work. Debbi Lerman introduced Phoebe Marshall, HSN's summer intern. Quintin Mecke has accepted an offer from HSN to become the new Director of Research and Communications. He brings great experience and qualifications and we are very happy that he will be joining us. He will begin the week of July 26. HSN appreciates the support of three funders whose new two-year grants will allow us to increase our staffing to two full-time positions: the California Wellness Foundation, the Evelyn and Walter Haas, Jr. Fund and the Charles and Helen Schwab Foundation.

- Report on June 30th meeting with Mayor Newsom: The Mayor has been holding a series of meetings with constituent groups to hear their concerns, and invited HSN to discuss issues facing our sector. About 20 HSN members attended. The Mayor requested that we present briefly on up to five topics. The group briefed him on:
 - Contracting reform: Implementing the report of the City Nonprofit Task Force;
 - Cost-of-doing business in nonprofit contracts;
 - Salary and COLA parity between comparable City and nonprofit contract employees;
 - Competition to provide services; and
 - Participation by nonprofits in formulating policy.

This meeting should mark the beginning of a working relationship between HSN and the Mayor's office. HSN thanked the Mayor for preserving services in the budget. We asked him to have department heads and contracting task force representatives continue meeting with nonprofits as a structure for implementation. We suggested periodic meetings between department heads and nonprofit contractors in each department to discuss public policy issues, and a task force to look at operating costs and wage parity. We made it clear that we are not asking for money right now given the current fiscal situation, but we are looking for a plan to address these issues as the economy improves. Regarding competition between City service providers, nonprofits and for-profits, we suggested that the issue be framed as who could do each job the best, and asked for the Mayor's support. The Mayor expressed understanding of each issue, and agreed to consider our suggestions.

- City Budget: The Board of Supervisors is almost through the budget process and was able to restore several cuts to the nonprofit sector so far. The status of some cuts are as followed:
 - In the Department of Public Health's budget, the Board restored \$460,000 to Mount St. Joseph's Epiphany Center, \$99,000 to the Supportive Housing Employment Collaborative, and over \$900,000 to three HIV/AIDS groups providing emotional support and job reentry services;
 - \$750,000 was restored to the Department of Aging and Adult Services budget. It's unclear how this funding will be distributed, but some will go to meals, case management

for young adults with disabilities, IHSS Share-of-Cost-Program, Public Guardian, Public Conservator and Adult Protective Services.

- The Juvenile Probation Department is dependent on resolution of the State budget.
- Coleman Advocates successfully fought for an additional \$2 million for the Children's Budget and another \$1 million for the Mayor's Office of Criminal Justice.
- The Department on the Status of Women sustained an additional \$26,000 cut, but it should not affect direct services.
- The Board of Supervisors backfilled some of the \$4 million Ryan White CARE cut with \$1.7 million of City funds.

Some HSN members expressed concern over the many add-backs in light of the City's current economic strain, and pointed out that these add-backs underscore the importance of the revenue measures on the ballot in November. The \$30 million reserve in the budget will cover the projected \$25 million shortfall this year if the measures do not pass. However this would leave only \$5 million for other emergencies.

One of HSN's biggest concerns this year was the \$1.5 million cut to nonprofit administrative costs in the Department of Public Health budget, to be achieved by placing a cap on indirect rates. Some members reported that DPH may have decided to achieve the cut with a 9% universal indirect cost rate rather than the tiered rates the Department had previously suggested. DPH will work with contractors to make their respective cuts, which may lead to service reductions.

These negotiations have been below the radar, which has impeded any action HSN could have taken to prevent this harmful cut. The Mayor's office and the Board of Supervisors have not been involved in the discussion on the methodology of this \$1.5 million cut. Mitch Katz expressed it as an attempt to share the burden of this cut across organizations, but this method would be devastating. It would erase the modest COLA increases of the past few years and represent a decrease of approximately 38 FTEs. The cut will remain in the proposed budget unless we can get the Board to change it, which may be unlikely. We are also concerned that this methodology will spread to other departments in future years.

Both HSN and the mental health contractors' association have sent letters to the Board outlining the problems with DPH's approach. Given the new information about the proposed 9% rate, HSN will send another letter. We will also send out a sample letter to the membership, and ask members to write letters as well.

The Coalition of Agencies Serving the Elderly is concerned about the elimination of the Executive Director position in the Department of Aging and Adult Services. Under the Human Services Agency, which merges DAAS with DHS, a project manager replaces the position. HSN will support CASE's effort by sending a letter to each member of the Board of Supervisors asking them to restore this cut.

- Sunshine Ordinance: The Sunshine Ordinance Task Force has introduced a package of proposed amendments to the Board for approval to place on the November ballot. Supervisor Daly introduced the package on their behalf. HSN worked to educate Supervisors about a

proposal to open the Board meetings of nonprofit contractors to the public. Nonprofits are currently subject to Administrative Code 12L, which requires two public meetings a year, and contains numerous safeguards and reasonable limits. Through HSN's advocacy, the nonprofit provisions have been pulled from the ordinance.

This issue is not dead. The Board of Supervisors may decide to consider the proposed amendments in the context of reviewing 12L. The Rules Committee also showed interest in protecting nonprofits. For example, 12L currently exempts abortion services, domestic violence shelters and suicide counseling agencies from holding public meetings; Supervisors were open to expanding this exclusion to organizations that work primarily with undocumented immigrants.

- Health Care Accountability Ordinance: On Tuesday July 20, the Health Commission will consider proposed changes to the Health Care Accountability Ordinance and the minimum standards. HSN has been meeting for several months with DPH staff and other stakeholders to develop these proposals. If approved, the new minimum standards will be more flexible, allowing more affordable choices for employers. The penalty for not providing insurance to eligible employees would rise from \$1.50/hour to \$2.00/hour. Changes would take effect on September 1. The stakeholders group will also ask the Commission to support proposed changes to the Ordinance, which would address most of nonprofits' concerns with the law. The proposed amendments would be submitted to the full Board by this fall.
- Preview of other upcoming HSN activities:
 - SFUI Survey: HSN and the San Francisco Urban Institute are discussing an update of our 2001 comprehensive survey of nonprofit human service providers.
 - Fall candidate forums: Quintin Mecke will begin coordinating these forums when he begins at HSN. We plan to organize three forums in priority districts, probably Districts 1 (McGoldrick), 5 (currently Gonzalez, who is leaving office) and 9 (Ammiano).
 - Contract reform: The Board's February resolution called for progress reports from departments and two public hearings a year. We will contact Supervisor Maxwell and urge her to set the first hearing.
 - Mental Health Services Act: HSN members voted to endorse this measure, which will appear on the November state ballot. Prop 63 would provide \$700 million across the state and \$50 million for mental health services in San Francisco. The campaign needs help in raising funds. Two HSN members, Progress Foundation and Edgewood Center, have set up fundraising teams. For more information and ways to get involved, call Alecia Hopper at 756-0888 or see www.campaignformentalhealth.org.

II. Comprehensive Supportive and Affordable Housing Bond – Calvin Welch

- The Board of Supervisors voted 10-1 to send this bond measure to the ballot. It would provide:
 - \$90 million for supportive housing for homeless adults and families earning up to 30% of median income;
 - \$60 million for rental housing for adults and seniors earning up to 60% of median;
 - \$25 million of down payment aid for families earning 60-100% of the median income;
 - \$25 million for affordable housing development for families earning 60-90% of median.

- This bond was difficult to get on the ballot due to disagreements between the Mayor and Board, but both are now supportive. Members expressed appreciation to Jeff Kositsky of Community Housing Partnership for his work in organizing for a compromise proposal. The Chamber of Commerce will support it, while the realtors may be one of the few groups opposed.
- The HSN members present at the meeting voted unanimously in favor of submitting this measure to our full membership to vote on HSN's endorsement of the bond. Staff will send out an email ballot to current members.

III. Guest Speaker: Supervisor Sophie Maxwell

Expression of HSN's appreciation to Supervisor Maxwell:

- Nancy Rubin of Edgewood Center, who served as Co-Chair of the City Nonprofit Contracting Task Force, presented Supervisor Maxwell with a gift on behalf of HSN in appreciation for her support of the Task Force and the legislation that brought it about. The gift was a clock with an engraved gold plaque.
- Supervisor Maxwell thanked the HSN membership for their commitment to San Francisco and the education HSN provides City officials on the contributions of the nonprofit sector.

City Budget and Revenue Measures:

- Supervisor Maxwell was not directly involved with the Budget Committee, but she is pleased with the work of her colleagues.
- Regarding the revenue measures on the November ballot, Supervisor Maxwell is pleased that the business community is doing their fair share by supporting the measures. Even the Committee on Jobs is supporting the legislation because of all the work done by the Mayor.
- Along with other Board members, she would rather have the business tax continue beyond the four years when it will sunset, and instead have a time limit on the sales tax increase. The Board recognizes the dire need for revenue, and although the measure is not ideal, it will have their support.

Rising Violence in San Francisco:

- Supervisor Maxwell is distressed over the surge of violence in San Francisco. The City has neglected this problem in years past, which has allowed it to fester to the current situation. We need a comprehensive plan to solve this deeply rooted problem.
- San Franciscans view the problem as district specific, but this violence concerns the entire city. She voiced great concerns over the disparity between districts in San Francisco, pointing out that tourist maps rarely go below Market Street.

Other Comments and Responses to Questions:

- The nonprofit sector needs to be in the forefront of providing and fighting for services. The creation of new agencies to increase services spreads City funding too thin. The City should continue to support long-standing organizations rather than just starting new ones. New agencies lack experience and are more prone to failure, which only undermines the general support of nonprofits as service providers in the City.

- The consolidation of City services and facilities, which was proposed in the budget but not agreed upon, is not necessarily bad. A facility that can provide health care and mental health services saves money on overhead, and can make the lives of clients easier.
- Proposition 63 is not only important for mental health service providers, but this measure would save the City money by providing the mentally ill with the correct treatment, rather than sending them to prison.
- One member commented that campus based programs in the community school system lost DCYF funding. These programs help students who are at the greatest risk of dropping out. In response, Supervisor Maxwell proposed scheduling a hearing to address the lack of funding for these programs, and asked the member to contact her office.
- There will be new round table discussions on planning efforts for the Police, the Department of Public Health, the Public Defender's Office, and community based organizations to come up with responses to bring better services to our community.
- One member informed the Supervisor that the Department of Aging and Adult Services needs help to address a particular issue. Older members of the community who have recently been released from prison need services to support their assimilation difficulties.

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING
JULY 16, 2004

Supervisor Sophie Maxwell

Bill Hirsh, AIDS Legal Referral Panel
Dodie Chaney Fernandez, Bayview Hunters Point Foundation
Karen Patterson Matthew, Bayview Hunters Point Foundation
Shawn Richards, Brothers Against Guns
Tracey A. Taper, Brothers Against Guns
Brian Cahill, Catholic Charities/CYO
Andrea Spagat, Center for Human Development
Jeff Kositsky, Community Housing Partnership
Erica Kisch, Compass Community Services
Richard Heasley, Conard House
Calvin Welch, Council of Community Housing Organizations
Nancy Rubin, Edgewood
Esther Handy, Episcopal Community Services
Kurt Kuhwald, Faithful Fools Street Ministry
Darryl Inaba, Haight Ashbury Free Clinics
Bruce Fisher, Huckleberry Youth Programs
Nancy Brundy, Institute on Aging
Belinda Lyons, Mental Health Association of San Francisco
Steve Fields, Progress Foundation
Dick Hodgson, San Francisco Community Clinic Consortium
Eve Meyer, San Francisco Suicide Prevention
Don Frazier, Walden House

Debbi Lerman, HSN
Phoebe Marshall, HSN