

**HSN Membership Meeting**  
**February 18, 2005**  
**Meeting Minutes**

Introduction: George Clark, Development Director of the LightHouse for the Visually Impaired, welcomed HSN to their space. Bruce Fisher announced that Supervisor Chris Daly was a late cancellation due to a scheduling conflict. We decided not to cancel the meeting because there are important updates as well as some internal HSN business to take care of.

**I. Contracting Task Force Update**

Presentation: Debbi Lerman gave an update on the status of the implementation of the Contracting Task Force recommendations. HSN has continued to meet with various city representatives, including Dwayne Jones from the Mayor's Office of Community Development, Margaret Brodtkin from Dept. of Children, Youth & Families, and Ben Rosenfield from the Mayor's Budget Office. A significant step took place recently when City Purchaser Naomi Little implemented the recommendation to create an Appellate Review Panel. The panel had its first meeting on January 31. This panel's purpose is to keep the implementation schedule on track and to act as a grievance hearing body. It will institute a process for contractors where one does not currently exist. Right now, we are unsure what kind of power the panel really has or how it will be used. From HSN's perspective, progress on streamlining recommendations will increase efficiency in the face of City budget cuts and layoffs.

Questions and Comments:

- The Board of Supervisors hearing on the implementation of the recommendations is tentatively scheduled for March 28 in the Government Audits and Oversight Committee.
- Contracting issues often can be esoteric but one of the goals from HSN's perspective is to create a forum where an ongoing dialogue can take place on other issues as well. These meetings with city representatives serve a business as well as a political function, enabling HSN to participate on several levels.
- It is important to note that some progress has taken place, including the COOL system at DPH and streamlining some City requirements.
- One of the dangers of breaking into committees like the Contracting sub-group is the danger of losing contact with the larger HSN. Who is going to represent HSN? Executive Directors or those who don't have power to make the needed decisions? Our representatives need to have decision-making power if we want to hold the City accountable when faced with issues the City doesn't want to move forward with.
- Purchaser Naomi Little brought the Appellate Review Panel together and conducted the first meeting as if it was just a discussion group, not a panel. HSN will try to solidify and improve the panel with some organizational changes.
- The panel has met once, but is not yet running in its full capacity.
- HSN needs to push these issues more aggressively. This task force has been quite a challenge to the status quo of the City. Realistically, no department head wants to go in front of a Supervisor for a hearing about legislation that the Supervisor supports and which hasn't been implemented. We need to focus more on the political side of things. Historically, too often the City has treated nonprofits like sharecroppers – telling them

how much they'll pay, what to do, etc.

- The public hearing at the Board is our chance to really push the departments to move on the implementation process.
- HSN members need to bring up the Contracting Task Force constantly at all of their meetings to get it out there in people's minds. The Task Force recently came up in a meeting with Supervisor Elsbernd and he was unaware of its purpose, so there is still work to do on educating Board members.

## **II. Budget Update**

Presentation: Steve Fields gave a presentation on the budget. Overall, the story is that there is no new budget update. HSN has a meeting with Supervisor Peskin next week, our first opportunity to sit down and directly share our concerns. This coming fiscal year looks a lot like last year, and the Mayor has given instructions for a baseline reduction plus a 5% contingency reduction. The Dept. of Public Health's (DPH) recent budget proposal was sent back by the Mayor's office, and the DPH budget is now due to be presented on March 1<sup>st</sup>. The Controller has identified about \$16 million in new revenue, bringing the City's projected deficit down to \$114 million, not counting expected State cuts.

HSN had our second meeting with the Mayor's budget office, including Ben Rosenfield and Erin McGrath, to talk about the budget. One issue was DPH's recent 3% COLA proposal. DPH offered to build in an optional 3% COLA for the staff of nonprofit contractors – but if agencies want that COLA, there would have to be an equivalent service reduction plan. Alternatively, agencies could choose to have a flat line budget with no service reductions. DPH has since backed off on that proposal, as the Mayor's Office prefers a citywide policy. The Mayor has stated that he is committed to nonprofit COLAs comparable to any received by City workers.

### Questions and Comments:

- One member said they don't see a difference. The bottom line is the same. It seems like a bad deal no matter how they spin it. If our deficit is \$114 million, and if there is no bump for nonprofits now, then there will be no bump. Bottom line is that this is not a good deal.
- The new dynamic is that DPH is talking about actually lowering the level of units of service.
- The estimated cost of a COLA depends on the cost structure and the specific department. For DPH, it is \$2 million for every 1% (including UCSF).
- Ben Rosenfield said that they couldn't afford to have adhoc service cuts for the COLAs and that the DPH proposal wouldn't fly. He stated that "The Mayor's policy is to treat nonprofit contractors like city employees". Ben also said that any policy for COLAs must be citywide and not department-by-department. Rosenfield said it was a bad year for any talk of a COLA. He also clarified that the 7.5% labor pension giveback is still in place for one more year. What labor gets in return is an increase in salary next year for what they lost last year.
- The Board of Supervisors is crucial in defining what the budget looks like. Rosenfield said the Mayor wants to have a more transparent budget process and to work more closely with the Board.
- Instead of the traditional "share the pain" model across departments, it seems like the City may be shifting towards developing service priorities.

- The Mayor’s Budget Office plans to hold a series of “stakeholder meetings” to inform interested persons about the status of the budget and the process.
  - This process seems designed simply to mark participation by various people to counterbalance last year.
  - It is possibly a response to the Board wanting to have public “stakeholder” meetings.
- Have departments shifted their budgets after the Controller’s recent findings of \$16 million in new revenue?
  - Numbers tend to be exactly that, just symbolic numbers. They tend not to actually affect the 5% contingency number. That number is there to give the Mayor more leeway to make policy decisions. The upcoming DPH budget will be the first sign of what the Mayor’s office is thinking about the overall budget.
- Another major item not on HSN’s agenda is the MUNI budget, which has the attention of many Supervisors. Where does their \$50 million budget deficit come from?
- Juvenile probation/justice is suffering massive cuts. The community of juvenile justice providers is now organized as a result but is split on a new Chief Probation Officer. Log Cabin is another issue – what to do with it? Federal, state and local budget cuts are affecting all providers.
- The 7.5% labor giveback with salary increases is already built into the deficit number.
- Do you think that we/HSN have enough strength to get ourselves a COLA?
  - It’s in the City’s best interests to match COLAs with specific nonprofits who meet certain criteria. Politically they are open to it, but financially they are unable. It’s hard to tell what our influence really is at this point.
  - Presuming that scenario, that could mean deeper cuts in those selected departments.
  - That isn’t necessarily what they want to do. Selected services would get a COLA, others would not. The estimated cost of a 3% COLA is \$8.5 million.

### **III. Nonprofit Staff Outreach & Participation**

Presentation: Bruce Fisher talked about HSN’s goal to do more outreach to nonprofit staff and educate them about what is happening at City Hall, what HSN is about, and why it’s important for them to get involved. Should we do brown bag lunches, do a nonprofit staff newsletter, attend staff meetings at individual agencies – how do we build the capacity of HSN? HSN has talked about this for a long time but we want to move forward. How do you reach your employees? Do they know about what happens politically? Bruce mentioned a recent George Will article as an interesting framework for what the landscape of the fight is going to be about and the relationships between the public sector and its employees. See <http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2005/02/14/EDGT0ARPH31.DTL>.

#### Discussion:

- One agency is coming out of a strategic planning update. They send regular emails to staff and try to organize staff around public policy, budgets, etc. Prop 63 was an important opportunity to organize staff.
- HSN could give presentations to staff, but we don’t have the resources to go to every

member agency.

- HSN has a brochure for staff that we used in the past and can update.
- One member appreciates HSN's outreach to staff. Program staff really don't know the larger context outside of the organization. It's important and valuable to get the information out there.
- Staff pay more attention when outsiders give a presentation, addressing them as citizens rather than employees.
- There is a need for a different kind of activism and it would be great if HSN could offer a different perspective through analysis, not just minutes or information.
- HSN provides good information but it can be too much. It needs to be condensed and more focused. We need to find a different way of framing things. How do we get enthusiasm and buy-in from staff?
- If HSN holds different forums, they have to be within work hours because staff doesn't get paid enough to go outside of work.
- One member frees up staff to attend certain things during work hours on the condition that they share that experience with others. As Executive Directors, we should try to avoid the knee-jerk reaction of not freeing up staff. Let's start by looking at the cost-benefit analysis in the long term.
- One agency's younger staff are very activist. What about district meetings for nonprofit staff?
- One barrier is that staff really don't have basic understanding of government structure or context. Without any context, issue based discussions are lost. If HSN could help provide this context, that would be great. Information alone doesn't work.
- In one organization, the management team gets information but staff is focused on their own work. How do we get them out of just thinking about what they do? How do we expand staff's knowledge?
- What would get direct service workers out for HSN issues? It's hard to determine. It would be interesting to see if individual agencies would send out surveys similar to the one HSN sent in December to get a sense of what events or activities staff would attend.
- Staff needs to have context for what they're hearing. Updates can come but there needs to be a place to put that information so that it makes sense.
- We should address this issue by engaging them as political activists, not as better employees, which is a challenging dynamic.
- We need to get ourselves and our staff to break out of our defeatist mentality, which is counterproductive to effecting change.
- One agency that has done education around policy says it is good to have a hands-on model instead of simply talking to them, e.g. possibly taking staff to City Hall?
- HSN is creating a new Nonprofit Outreach Committee. The first meeting is Thursday, Feb. 24<sup>th</sup> at 11 am at Huckleberry Youth Programs, 3310 Geary. The Committee will be chaired by Bruce Fisher and Calvin Welch, and staffed by Quintin Mecke.

#### **IV. Member Dues**

Quintin Mecke announced that HSN has currently received dues from 28 agencies, and we are roughly one-quarter of the way to our financial goal. If you haven't paid yet, please pay by

March 31<sup>st</sup> before HSN shifts to a new fiscal sponsor. Checks should be made out to: Mt. Zion Health Fund/S.F. Human Services Network, and sent to HSN at 3310 Geary, S.F. 94118.

## **V. Announcements & Updates**

Newsom Litter Proposal: The Chronicle recently reported that Mayor Newsom is exploring an idea to require nonprofit contractors with the City to pick up litter on their block or face not having their contracts renewed. HSN views this as an unfunded mandate. We will provide more information as it becomes available.

Nonprofit Day: HSN is looking into joining with CompassPoint to have an HSN Public Policy track at their Nonprofit Day on July 29.

McKinney funding: Is HSN looking at or aware of the use of McKinney funding in relation to permanent, supportive, and transitional housing? There is a distinct shift on the part of the administration away from transitional housing. What is the effect of the City's Housing First model on social service providers?

- It's awkward for HSN to get involved because the funding is McKinney and CDBG, not general fund. This shift is what's coming out of the 10-year homeless plan, which some HSN members were involved in. The plan says that we're going to convert existing affordable stock into supportive housing, a fundamental shift in housing policy.
- Our concern is that it's becoming not only Housing First, but Housing Only as the City seems to be dismantling the support services that people need.
- HSN can't afford not to get involved. It's not just a homeless issue, it affects all providers.

### **Next HSN Member Meeting:**

Friday, March 18, 2005

9:30 am to 11:30 am

LightHouse for the Blind and Visually Impaired

214 Van Ness Ave. (x-Grove and Hayes)

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING  
FEBRUARY 18, 2005

Kurt Kuhwald, Faithful Fools  
Edgar Callo, Instituto Familiar  
George Clark, LightHouse  
Sandra Santana-Mora, Edgewood  
Margi Dunlap, International Institute  
Kyle Pedersen, HAFCI  
Bruce Fisher, HYP  
Darryl Inaba, HAFCI  
Bill Hirsh, ALRP  
Joe Niesen, New Leaf  
Dodie Chaney Fernandes, BVPHS  
Jonathan Vernick, Baker Places  
Steve Crabel, Toolworks  
Judy Siff, Goodwill  
Shannon Dodge, BHNC  
Calvin Welch, CCHO  
Jackie Jenks, Central City  
Ken Reggio, ECS  
Richard Heasley, Conard House  
Andrea Spagat, CHD  
Steve Fields, Progress Foundation

Debbi Lerman, HSN  
Quintin Mecke, HSN