

# HSN Membership Meeting

June 17, 2005  
Meeting Minutes

## **I. Announcements, Meeting Chair Richard Heasley**

- Community Forum on Laguna Honda: Margy Baran of the In-Home Supportive Services Consortium announced a community forum on Laguna Honda Hospital (LHH) replacement plans. The City will decide in the next few months between two options: (1) Using all available funds to complete a 1200 bed skilled nursing facility at LHH; or (2) Use most funds to complete three buildings with 780 beds, and use remaining funds to purchase longterm care services in community-based settings, serving over 1800 people. The community forum will take place on Wed., June 29, 3pm to 5pm at On Lok Senior Health, 1426 Fillmore St., 3<sup>rd</sup> Fl.
- City Budget: The Board's Budget Committee reconsidered its proposal to ban public comment in the last two weeks of hearings. They will allow public comment the week of June 20-24 and on Saturday June 25. There will be no public comment after June 25.
- Rally to stop substance abuse cuts: The Alcohol and Drug Contractors' Association will hold a rally on the City Hall steps on Monday, June 20 from 11am to 1pm.
- Calendar: Debbi Lerman distributed a calendar of upcoming HSN meeting dates and relevant events. The calendar also went out to our email list.

## **II. Contract Reform Update, Nicholas Elsishans (Edgewood Center) and Jim Illig (Project Open Hand)**

Central Document Repository: Office of Contract Administration Director Naomi Little is sending contractors a memo announcing the creation of a Central Document Repository to put documents on an online system. City staff will have access to these documents via the City Intranet. Effective July 1, contractors will be able to submit their documents electronically, and should only have to submit them once, as other departments will have access to the system. Debbi will email a copy of Naomi's memo, which includes language to be used with insurance certificates.

Members expressed skepticism that the system will actually be ready by July 1. Departments are scanning documents that contractors did not submit electronically. HSN suggests positive reinforcement to encourage City staff to make it work.

Controller's Office: The Controller's Office is on track with their goals. They have done two trainings on the Finance Guide and on cost allocation. They are now working on joint monitoring and tiered risk assessments, and have selected several contractors for a pilot joint monitoring visit in July. Jim Illig also reported that the Controller's Office issued a scathing audit of the Department of Aging and Adult Services (DAAS). Anne Hinton of the Institute on Aging was recently named the new DAAS Director, and the Controller is meeting with the Coalition of Agencies Serving the Elderly to discuss ways to improve the Department.

HSN Activities: HSN representative have been meeting with individual department heads to remind them about the Contracting Task Force goals; we met recently with Mitch Katz, and will meet next with Trent Rohrer. We are also asking Commissions to hold hearings on progress in the departments they oversee.

Appellate Review Panel: The Appellate Review Panel was created in January to oversee implementation and develop a process to hear grievances on department actions that deviate from standardized procedures. The panel includes four nonprofit and five City representatives. The appeals part of the Panel's function has been controversial, as it has no legal authority to overturn departmental decisions. Nonprofit representatives are advocating that departments develop internal grievance procedures, and that they include language about the Panel's existence; Naomi Little will present draft language at the next Panel meeting. Although the Panel may not have authority, it can provide a forum for nonprofits to be heard, and could recommend remedies, including legislation. Nonprofits dispute the view of some City representatives that the Panel should not hear grievances, noting that the full Nonprofit Contracting Task Force agreed to this recommendation. Before the Board's next progress hearing in October, HSN will look at this issue and may recommend legislation.

### **III. Guest Speaker: Supervisor Fiona Ma – Moderator: Bruce Fisher**

Cost-of-doing-business (CODB): Supervisor Ma recently requested that the Controller do a study of the ten largest nonprofit contractors and their increased business costs such as health insurance, workers comp and rent. This request arose from a meeting between the Supervisor and HSN representatives Steve Fields and Jonathan Vernick. The Controller's Office did the study, and reported cost increases of 1.4% in FY 03-04. Members present at the meeting reported that nobody ever called them, and objected that contract information alone is an insufficient basis for an accurate study. HSN thanks Supervisor Ma for requesting the study, and believes it helped move the Mayor toward giving nonprofits a 2% COLA/CODB increase.

Supervisor Ma expressed support for the 2%. She stated that it needs to be a precedent, and acknowledged that it's not enough to make up for past years. Labor's analysis showed increased costs of about 11% over the last few years. HSN believes that nonprofit costs should be part of the Mayor's annual budget instructions as a reflection of the true City deficit. Members also pointed out that most grant-funded nonprofits, such as Ryan-White CARE grantees, are not getting the increase, and that City employees will receive a 6% increase by the end of FY 05-06.

City Budget: Supervisor Ma asked about our priorities for the Board's budget deliberations, and suggested we put together our wish list for their consideration. She discussed the \$30+ million increase in transfer tax revenue, and the Mayor's desire to use it for one-time expenses. She reported that the budget process has been calmer than the past two years, that those with cuts are coming in to talk, that they are keeping a list, and that their priority is to restore as many health and human service cuts as they can.

Her campaign for State Assembly: Supervisor Ma is running for State Assembly in 2006. She worked for Senator Burton for seven years before she ran for Supervisor. She plans to focus on education, health insurance and housing. So far, her biggest opponent will be Janet Reilly.

Public sector / nonprofit partnership: She believes nonprofits are doing God's work on the front lines, and that Cities can't and shouldn't do everything. Members expressed appreciation for her accessibility to human service agencies throughout her time in office, and for her helpfulness in becoming familiar with our issues. The Supervisor said she likes to hear both sides, and if there is controversy, have a dialogue to find compromise. She welcomes appointments, and asks nonprofits to invite her for site visits.

SEIU proposed sales tax ballot measure: She has not signed on to support the measure at this time, and proponents need her as their eighth vote. Her district is anti-tax, but she will go on a limb where the priority is health and human services. However, the measure does not currently fund her priorities, such as the wellness centers and nutrition. HSN members pointed out that SEIU drafted the measure unilaterally rather than through a coalition process, and it does not specifically allocate funds to community-based organizations. Everybody may benefit from \$30 million in new revenue, but it's not in writing.

Members asked her what went wrong with her Revenue Advisory Panel process last year, which led to failed ballot measures Propositions J and K. She suggested that two measures might have been too much, that small business said they weren't included – though they participated on the panel, that voters didn't fully understand the issues, and that people tend to vote no if the funds aren't targeted for a specific purpose. HSN members felt that she tried to get agreement with an unprecedented group of people in the room, but that big business was not sincere; everybody was willing to talk about revenue, but each had different perspectives on what revenue. The Supervisor replied that the Panel's original premise was to eliminate the unpopular payroll tax. She felt that participants did develop a better understanding of each sector's challenges and view of government, but that nine months was not enough to break down the stereotypes.

Members thanked Supervisor Ma for her participation. She decided to remain in the audience for the rest of the member meeting.

#### **IV. Prop 63, Steve Fields**

Members asked Supervisor Ma how she and the Board view the Prop 63 allocation problem. Supervisor Ma was not aware of this issue. Steve Fields explained that the State used a formula that will give San Francisco only about \$5.6 million in Mental Health Services Act (MHSA) funds, rather than original estimates that ranged from \$20 to \$50 million.

Steve expressed the need for Board support in this process. The City and County did not have aggressive advocates in Sacramento lobbying for a formula that would help San Francisco. The formula penalizes counties that already put extra resources into mental health. We may have been able to affect the formula, but instead received the lowest amount per capita in the State. While it's too late to change the formula, advocates are looking at strategies focused on Prop 63 funds that are still unallocated. We may be able to push our share up to \$10-12 million. Members observed that San Francisco takes in people from all over the state and country, and has a higher prevalence of mental health problems.

While San Francisco will receive about \$5-6 million, L.A.'s allocation was \$89 million based on population and the percent of its population below 200% of the Federal Poverty Level (FPL). Bay Area advocates felt that the criteria should have been 300% of FPL, and that counties shouldn't have been penalized for their past commitment higher than the minimum match requirement. L.A. was also in the bottom half in per capita funds, with S.F. at \$7 and L.A. at \$9. However, that \$2 is a big jump, and S.F. would not benefit if the state used an equity formula on a per capita basis. Steve said that in the 1980's, state policy was to award funds to under-equity counties, and San Francisco successfully beat back this policy. This current formula is an "equity-plus" policy, and we needed a strong coalition of Bay Area counties to fight it.

Steve and other members said that the City should do a mental health plan not only for Prop 63 funds, but for the entire mental health system. Prop 63 funds will grow, and we need to make sure we're funding the right system, not just the current system with Prop 63 funds as a patch. Other counties that will receive funds don't have the same perspective on mental health treatment, and focus on institutions rather than rehab and recovery. We need to put together the best proposal and be a magnet for resources. Steve reported that the Task Force will hold an all-day retreat to look at guiding principles, including system changes, for their proposal, which is due in August. He feels that innovative proposals to develop community-based alternatives to institutionalization should have been a positive criteria in the formula. Many counties rely on acute inpatient hospitals, and none or few have as aggressive a recovery model as San Francisco. One member also said the proposal should increase access by efficiently using funds to put clients on Medical.

#### **V. City Budget, Steve Fields**

- **Board budget hearings:** The schedule includes DHS/DAAS on Thursday, June 23; DPH on Monday, June 20 and the Beilenson hearing on Tuesday, June 21; and public comment day on Saturday, June 25.
- **2% COLA/CODB:** The Mayor put the extra funds into his budget, totaling about \$6.5 million.
- **Budget cuts:** Members identified cuts to nonprofit services in the budget, including outpatient substance abuse cuts of about \$3.2 million, cuts to residential substance abuse in three programs (Baker Places, Haight Ashbury Free Clinics, and Walden House), DAAS service cuts of \$489,000 to seniors and the disabled, \$1.5 million in HIV/AIDS cuts, and about \$500,000 in DHS cuts to the Family Resource Centers. A CODB for Ryan-White grantees was also seen as a priority. Supervisor Ma suggested that we put this package forward to the Board, and lobby individual Board members. Members who were present agreed these should be our priorities; they total about \$5.5 million. We should also advocate for future CODBs to grant-based programs. HSN will send a letter to the Board listing but not prioritizing these items. We will communicate that we want the Board to restore cuts to our members and give CODBs to grant-funded nonprofits.

Supervisor Ma reminded members of the importance of organization. She suggested that when testifying at hearings to restore nonprofit cuts, members say they are part of HSN. That's how Supervisors begin to understand. Labor and Senior Action Network do that, and it increases their power.



## **VI. Announcements**

- HSN acknowledged the work and contributions of Karen Patterson-Matthew, Executive Director of Bayview Hunters Point Foundation and member of the HSN Steering Committee. We congratulate Karen on her retirement. Today was her last HSN meeting in this capacity.

## **VII. Next Meeting Date/Adjourn**

- The next HSN general member meeting will be held on Friday, July 15 from 9:30am to 11:30am at the LightHouse for the Blind and Visually Impaired, 214 Van Ness.
- The meeting adjourned at 11:30 AM.

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**Attendees:**

Jonathan Vernick, Baker Places  
Karen Patterson Matthew, Bayview Hunters Point Foundation  
Debberra Burrell, Bayview Hunters Point Foundation Mental Health  
Dodie Cheney Fernandes, Bayview Hunters Point Foundation Mental Health  
Joseph Smooke, Bernal Heights Neighborhood Center  
Tony Michelini, Catholic Charities CYO  
Carole Corbett, Compass Community Services  
Richard Heasley, Conard House  
Nicholas Elsishans, Edgewood Center  
Sandra Santana-Mora, Edgewood Center  
Katie Brooks, Episcopal Community Services  
Charlene Clemens, Family Services Agency SF  
Judy Siff, Goodwill  
Jennifer Kang, Haight Ashbury Free Clinics Inc.  
Jackie Jenks, Hospitality House  
Bruce Fisher, Huckleberry Youth Programs  
Margaret Baran, IHSS Consortium  
Patrick Hacell, IHSS Public Authority  
Margi Dunlap, International Institute of SF  
Joe Neisen, New Leaf  
Brett Andrews, Positive Resource Center  
Steve Fields, Progress Foundation  
Jim Illig, Project Open Hand  
Eve Meyer, S.F. Suicide Prevention  
Tom McCaffrey, SAGE Project  
Brian O'Toole, SF Bay Area Legal Aid  
Shaina Zamaitis, SF Bay Area Legal Aid  
Michael Blecker, Swords to Plowshares  
Brian Wiegman, The Arc of S.F.  
Donald Frazier, Walden House / SFAADPC  
Debbi Lerman, S.F. Human Services Network