

HSN Membership Meeting

July 15, 2005
Meeting Minutes

I. Announcements, Meeting Chair Bruce Fisher

- The date of this month's HSN Public Policy Committee has been changed to Tuesday, July 26, 2:30 at the Progress Foundation, 368 Fell Street. The meeting is open to any current HSN member. Please contact Debbi Lerman if you plan to come or if you want to bring up new issues.
- The next HSN member meeting will be September 16, as there is no meeting in August.
- The annual CompassPoint Nonprofit Day is Friday, July 29 at the Oakland Marriott. HSN will host a panel about contracting issues, with Bruce Fisher among the panelists.
- HSN is participating in conversations with CompassPoint, Northern California Grantmakers and others about organizing a series of public policy forums.

II. City Budget and Revenues

City Budget: The \$16 million in Board addbacks has restored most health and human services funding. There is talk of more restorations, including \$1.5 million to backfill Ryan White cuts. Some Aging and Adult Services have not been restored. HSN is also advocating that the city extend the 2% COLA, which does not apply to grants, to Ryan White funds.

The City will receive an unexpected \$13 million that the state borrowed from vehicle license fees, and is now paying back early. There is no process on how the City will spend that money. There is also a deal under discussion for the S.F. schools, with money coming as an advance on next year's Prop H money.

Revenue Enhancement: Coleman Advocates began holding meetings 3-4 months ago to explore a potential tax revenue initiative for the 2006 ballot. Participants include HSN, ACORN, SEIU 790, Senior Action Network, S.F. Organizing Project, and others. The group will propose a progressive tax measure to bring in about \$50 million, such as a business gross receipts tax or an increase to the real estate transfer tax.

Supervisor Daly is supporting a measure proposed for the 2005 ballot by SEIU 790. The measure would increase the sales tax .25% and allocate the money for health care. The \$30 million in new revenue would be allocated 60% to S.F. General Hospital, 15% to the community clinics, and 25% to community-based organizations. A companion measure would create a baseline budget for DPH that locks in the money.

HSN members are concerned that the 25% for CBOs is not explicit enough, and that the language is for primary medical care rather than the full range of health services. HSN is also concerned that a DPH baseline would harm nonprofits that receive funding from other departments. The HSN Steering Committee has not made a recommendation for or against. The language is still evolving.

III. Contract Reform Update, Nicholas Elshans (Edgewood Center)

Nonprofit Document Repository: OCA is working to create the centralized on-line repository for nonprofit contract documents. Currently, DPH uses its own COOL system. Electronic submission would eliminate the need for multiple hard-copy submissions. Timely payment also continues to be a problem. Please e-mail Debbi Lerman if you have a delayed-payment horror story.

MOCD is creating an on-line system expected to be running by August 1, but contractors had no input into its development. MOCD is the only city department that requires board members to sign off on invoices, and they have incorporated this requirement into their online system by assigning board members a special access code. This issue may be an appropriate topic for the Review / Appellate Panel, which was created in accordance with the recommendations of the City Nonprofit Contracting Task Force. So far, the Panel has focused on implementation, and its role in reviewing contractor grievances has not been tested. Most departments still do not have a grievance procedure, and the Panel is developing a model procedure for departments to consider.

SPUR has produced an as-yet unreleased 17 page report on contract reform that includes many of HSN's recommendations regarding non-profits. We met recently with SPUR to compare recommendations, and plan to write a joint letter to the Mayor.

IV. Guest Speaker: Mitch Katz, Director, Department of Public Health

City Budget: Dr. Katz began by thanking HSN for its work, and then discussed the FY 05-06 budget. Although he is used to rough budgets, this has been a particularly difficult year, with bigger swings. However, the City has reversed most of the cuts, and the rest are likely to be restored in the next few days. There might also be service augmentation for HIV/AIDS. The only likely remaining cuts will be in administration and operations. However, we all could have been more productive if we didn't need to fight the cuts since January.

Contract streamlining: City forces for contract streamlining are coalescing, including the Controller's involvement, the Board's oversight, and the Contracting Task Force. The Controller's Office is spearheading the effort to streamline monitoring. The goal is to have one annual agency-wide monitoring to look at fiscal issues, insurance, etc. Programs and services can be evaluated separately. Project Open Hand will be the first pilot test. They are also setting up an on-line system to see how long it takes for every contract to be processed, which will increase transparency. It will take 30-60 days to resolve the computer issues involved.

One HSN member said that the AIDS office is the only one that doesn't start the contracting process until it gets grants from the federal government. This results in agencies not having a contract in place for the balance of the contract year. Dr. Katz agreed this is a problem. Jim Illig noted a 12% contingency amount could be built into contracts to cover the gap.

S.F. General Hospital (SFGH) rebuild: A Mayoral Task Force, which includes Sandra Hernandez, has been looking at whether to rebuild SFGH on its present site, or move it to Mission Bay near UCSF's new hospital. Under California law, all acute care hospitals must meet

seismic standards by 2013, or at least have a plan to rebuild for seismic safety. The Task Force will meet two more times and resolve the issue.

Dr. Katz presented the issues involved in both sites. Potrero (the present site) has a 100-year history. It is the community hospital for the Mission, and the outpatient facilities will remain there. However, it is a congested, small space, with little room to build. Mission Bay has the advantage of proximity to the UCSF hospital, which would provide the best doctors and equipment. There is open land available. Transportation from Bayview-Hunters Point will be good because of the Third Street Rail. Other than the Mission, the neighborhood that most utilizes SFGH is the Tenderloin, which could easily access either site.

HSN will discuss these issues at our next Public Policy Committee meeting. Of concern is the accessibility of services for the Mission and other communities. The bond issue should address sites for CBOs, not just SFGH. HSN members raised questions about the lack of public hearings. Dr. Katz responded the Mayor set up the Task Force as a Blue Ribbon committee, not stakeholders, and that there has been testimony from both sides. He doesn't believe more public testimony will help find a solution. Members noted that if SFGH moves to Mission Bay, the City would have no hospital in the south end, particularly with St. Luke's future uncertain. Dr. Katz responded that 50% of the admissions to SFGH are by ambulance, so the slight difference in location is insignificant to those patients.

Laguna Honda planning: Proposition A passed in 1999 allocating \$299 million to rebuild Laguna Honda. However, the cost of building has risen, so there are insufficient funds for the original proposed 1200 Skilled Nursing Facility (SNF) beds. The City has two options:

1. Build 780 SNF beds (which the Health Commission has already approved) and 500-600 assisted living beds in the community; or
2. Build all 1200 SNF beds using more tobacco tax money.

The Health Commission will discuss this at their August 16 meeting and make recommendations in the fall. Among the options is the Mission Creek model, which builds independent living next to or on top of adult day health care treatment programs. This allows the facility to be reimbursed by the state for the SNF bed day rate, and eliminates transportation costs. The City's day treatment programs include public programs as well as about 12 non-profit programs.

Bruce Fisher asked what guidelines help determine what services are most appropriate for the public sector to deliver, and which are best for the nonprofit sector. Dr. Katz said that whoever does it best should do it, and the fact that a CBO can deliver cheaper is not a good value. He said that CBOs are more nimble, able to change more quickly (e.g. a change from a drop-in center to a sobering center in 2-3 months), and are better at cultural competency because they develop more organically, not bureaucratically, so are closer to the community. Dr. Katz said that city programs could become more a part of the community. For example, the Tom Waddell Clinic is the most trusted by the transgender community.

We discussed the need for a move to pay equity between public and nonprofit contract workers. The union should be a force toward equity. CBOs have greater turnover because of low pay. To prevent patronage, the City must be more rigid about minimum qualifications. Through an organized effort, CBOs could train city employees in cultural competency issues.

V. Guest Speakers: Sally Allen and Greg Kats, Controller's Office

Sally Allen and Grey Kats work in the Controller's Office under the City Services Auditor, whose responsibilities include contracting oversight and non-profit technical assistance. The Auditor also conducts finance and performance audits, including non-profit service providers.

More specifically, their work focuses on three areas:

1. Technical assistance and training for nonprofits, with materials available on the Controller's website at http://www.sfgov.org/site/controller_index.asp?id=30547;
2. Finance and performance audits, with the intent to shape how the City can work with and streamline what is required from non-profits; and
3. Streamlining and making contract monitoring more uniform. They are taking the lead on implementing the monitoring recommendations from the City Nonprofit Contracting Task Force report.

They are currently focusing on joint monitoring, which will result in fewer site visits. Some of the components of this initiative include:

- There will be a standard assessment tool to gather data for fiscal compliance monitoring. Only one site visit would be required to collect all data and share it internally, although there could be supplemental addendum for criteria specific to programs.
- New procedures for fiscal compliance and program monitoring will provide for uniformity and consistency between departments.
- There will be a non-profit document repository, decreasing the need for site visits. After one visit, compliance documents will be posted to the system, available to other departments.
- There will be a master calendar so that different departments can coordinate joint visits.

They are drafting prototypes, and next week will conduct pilot tests at Project Open Hand, Catholic Charities, Children's Council, and Homeless Prenatal Program. They plan to stay involved for 6-12 months, with monthly meetings to address quality improvement of the program.

One HSN member said that some departments have created written standards of care for service areas, as recommended by the Task Force, but not all. In addition, the City looks at non-profits but not itself. The same standards of care and cost effectiveness should apply to both sectors.

VI. Guest Speaker: John Avalos, Sup. Daly's Office

John Avalos spoke about a proposed sales tax proposition for the November ballot. It would raise about \$30 million annually for public health. The proposition has the eight required supervisor sponsors. Although some are concerned that the tax is regressive, the City is facing \$44 million in cuts to services, resulting from the economic downturn since 9/11. They are also looking at a charter amendment to make the ordinance enforceable by creating a DPH baseline budget,

preventing the City from cutting health funding. The final language needs to be complete in a week. (Note: HSN has not taken a position on this proposed measure.)

Members expressed concern about whether a sufficient portion of the funds would go to CBOs. They also raised the issue of wage equity between the public and non-profit sector. Avalos said that DPH could use the money to provide wage equity. The measure includes an oversight committee that could address these questions. He will talk to the City Attorney about strengthening the language to assure that money goes for services, and not capital costs.

IV. Health Care Accountability Ordinance (HCAO), Debbi Lerman

Proposed amendments to the Health Care Accountability Ordinance are almost ready. Stakeholders – including HSN, labor, the Living Wage Coalition, DPH, and the Office of Labor Standards Enforcement -- agreed to these changes a year ago. Changes include exempting nonprofit relief workers and delaying implementation for 15-19 hour/week workers. Supervisor Ammiano may sponsor the legislation. The HCAO mandates that San Francisco employers who contract with the City and County provide health insurance or pay a fee to the City. Most non-profit health and human service providers already provide health insurance.

Supervisor Ammiano is also considering an ordinance that would require all San Francisco employers to pay a fee if they don't provide health care benefits to their workers. His proposal is modeled after a New York City proposal that would impose a fee on certain industries that often don't provide adequate insurance. The S.F. ordinance could be by industry (e.g. building and construction, hotel or restaurant) or cover everybody. Supervisor Ammiano wants something before the Board by September, and there will be public hearings when the legislation is drafted.

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING, JULY 15, 2005

Brett Andrews, Positive Resource Center
Margy Baran, IHSS Consortium
Nancy Brundy, Institute on Aging
Debberra Burrell, BVHP Foundation
Donna Calame, IHSS Public Authority
Dodie Chaney Fernandes, BVHP MHS
Margi Dunlap, International Institute
Laura Ecker, HAFC, Inc.
Nicholas Elsishans, Edgewood Center
Riva Enteen, HYP
Bruce Fisher, Huckleberry
Bill Hirsh, ALRP
Dick Hodgson, SFCCC
Jim Illig, Project Open Hand
Jennifer Kang, HAFC, Inc.
Eve Meyer, SF Suicide Prevention
Sandy Mori, Kimochi
Linda Rapp, Compass Community Services
Diane Reval, Independent Living Resource Ctr.
Sandra Santana-Mora, Edgewood
Judy Siff, Goodwill
Don Soto, Lutheran Social Services
Andrea Spagat, Center for Human Development
Kelly Wilkinsen, Episcopal Community Services
Debbi Lerman, HSN