

HSN Membership Meeting
October 21, 2005
Meeting Minutes

I. HSN Ballot Measure Endorsements – *Debbi Lerman*

At the September General Member Meeting, HSN members voted to bring one local and five state ballot measures to the full membership for a vote. By email, HSN members agreed that HSN should take the following positions on the November ballot:

- No on F: Neighborhood Firehouses
- No on 73: Minors and abortion: Waiting period and parental notification
- No on 75: Union dues
- No on 76: State spending and school funding limits
- No on 78: Prescription drug discounts
- Yes on 79: Prescription drug discounts

HSN has contacted all official campaigns and allowed them to use HSN's name. There is no official "No on F" campaign. HSN signed on to a postcard sent out by Coleman Advocates opposing Prop F. HSN will work with other opponents of the measure, including the League of Women Voters and SPUR, to contact the Chronicle's Editorial Board. We will also notify the Bay Guardian of our positions. HSN staff will notify members and include summaries along with official campaign websites to encourage member agencies to take their own positions.

In response to a question about Prop 74 (teachers' tenure): HSN did not take a position on this measure because it was unrelated to HSN's mission or our members' missions. Also, no member brought up this measure at either the Steering Committee or the September member meeting. HSN's policy requires discussion and a member vote.

II. MCO/HCAO – *Bruce Fisher and Debbi Lerman*

The Minimum Compensation Ordinance (MCO) and the Health Care Accountability Ordinance (HCAO) grew out of the living wage efforts five years ago. They require most City contractors to pay a higher minimum wage and provide health benefits to employees working on contracts. Nonprofits could apply for pass-through funding from the City to cover cost increases.

When the HCAO originally passed in 2001, HSN raised a number of concerns about specific provisions. However, the Board told nonprofits to wait a year before they would consider amendments. In 2004, HSN met for several months with other stakeholders, including labor, the Living Wage Coalition, DPH and the Office of Labor Standards Enforcement (OLSE). This group reached consensus on a number of proposed amendments, which the Health Commission voted to support. However, OLSE wanted to review the MCO as well, and staff reductions due to budget cuts stalled the process. Over four years have now passed.

During last summer's budget process, Supervisor Ammiano led the Board to set aside nonprofit pass-through funds for a significant increase in the MCO wage rate beginning January 1, 2006. We hope the legislation will finally move through the legislative process.

The Mayor's Office has prepared draft legislation that:

- Raises the nonprofit MCO wage rate from \$9.00/hour to \$10.50/hour, and provides pass-through funding for nonprofits not currently paying \$10.50;
- Exempts nonprofit relief workers from the HCAO. These are not regular employees, but fill shifts when others are out. The change would allow nonprofits to stop tracking their hours for this legislation;
- Exempts interns from the HCAO if they are receiving academic credit or such work is required for their license;
- Exempts employees who work 15-19 hours per week from the HCAO (since insurance is not commercially available for them), provided there are no efforts to cut employees hours to circumvent the law's intent;
- Amends insurance provisions to reflect insurance industry standards, requiring coverage on the first of the month, following a 30-day period after hire;
- Raises the fee employers must pay the City in lieu of providing health benefits from \$1.50 to \$2.00/hour to better reflect the costs of insurance and provide a greater incentive to offer health coverage; and
- Contains enforcement provisions in MCO and HCAO permitting employers to appeal.

Although the Mayor's Office drafted the legislation, a member of the Board may introduce it, most likely Supervisor Ammiano. We are awaiting confirmation from his office, which may seek an even higher wage rate. He may also consider tying the rate to the Consumer Price Index for annual increases. The Mayor's version reflects HSN's position that future increases would depend on the availability of pass-through funds. It is unclear whether a higher wage rate would include the 13,000 IHSS workers, whose salary will increase to \$10.50/hour on January 1.

The MCO applies to employees who work at least 4 hours/week on City government contracts. HSN members noted the lack of clarity regarding employees whose positions are covered by blended funding from differing sources.

HSN must collect information from our members who these increases might affect, including any resulting bumps in supervisory staff salaries and benefit costs. We need to work carefully to address these members' needs while supporting the goal to increase pay for low-wage workers. The majority of our members pay their employees more than \$10.50/hour, but some sectors, such as childcare, may face higher impacts.

III. Contract Reform Updates & Discussion – Guest Panel: Naomi Little, Director, OCA, Greg Kats, Controller's Office, Dave Curto, HSA, and Anne Okubo, DPH

Naomi Little, Director, Director, Office of Contract Administration (OCA):

- Ms. Little inherited the responsibility for implementing the recommendations of the City Nonprofit Contracting Task Force when Mayor Newsom appointed her to replace Judith Blackwell. She is working closely with departments on contract reform. In January 2005, she established the Review / Appellate Panel, which meets on the 4th Monday of each month at 2:30 pm in City Hall. These meetings have been very helpful for the City. The panel includes OCA, HSA, DPH and the Controller's Office. Nonprofits representatives are Debbi Lerman of HSN,

Toni Michelini of Catholic Charities, Judith Stevenson of Baker Places, Nicholas Elshans of Edgewood Center.

- The Board of Supervisors' Government Audits and Oversight Committee will hold its next hearing on implementation progress on Monday, October 24.
- Ms. Little is concerned that the nonprofit document repository is only on DPH's COOL system. A citywide system is possible, but they have not reached agreement with technical staff about placing all this information on the City's website.
- The City's very cautious risk manager is finally willing to allow one insurance certificate for all City contracts provided it has the proper blanket underwriter certificate.

Dave Curto, Human Services Agency (HSA)

- The City created the HSA with the merger of the Department of Human Services and the Department of Aging and Adult Services.
- The next area of focus for their office is program monitoring. He strongly supports tiered monitoring, and its implementation is moving forward.
- Their office is starting early with contract renewals so they will be ready to pay beginning July 1st. There will always be a few contracts that are not ready by that date.
- They sincerely view nonprofits as their partners.
- Contract staff is now involved in developing outcome measures. They will move the process faster, have less concern with the means, and reduce bias.

Greg Katz, Controller's Office

- The Controller's Office has offered two trainings on accounting standards for nonprofit contractors.
- In conjunction with the three largest Departments (HSA, DPH and DCYF), they have developed standard fiscal and compliance monitoring protocols that are straightforward and workable.
- Program monitoring is much more complex. They are working with DPH and HSA. They do not want to lower the quality of the monitoring.
- In FY '05-'06, they will employ a tiered system to audit 67 nonprofits with two or more contracts. The audits will be a site visit or self-reporting. Ideally, program and fiscal monitoring would occur on the same day, unless the nonprofit requests separate dates. Once the visit is completed, they will meet with the departments to share their knowledge and findings. They have scheduled training in November for the 67 nonprofits to help prepare for the self-assessments and site visits. Tiered monitoring will consider factors such as past monitoring results and key staff changes.
- Projected outcomes from their work are decreased workload for City and nonprofit staff and an improved process.
- They continue to meet monthly with City departments and Task Force members.

Anne Okubo, DPH

- Program monitoring is the most challenging aspect of the reform efforts. DPH is working closely with the other departments, but they are still one year away from completion.
- Community Behavioral Health will test 18-month contracts. It will be a 12-month contract with a six-month continuing resolution for the interim. This will ensure that contractors

continue to be paid after July 1, and will make it easier to implement contracts with different end dates. However, contracts over \$10 million will not be eligible because DPH would have to go before the Board of Supervisors for approval.

- DPH encourages nonprofits to use the COOL system for documents. Contractors need only one insurance certificate if it contains the proper language naming the City and County.

Member Questions, Comments and Responses

- MOCD's 7C² on-line system is not working. The Controller is meeting with MOCD and MOH to adapt and integrate their processes into the new models.

- DPH's 18-month contracts: Why were nonprofits not consulted about this new process? If we are true partners in the contract process, we could help department staff think through the implementation issues. DPH acknowledged this was a good point and that they needed to improve the partnership.

- Nonprofits need to be involved in developing the contract outcomes.
- The positive work that the panel described is not filtering down to the middle managers.
- The Purchaser has the authority to make departments work together, and should use it.
- Nonprofits need to receive their monitoring report within 30 days of the visit.
- HSN will ask the Board of Supervisors to hold hearings every three months rather than the current six months.
- The City needs to fully implement tiered monitoring.
- HSN members greatly appreciate the panel members' hard work on these issues.

IV. Laguna Honda Hospital (LHH) and Long Term Care Issues – Presentation by HSN Members: Margy Baran, IHSS, Inc.; Nancy Brundy, Institute on Aging; and Donna Calame, IHSS Public Authority

California's in-home care system is large and unique. Consumers decide who they want in their home, and it can be a family member. San Francisco has a good system of home and community care and most people want to stay in their homes as long as possible, but funding is insufficient to meet the existing and growing demand.

The forces in San Francisco that want to rebuild 1200 beds at LHH and keep all the associated jobs are not supporting progressive views on the types of care that should be available. While a Supervisor, Mayor Newsom voted against the LHH bond issue based on the recommendations of the Long-Term Care Task Force.

The ongoing operating costs of LHH are significant and need consideration along with the cost to rebuild. LHH receives twice as much funding per person as Hill Haven and other freestanding nursing facilities. Additional funds come from their association with SFGH, and the City provides another \$100/person/day. The total cost at LHH, \$400/person/day, should provide excellent care.

Decreasing the number of beds at LHH will not be a betrayal of the original bond. It will cost approximately \$500,000 to build each bed at LHH. The total cost of \$600 - \$650 million to rebuild the facility does not include furniture. There is land available on the site to build other

types of housing. The LHH employees are pushing to place a measure on the June 2006 ballot to reaffirm the commitment to 1200 beds at LHH, regardless of cost.

There are big gaps in the level of care available. Most people do not need skilled nursing. They need options that are less expensive. The mental health system has a better variety of housing types to fit patients' needs. We need increased access to transportation. The City's great paratransit system is under review. We need to properly fund adult day health programs and vans to bring people to the programs.

The nonprofit community is caring for people with a broad range of needs. For example, the S.F. Senior Center is working with people discharged from the hospital to keep them from being readmitted. They help patients fill their prescriptions, get to doctor visits, and obtain needed ongoing services. They also help clean their homes, including cleaning and restocking the refrigerator. These are exciting program options.

The Long Term Care Coordinating Council is proposing the establishment of a Community Living Fund to set aside funds saved by rebuilding fewer beds at LHH. The funds would go to alternative community services to help people coming out of LHH and keep people out of LHH in the first place. Additional funds for community services and assisted living might be available with a Medicare 1915c home and community based waiver.

One barrier is that the workforce receives low wages with poor benefits. This may cause massive labor shortages in the future. We need to focus on training and retention.

We need to view this issue as a matter of simple civil rights. We all owe a debt of gratitude to the Independent Living Resource Center and their ongoing work on this issue.

The Health Commission has not yet voted to cap LHH at 780 beds, which would be more than enough. The unions are working hard on this issue because they want to keep the jobs. HSN members should go to the Mayor's community meetings and express our support for a smaller facility at LHH.

Long-term care is a key policy issue for HSN and we need to play a major role. Please attend HSN's Public Policy Committee meeting on Friday, October 28 to help develop our strategy.

V. Next Meeting and Adjournment

- HSN's next membership meeting will take place on **Friday, November 18 from 9:30 a.m. – 11:30 a.m. at LightHouse for the Blind and Visually Impaired, 214 Van Ness Ave. (between Grove and Hayes).**
- The meeting adjourned at 11:30 a.m.

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING, OCTOBER 21, 2005

Sherilyn Adams, Larkin Street
Brett Andrews, Positive Resource Center
Margy Baran, IHSS Consortium
Amy Beinart, BHNC
Merrill Buice, HSN
Debberra Burrell, Bayview Hunters Point Mental Health
Donna Calame, IHSS Public Authority
Dodie Cheney Fernandes, BVHPF
George Clark, LightHouse for the Blind
Charlene Clemens, Family Services Agency SF
Margi Dunlap, International Institute
Steve Fields, Progress Foundation
Bruce Fisher, Huckleberry Youth Programs
Jim Illig, Project Open Hand
Gay Kaplan, Curry Senior Center
Erica Kisch, Compass Community Services
Jeff Kositsky, Community Housing Partnership
Debbi Lerman, HSN
Ellen Lord, LightHouse for the Blind
Deidre Muller, Curry Senior Center
Mevra Murray, Continuum
Nancy Nielsen, Lutheran Social Services
Anaal Patel, Walden House
Sandra Santana-Mora, Edgewood
Judy Siff, Goodwill
Andrea Spagat, CHD
Michelle Tolle, Progress Foundation