

November 25, 2013

The Honorable Mayor Edwin M. Lee
City Hall
1 Dr, Carlton B. Goodlett Place, Rm. 200
San Francisco, CA 94102

Re: Request for meeting; Nonprofit cost-of-doing-business

Dear Mayor Lee:

In 2005, Mayor Gavin Newsom provided the first-ever cost-of-doing-business (CODB) increase in nonprofit contracts. Since that year, City leaders continue to express their recognition of the need to address stagnant salaries for front-line workers and inflationary increases in the costs of providing services. Despite this verbal support, however, actual increases have not kept pace with inflation, and nonprofits received flat funding for several years during the recent recession.

With the local economy in healthy recovery, the San Francisco Human Services Network requests that you include a cost-of-doing-business increase in the upcoming FY2014-15 budget. We also ask that you provide for this increase at the front end of the process by including it in your budget instructions, rather than at the end as part of budget negotiations during the Board of Supervisors' review.

HSN recently had meetings with Controller Ben Rosenfield, Budget Director Kate Howard and Board Budget Committee Chair Mark Farrell to discuss the need for a permanent solution to the CODB problem. For example, these conversations raised the idea of allowing nonprofits to include escalators in multi-year contracts, as is currently the case with the City's for-profit contractors. Ultimately, we hope to work with the City to develop a mechanism that will ensure the adequate funding and longterm sustainability of crucial services, while removing this issue from the annual politicized addback process.

We are also reaching out to members of the Board of Supervisors, and to SEIU and OPEIU, which represent workers in many of our organizations. To date, their responses have been positive regarding this approach.

We would like to engage in further discussion as soon as possible, and request that you and Kate Howard meet directly with HSN representatives before issuing your budget instructions.

AIDS Legal Referral Panel
APA Family Support Services
Baker Places, Inc.
Bayview Hunters Point Foundation
CalNonprofits
Catholic Charities CYO
Children's Council of San Francisco
Community Awareness & Treatment Services
Community Housing Partnership
Community Living Campaign
Compass Family Services
Conard House, Inc.
Congress of African-American Organizations
Council of Community Housing Organizations
Curry Senior Center
Dolores Street Community Services

Edgewood Center for Children and Families
Episcopal Community Services
Eviction Defense Collaborative
Family Builders By Adoption
Family Service Agency of San Francisco
Hamilton Family Center
HealthRIGHT 360
Holy Family Day Home
Hospitality House
Huckleberry Youth Programs
Independent Living Resource Center SF
In-Home Supportive Services Consortium
In-Home Supportive Services Public Authority
Institute for Civic and Community Engagement
Institute on Aging
Instituto Familiar de la Raza

Japanese Community Youth Council
Kimochi, Inc.
La Casa de las Madres
Larkin Street Youth Services
Latino Commission
Lutheran Social Services
Meals on Wheels of San Francisco, Inc.
Mental Health Association of San Francisco
North Beach Citizens
Oakes Children's Center
Positive Resource Center
Progress Foundation
Project Open Hand
Richmond Area Multi-Services, Inc. (RAMS)
S.F. AIDS Foundation
S.F. Child Abuse Prevention Center

S.F. Community Clinic Consortium
S.F. Food Bank
S.F. Mental Health Education Funds
S.F. SafeHouse
S.F. Study Center
S.F. Suicide Prevention
Seneca Family of Agencies
Shanti Project
St. Anthony Foundation
St. Vincent de Paul Society
SteppingStone
Swords to Plowshares
Toolworks, Inc.
Treasure Island Homeless Development Initiative
Westside Community Services
Women's Community Clinic

Our Administrator, Debbi Lerman can work with your office to schedule the meeting. You may reach her at 668-0444 or debbilerman@sfhsn.org.

Thank you for your consideration of this request.

Sincerely,

Steve Fields
HSN Co-Chair

Sherilyn Adams
HSN Co-Chair

Debbi Lerman
HSN Administrator

Cc: President David Chiu (D3)
Sup. Eric Mar (D1)
Sup. Mark Farrell (D2)
Sup. Katy Tang (D4)
Sup. London Breed (D5)
Sup. Jane Kim (D6)
Sup. Norman Yee (D7)
Sup. Scott Wiener (D8)
Sup. David Campos (D9)
Sup. Malia Cohen (D10)
Sup. John Avalos (D11)
Budget Director Kate Howard
Chief of Staff Steve Kawa
Emma Geroud, SEIU Local 1021
Natalie Naylor, OPEIU Local 3