

Nonprofit Flat Funding Hearing: Talking Points
Board of Supervisors Budget Committee Hearing
Wed. April 18, 2 pm

Speakers will have 2 minutes each during public comment. The important thing is to humanize your testimony by describing the impacts on your organization, programs, the people you serve, your workforce, your life and your work. Include both the social justice perspective (San Francisco values and the impact on services, vulnerable city residents, and workers) and the infrastructure perspective (maintaining healthy organizations, providing good jobs, rising costs, and the important role that nonprofits play in the San Francisco economy).

Background:

What is the difference between a cost-of-doing-business increase and a cost-of-living-adjustment?

A cost-of-living-adjustment (COLA) applies to salaries only. A cost-of-doing-business increase (CODB) provides an increase on the entire contract amount, recognizing that expenses have risen dramatically for salaries, health benefits, Workers Compensation, rent, utilities insurance and other costs. By receiving a CODB increase, nonprofits are committed to providing our staff with a salary increase equivalent to the percent of the CODB increase.

What increases has the City provided to nonprofit contractors in past years?

It has been five years since the last increase in nonprofit contracts. The City approved general fund COLAs of 2% in 2001 and 1% in 2003. Nonprofits received CODB increases on general fund contracts of 2% in 2005, 3% in 2006, and 3.45% in 2007. Even those increases did not reflect the actual cost of providing services.

Talking points for nonprofit Executive Directors and managers, and for Boards of Directors:

Flat funding has both visible and invisible impacts on the quality, capacity and sustainability of our organizations and services:

- Visible: closed programs, reduced hours, fewer clients served, diluted services, layoffs, no raises, etc.
- Invisible: higher caseloads, furloughs, staff turnover, weaker benefits, delayed maintenance, etc.

Flat funding is a service cut:

- How have budget cuts and flat funding reduced your ability to respond to the needs of your clients?
- Stable funding protects services that city residents rely on. Longterm flat funding results in the erosion of organizational capacity, which leads to uncontrolled, ad hoc and unplanned loss of services to critical populations.
- The past few years, nonprofits have forgone a CODB in order to give back and prevent budget cuts for the most vulnerable city residents. But this is a false choice, because the lack of a CODB is also a budget cut. We need to protect all safety net services.

Five years of flat funding impacts our organization's health and sustainability:

- Many organizations say they're at the tipping point, and that programs or even entire organizations are in jeopardy. What would happen if your nonprofit had to close a program or go out of business?
- What will happen if you don't get a CODB increase for yet another year? Will your workers again go without a raise? Will you reduce services or even close a program?

Our hardworking staff can't go another year without a raise, and we are committed to a COLA:

- When was their last raise? Have you weakened their benefits and out-of-pocket-costs due to skyrocketing premium increases for healthcare? How is staff morale?
- Jobs are a priority for this Mayor and the Board. How many staff have you laid off during the past five years of flat funding (let alone funding cuts for many nonprofits)? How many will you lay off this year if there's no increase for nonprofits? Will you lay off some staff to give raises to others?
- Are you facing recruitment and retention challenges?

Nonprofits need a CODB increase that includes funding for a COLA and other expenses:

- Besides salaries, what are the cost pressures that your organization is facing (workers comp, insurance, utilities, compliance with accountability requirements, etc.)?
- Is your rent going up? The improvements in the economy are a double-edged sword, as rents are beginning to increase, sparking fear of another tech boom causing a nonprofit space crisis.

Five years of unfunded inflationary costs are squeezing our budget:

- Have you given your staff raises, even though you didn't have increased funding to do so? If your employees belong to a union, does your MOU include increases that are unfunded by the city?
- Nonprofits must comply with the city's unfunded healthcare mandates. Can you quantify your health insurance costs and increases?
- By how much have your program expenses (such as food and transportation) gone up?
- Can you quantify the percent by which your budget rose over last year's due to unavoidable cost increases?
- Has the multi-year recession also caused reductions in your other funding sources?

Additional talking points for nonprofit workers: (From SEIU 1021 materials)

Our Good Work:

- At my agency, we provide the following critical services... Please say a few sentences about the work you do.

We need a raise:

- Nonprofits haven't had an increase from the City in 5 years. Meanwhile, costs of living have gone up and it has become more difficult to live. Our workloads have gone WAY UP (thanks to Avatar and other things). Many nonprofit workers are one paycheck away from homelessness.

Without an increase, I could... make it personal:

- Lose my healthcare..... Have to choose between Healthcare and rent/food
- Have to move out of the city..... Lose my home.....
- Have to find a second job..... Quit my job in frustration....
- I can't save for retirement, education, or a home

Without a raise, my program could... make it specific:

- Layoff more people, increase my workload.
- May have to close needed programs
- Wouldn't be able to serve _____ groups of people. Make specific to actual people.
- Without an increase, my coworkers and I would have low morale. We would have higher turnover.

Fair Taxation:

- There are tax loopholes that allow the wealthiest corporations, like Chevron to get away with paying hardly any taxes. Banks like Wells Fargo are not paying any local taxes. This isn't right. Tax these corporations and give us a raise!