

May 15, 2014

Kate Howard
Mayor's Budget Director
Mayor's Office of Public Policy and Finance
1 Dr. Carlton B. Goodlett Place, Room 288
San Francisco, CA 94102

Dear Ms. Howard:

Thank you for the recent meeting with the San Francisco Human Services Network and key City department representatives, and for your ongoing efforts to understand and work towards solutions to the fiscal challenges faced by our community-based nonprofits.

In particular, we appreciate your tentative support for a cost-of-doing-business increase in the next two budget years, and hope that the Mayor's budget will include a sufficient increase that avoids the need for additional requests to the Board of Supervisors. We believe an appropriate increase would be 3% per year in order to offset the rising costs of doing business in San Francisco, and to provide fair wage increases for our frontline workers in parity with anticipated increases for civil service workers performing similar duties. We are also committed to working together towards a structural fix for future years based on a reliable indexing mechanism.

We also would like to express our deep concern with the Department of Public Health (DPH) budget, specifically the \$17.7 million budget cut through the RFP process that remains from last year's budget (\$8.8 million in FY2014-15, annualized to \$17.7 million in FY15-16). The Controller's latest projections in the 9-month report make it clear that revenues for both DPH and the City as a whole far exceed projections. The \$17.7 million cut is an arbitrary figure based on the need to balance last year's budget, and the specific amount bears no direct policy or needs-based relationship to the services we provide to our City's vulnerable populations or to San Francisco's implementation of the Affordable Care Act. We do not believe that an RFP process is an appropriate mechanism to reduce the budget, or that the cut is necessary in light of the City's improved economy.

Thank you again for the opportunity to discuss and work together to address these issues.

Sincerely,

Sherilyn Adams
HSN Co-Chair

Steve Fields
HSN Co-Chair

Debbi Lerman
HSN Administrator

Cc: Mayor Edwin M. Lee

Barbara Garcia, Director of Public Health, Department of Public Health

Anne Hinton, Executive Director, Department of Aging and Adult Services

Trent Rhorer, Executive Director, Human Services Agency

Maria Su, Executive Director, Department of Children, Youth and Their Families

Laura Moye, Deputy Director, Department of Children, Youth and Their Families

Michelle Ruggels, Director of Operations for Community Programs, Department of Public Health