

December 8, 2008

Mayor Gavin Newsom  
City Hall  
1 Dr. Carlton B. Goodlett Place, Rm. 200  
San Francisco, CA 94102

Dear Mayor Newsom:

While we appreciate the seriousness of the budget issues for this fiscal year and the severe deficiency the City is facing in 2009-10 and beyond, the San Francisco Human Services Network, an association of over 110 San Francisco health and human service nonprofits, offers the following comments regarding proposed mid-year budget cuts to services:

- The mid-year cut targets to departments place the brunt of funding reductions on health and human services at a time of increasing demand for those very services. In the Department of Public Health, proposed cuts fall disproportionately on nonprofit community-based services, with an irrevocable devastating impact on the most vulnerable city residents.
- These cuts fail to take into account the ultimate fiscal and human cost when the sudden loss of services leaves thousands of people with no place to turn. The likely result is that the loss of treatment, preventive care, and other services will lead to a dramatic increase in city expenditures for emergency homeless services, hospitals, jails, police, and other institutions.
- The City must view this budget crisis not merely as part of an 18-month problem through FY 2009-10, but as part of a comprehensive longterm planning and policy process to secure the sustainability and viability of our health and human service system. HSN called for this process in our Caring for Vulnerable San Franciscans paper of May 2007. In the absence of a plan, we are left with an ongoing series of episodic, crisis-to-crisis, controversial decisions.
- The need for longterm planning is highlighted by the disparity in cuts between institutional and community-based services. Services in the community are parallel to and less expensive than those offered in our city's institutions. Yet, without an investment in our community-based services, we will lose the programs that divert individuals from institutional treatment and prevent their release to the community.
- The city depends on successful partnerships with community-based organizations, and expresses a commitment to community-based alternatives to institutional care. Our nonprofits supplement these city resources through their ability to leverage private funds. Therefore, the city should not propose any cuts that replace contracts in good standing with civil service employees. The city should closely scrutinize any proposal of this nature to determine whether it is truly a sustainable cost-saving option, as well as one that best serves the needs of its clients.

- While we recognize the difficult choices that your administration must make in the short term, we urge you to preferentially protect and minimize the impact on our safety net for the poorest and frailest members of our society. We ask instead that you look hardest for cuts in those departments where services are less critical, and where cuts may create inconveniences or temporary delay in desirable programs, but will not have deep effects on people's lives, housing or health.
- Decisions on program cuts should be guided by effectiveness as well as need. All services, whether provided by city employees or nonprofit contractors, should be evaluated on their outcomes. Those results should be taken into consideration when setting funding levels.
- Reductions should also focus on streamlining strategies, including prioritizing direct services over administrative overhead, looking for duplication of services, and consolidating contracting functions across departments.
- Finally, we urge you to instruct all city departments to conduct their budget process in a transparent manner with full community participation. We cite the Department of Public Health for its best practices, including posting full information about proposed budgets and reductions on their website, and holding Commission hearings with public comment and discussion at every stage of the budget process.

Thank you for your consideration of these remarks. If you or your staff would like to discuss these issues in more detail, you may contact HSN at (415) 668-0444 x-2.

Sincerely,

Sherilyn Adams  
HSN Co-Chair

Steve Fields  
HSN Co-Chair

Debbi Lerman  
HSN Administrator

Cc: Nani Coloretti, Mayor's Office, Budget Director  
Steve Kawa, Mayor's Office, Chief of Staff  
Catherine Dodd, Mayor's Office, Deputy Chief of Staff  
Mitch Katz, Dept. of Public Health  
Trent Rhorer, Dept. of Human Services  
Anne Hinton, Dept. of Aging and Adult Services  
San Francisco Health Commission  
San Francisco Human Services Commission  
San Francisco Aging and Adult Services Commission