

**HSN Update: 3/13/08**

**(1) HEALTH COMMISSION BUDGET HEARING, 3-18-08**

**(2) TURN OUT MARCH 18 TO STOP THE CUTS!**

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Health Commission  
101 Grove St.  
3rd Floor  
Tues, March 18  
3 p.m.

At their March 4 meeting, the Health Commission approved the [first set in a series of budget cuts](#) to meet the Mayor's target of a 13% general fund reduction. The first round cuts total \$17.3 million.

These cuts include the mid-year cuts announced by the Mayor a few weeks ago, including the closure of Buster's Place (the city's only 24-hour homeless drop-in center) and the elimination of the chronic care public health nursing program. Buster's Place has announced that it will close on March 31.

The Commission ranked the proposed FY 08-09 cuts as regards to how they compare with the [budget principles](#) they adopted a few months ago. The March 4 cuts include most of those ranked level 1 or 2, but the level 3 (most difficult) cuts are still under consideration.

**Most of the cuts that directly affect HSN's member organizations are still up for discussion, and we still have the opportunity to urge the Commission to identify alternatives!** The March 18 hearing will be our last chance to stop these cuts before they go to the Mayor. These cuts, which total \$16.2 million include the following:

(1) [15% General Fund Reduction in Community Programs Services](#): This proposal would cut about \$9.2 million from the budget, most of it (\$8.4 million) from CBOs. On March 4, DPH's CFO Gregg Sass presented more information on this cut. It applies only to general fund expenses that have no matching dollars. (General fund HIV/AIDS services have been removed from this cut, but an equivalent amount in cuts has been moved to another line item.) The Health Commission has ranked this a level 3 cut.

Mr. Sass characterized this cut as an actual 4% cut to services because general fund is only a portion of CBO budgets. He said that the total budget of affected CBOs (including grants) is about \$209 million, of which the \$8.4 million is only 4%. In addition, he said the 2% cost-of-doing-business increase in the DPH budget will provide another \$3.2 million to the same CBOs, resulting in a net cut of only 3%.

However, this analysis does not account for the uneven effect on different agencies and services. For example, substance abuse services are supported primarily by general fund, and will be hardest hit. And a 15% cut for agencies that don't have significant grant funds could be enough to destabilize them.

Barbara Garcia told HSN that they would communicate the specific cut to each affected agency (about 150 in all) before the March 18 meeting. She said their intention is to negotiate with each agency as a whole rather than from an individual program perspective in order to maintain the agency's structural integrity. They would prefer to cut services that can be ramped up again in the future rather than lost permanently (such as licensed residential facilities).

(2) Reduction in HIV Health Services: The Commission has ranked this a level 3 cut, and has not yet approved it. This would represent a \$4.2 million reduction based on HIV Planning Council and Health Commission priorities, but does not include cuts to HIV prevention. (This proposed cut was originally \$3 million, but DPH combined it with the 15% general fund cut of \$1.2 million.)

(3) Reduction of Adult Residential and Outpatient Substance Abuse Treatment Slots: This \$1.3 million cut, ranked level 2, would replace residential beds (60 beds, 240 clients) and outpatient treatment slots (90 clients) with use of buprenorphine. The Commission hopes to limit this cut to outpatient services to prevent the permanent loss of residential facilities.

(4) SRO Collaborative: The \$333,000 reduction was ranked level 1, but would disproportionately affect the SRO Families Collaborative, which would face a budget cut from \$313,000 to \$113,000 -- with smaller cuts to the Chinatown, Central City and Mission SRO Collaboratives. The Health Commission has asked DPH to explore the possibility that the Department of Building Inspection could increase fees to cover these activities.

(5) Health at Home: This cut would reduce the program by about \$1.1 million. It is ranked a level 3 cut, and represents 30% of the HAH budget. This city service provides nursing, home health aides and other support to clients needing acute clinical services in the home.

*In addition to these cuts that are still on the table, DPH must submit an additional \$11 million in reductions to meet their target. These cuts may be on the March 18 agenda, or may be presented at a later meeting. The [Health Commission agenda](#), and [additional budget cuts](#) if they are ready, will be on the DPH website by Thursday night.*

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## **(2) TURN OUT MARCH 18 TO STOP THE CUTS!**

Some of you have already been to the Health Commission several times to speak against these cuts, but we are not done yet! We need to see as many people as possible speaking out at the March 18 hearing and raising the outcry -- stop these cuts, find alternatives, and don't send them to the Mayor!

There are 150 nonprofits affected by the 15% cut, and many more affected by the HIV/AIDS and substance abuse cuts. This is our last chance to persuade the Health Commission, so that we don't have to keep fighting this at the Board this summer. Please invest your time in this Tuesday's hearing!

*Here's how you can make your case:* Take a thorough look at how these cuts will affect your agency budget. Also factor in any state and federal cuts you are facing, and any unavoidable cost increases (such as salary increases and health insurance) that you will need to absorb if you don't receive an adequate cost-of-doing-business increase. Then

describe to the Commission -- in human and dollar terms -- what the cumulative impact will mean to your organization, services, clients and workers.

There are other points you may want to make. Substance abuse treatment providers are facing cuts under both the buprenorphine proposal and the 15% cut, with substantial potential impacts on the viability of their agencies. The cuts also erode the availability of home-based and community services that will be necessary in light of the recent settlement in the Chambers lawsuit. This agreement requires San Francisco to expand community-based living options for seniors and people with disabilities who are able to live independently outside of institutions such as Laguna Honda. You might also point out ways in which these cuts will lead to additional costs for the city, such as clients turning to emergency care and hospitals. Finally, it's worth noting that the first \$33 million cuts address the deficit created by \$32 million in DPH MOU salary increases, while community-based services receive the disproportionate impact of the cuts and a cost-of-doing-business increase of only 2%.

The Health Commission has the ability to reject these cuts and find other solutions. Please show up on Tuesday (and/or bring other staff) and let your voice be heard!