

S.F. Human Services Network Update: 11/28/06

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(1) HSN CALENDAR

See the [HSN calendar](#) for details about upcoming meetings, hearings and events:

- * HSN does not hold a general member meeting in December. The next meeting is January 19;
- * The Public Policy Committee will not meet in December;
- * HSN's Contract Reform Committee will hold its last meeting of the year on December 13; and
- * The HSN Steering Committee will meet on December 14. Members are welcome to attend, but we request that you RSVP so we can ensure that we have enough space and materials.

And yes, it's already budget time again! The Mayor's Budget Office will hold its first public meeting on the fiscal year 2007-08 budget on Friday, December 8, 4pm to 5pm at City Hall, Room 201. The Mayor's budget instructions to departments will be out in December.

(2) UPDATES ON WAGE, HEALTH AND SICK PAY LEGISLATION

(A) San Francisco Sick Leave Ordinance

In November, the voters passed the San Francisco Sick Leave Ordinance, which requires employers to provide paid sick leave to all employees. Even if you already provide paid sick leave, you may need to make some policy changes in order to comply. For example, most employers do not currently extend paid leave to temporary and on-call workers. And the law allows workers to use their sick leave to care for certain other persons.

The Ordinance's application to on-call relief workers is very problematic for many nonprofits. The circumstances under which these workers can use paid sick leave are unclear because of the nature of their employment. HSN has asked the Office of Labor Standards to clarify this question before the law takes effect in early February.

HSN has posted a [summary of the new law](#) and its requirements. We recommend that you inform your Human Resources Director so that you are prepared for implementation.

(B) Wage Updates

There has been some confusion amongst nonprofits about the current requirements under the Minimum Wage and the Minimum Compensation Ordinances.

The Minimum Wage Ordinance applies to all San Francisco employees. The current minimum wage is \$8.82, and it will rise to \$9.14 on January 1, 2007. Originally, the rate was lower for nonprofits and small business during a two-year phase-in period, but this exception ended on January 1, 2006.

The Minimum Compensation Ordinance (MCO) applies to employees that work on City contracts. When the Ordinance passed in 2000, the MCO rate was \$9 per hour for nonprofits and \$10 for commercial businesses. Under the legislation, the commercial rate has risen to \$10.77, but the mandated nonprofit rate is still \$9 per hour. (Of course, this will automatically rise to \$9.14 on January 1 because of the Minimum Wage Ordinance.)

As part of the 2005 budget process, the Board of Supervisors allocated funds to increase the nonprofit MCO rate to \$10.50. The Board did not pass any legislation mandating the increase, but many nonprofits received the funding and increased their pay rates as part of the contracting process.

In 2006, the Board of Supervisors considered amendments to the MCO, but did not act on the legislation. The proposed amendments included automatic annual increases, and bringing nonprofits up to the same rate as for-profits. Because the City has promised to provide pass-through funds for nonprofits, the amendments would be very expensive, especially for the thousands of In-Home Supportive Services employees. HSN advocated that any available funds be used instead for a cost-of-doing-business (CODB) increase on nonprofit salaries and operating costs.

In the end, nonprofits received a 3% CODB, and the Board tabled the MCO amendments. However, we expect this issue to come up again in 2007. In the meantime, nonprofits may continue to pay their employees either \$9.14 per hour under the Minimum Wage Ordinance, or \$10.50 per hour if they agreed to do so in their contracts.

(C) S.F. Health Care Security Ordinance

The Health Care Security Ordinance, passed by the Board in August 2006, includes two components: the Health Access Program to provide healthcare services to uninsured San Franciscans, and employer mandates to pay for health benefits. The legislation mandates that large and medium-sized employers spend a minimum amount per hour on healthcare for their employees. The expenditure may be for insurance, health savings accounts, participation in programs such as the Health Access Program, or direct reimbursement for medical costs.

The employer mandate only applies to nonprofits with 50 or more employees. It will take effect on July 1, 2007. The expenditure rate schedule is as follows:

* For employers with 50-99 employees, the rate will be \$1.11 in 2007, \$1.17 in 2008, and \$1.23 in 2009.

* For 100 or more employees, the rate is \$1.68 in 2007, \$1.76 in 2008 and \$1.85 in 2009.

The Office of Labor Standards Enforcement plans to issue a first draft of the regulations by December 15 for public comment. Questions also remain about the Ordinance's legality. The Golden Gate Restaurant Association has filed a lawsuit arguing that the employer mandate is preempted by federal law.

(D) For more information

The [Office of Labor Standards Enforcement](#) website has helpful information about all of these Ordinances (as well as the Health Care Accountability Ordinance, which mandates that City contractors provide health insurance to employees working on the contract).

The [San Francisco Health Plan](#) has established a special website that explains the Health Care Security Ordinance and Health Access Program.

(3) CONTRACT REFORM NEWS AND SURVEYS

(A) Recent events

In the past few weeks, there have been some significant developments with HSN's longstanding efforts to streamline the City's contracting and monitoring processes.

In October, the Department of Public Health (DPH) presented an update on contract reform to the Health Commission. HSN submitted a [memo to the Commission](#) summarizing contractor feedback from the recent survey and focus groups, and detailing problems with DPH -- including late certification, lack of standardization, unnecessary contract requirements, and systemic and cultural problems within the department.

The Health Commission responded immediately. Commission President Lee Ann Monfredini called a meeting with herself and Commissioner David Sanchez, DPH leadership and HSN representatives. The result of that 2-hour meeting is a list of agreements between the department and HSN that we hope will produce both short and long-term progress in achieving the contracting goals.

As a result of this meeting, Supervisor Maxwell has decided to delay the public hearing that was to take place in early November. Instead, she will host a meeting with DPH and HSN in her office in December.

(B) Agreements with DPH

HSN is posting the [list of action items](#) from our November 1 meeting with DPH. We ask our members to review the list, and keep us informed about any actions by the department that are inconsistent with this document.

The agreements are far-reaching. The ten action items include:

- * DPH programs managers will meet with contractor staff annually to discuss and negotiate contract development.
- * Any contract changes must be discussed and negotiated with contractors.
- * The use of COOL for contract development is voluntary for contractors, and will be combined with conversation and training.
- * DPH staff will report to the Budget Committee four times a year and to the Health Commission twice a year.
- * Other agreements relate to contractor feedback, streamlining the contract narrative, and more.

(C) DPH Contractor and COOL User Surveys

One of the major topics of conversation at the meeting was the need to improve communication between contractors and the Department. DPH is preparing to send out two important surveys, and we urge all of you to take the time to complete them. Both of these surveys will be anonymous! Both are designed to be quick and easy to fill out, but with the option to provide additional comments.

As a result of a recent meeting between the Mental Health Contractors Association and DPH, they are sending out a COOL User Survey to all contractors that use COOL. The survey results will be used to improve COOL and contract development, review and processing. DPH also agreed to keep COOL voluntary for contract development and work to improve the COOL interface.

The Health Commission also directed DPH staff to conduct a survey of DPH contractors. This week, they are mailing out a DPH Contractor Satisfaction Survey that you can complete and return anonymously. HSN has suggested that they send two copies to each nonprofit -- one to the Executive Director, and the other to your best contact for contracting issues (e.g. COO or Grants Manager). Please watch for this survey, and get it back to the department promptly!

(4) REBUILDING TOGETHER DEADLINE IS NOVEMBER 30

Did you know that Rebuilding Together San Francisco offers FREE renovations to low-income homeowners and local nonprofit organizations?

If your home or nonprofit site is in need of interior painting, landscaping, space planning, or minor repairs, contact Rebuilding Together and apply for their Rebuilding Weekend renovation program.

Rebuilding Weekend takes place annually during the final weekend of April. Each year, over 2000 volunteers from businesses, labor unions, community service organizations and congregations gather to preserve and repair homes and community facilities in San Francisco.

To ask questions or apply for their services, contact Kat Sawyer at 415-905-1611 ext. 206 or download an application from their [website](#). The deadline for applications is November 30th.

Rebuilding Together wants to help you maintain your home or community serving facility!