

**James M. Illig**  
President

**Sonia E. Melara**  
Vice President

**Edward A. Chow, M.D.**  
Commissioner

**Margine A. Sako**  
Commissioner

**David J. Sanchez, Jr., Ph.D.**  
Commissioner

**Steven Tierney, Ed.D.**  
Commissioner

**Catherine M. Waters, R.N., Ph.D.**  
Commissioner

## HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Gavin C. Newsom, Mayor**

**Department of Public Health**



**Mitchell H. Katz, M.D.**  
Director of Health

**James M. Soos**  
Acting Executive Secretary

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## MINUTES

### HEALTH COMMISSION MEETING

**Tuesday, April 7, 2009**

**At**

**4:00 p.m.**

**101 GROVE STREET, ROOM 300**

**San Francisco, CA 94102**

#### 1) CALL TO ORDER

Commissioner Illig called the meeting to order at 4:05 pm

Present: Commissioner James M. Illig, President  
Commissioner Sonia E. Melara, Vice President  
Commissioner Edward A. Chow, M.D.  
Commissioner Margine A. Sako  
Commissioner Steven Tierney, Ed.D.  
Commissioner Catherine M. Waters, R.N., Ph.D.

Absent: Commissioner David J. Sanchez, Jr., Ph.D. (excused)

#### 2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION MEETING OF MARCH 17, 2009

Action Taken: The Commission (Illig, Melara, Chow, Sako, Tierney, Waters) approved the minutes of the March 17, 2009 meeting.

#### 3) DIRECTOR'S REPORT

##### **John Kanaley, 1957-2009**

As the Commission is aware, John Kanaley, Executive Administrator of Laguna Honda Hospital and Rehabilitation Center, died suddenly at age 51 on March 19, 2009. Prior to his appointment at

LHH in 2004, he had over 20 years of health care experience in hospital operations and construction. John's commitment to the residents and his kindness and wisdom as an administrator made him a dynamic and effective leader for Laguna Honda Hospital and Rehabilitation Center. The affection for John as an individual and the respect for him as a professional were evident in the many tributes to him during his memorial service at Laguna Honda on March 27<sup>th</sup>. A link to the Chronicle's special feature on John can be found at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/26/BAVH16N02J.DTL&hw=kanaley&sn=001&sc=1000>.

### **Interim Appointments at LHH**

I have asked Mivic Hirose, Director of Nursing at LHH, to serve as acting Executive Administrative. Ms. Hirose assumes an immense role as the hospital continues to grieve for the loss of John Kanaley and reinvents itself as a dynamic system ready to occupy and manage a world class long term care and rehabilitation facility. I know the Health Commission joins me in thanking her for accepting this challenge. We look forward to working with Ms. Hirose and the LHH staff providing them with whatever support she and her staff need to keep LHH moving forward.

Ms. Hirose has asked Debbie Tam to assume the role of Interim Chief Nursing Officer. Ms. Tam has been at LHH for 30 years, is a Nursing Director, and a respected clinical leader in DPH (a recipient of the Gene O'Connell award). She currently chairs the Patient Care Committee with the transition planning to the new building.

### **HealthySF on CNN**

CNN did a story on Healthy San Francisco recently with help from Ann Kim, MD and staff of Maxine Hall Health Center and San Francisco General Hospital. CNN producers interviewed a HealthySF member who had undergone heart surgery with an excellent outcome. The Commission will see the story today during Director's Report, but for future reference, it is now posted on the internet at: <http://www.cnn.com/video/#/video/health/2009/03/19/simon.health.san.francisco.cnn>.

### **Update on Golden Gate Restaurant Association Lawsuit**

On March 30, 2009 the United States Supreme Court (Justice Kennedy) denied the Golden Gate Restaurant Association's (GGRA) request to immediately suspend the Employer Spending Requirement of the Health Care Security Ordinance. On March 15, 2009, GGRA petitioned the United States Supreme Court after the United States Ninth Circuit Court of Appeals declined GGRA's request for an en banc review of the three-judge panel decision that the ESR was not preempted by federal law. The City and County filed a response in opposition to GGRA's petition on March 27, 2009. On March 30, 2009 GGRA filed an opposing brief. On that same day, the United States Supreme Court denied GGRA's request. The Employer Spending Requirement of the Health Care Security Ordinance remains in effect.

### **Citywide Emergency Drill**

On Wednesday, April 1, DPH activated the Department Operations Center (DOC) for a citywide drill focused on testing communications and information management following an act of terrorism. DPH was represented at the Emergency Operations Center on Turk St. and worked along side many other emergency responders from Departments throughout the City and representatives from other agencies that would respond in an emergency such as the Red Cross and community-based organizations. Public Information Officers opened the Joint Information Center (JIC) and city

hospitals, including San Francisco General Hospital, opened their Emergency Operations Centers to test their own systems and capabilities. Prior to the drill, DPH staff held a series of trainings for those who were going to be working at the DOC and this past event also provided an opportunity to open the fiscal section for the first time. The next drill will be on June 18th and will be a pandemic flu scenario.

### **Older Adults with HIV Study**

HIV Health Services has been awarded a new grant from the Flowers Heritage Foundation through Public Health Foundation Enterprise to study older adults living with HIV. A recent analysis found that at least 17 persons living with HIV in San Francisco are over the age of 80, while another 172 individuals with HIV are between 70 and 79 years of age. The study will gather in-depth, qualitative information on the personal histories and life circumstances of elderly persons living with HIV through a series of one-on-one interviews that seek input on a broad range of issues and conditions. Michelle Long, Director of HIV Health Services, will be the Principal Investigator for this study.

### **2009 HIV Health Services Resource Guide**

The 2009 HIV Health Services Resource Guide has been published in Spanish and English. This is the first updated Guide since 2002 and is intended to assist newly diagnosed and severe need clients in identifying and locating appropriate services, as well as assisting other clients who may derive benefits from a printed guide to HIV-related health services in San Francisco. The Guide is available in print format and can also be accessed as a PDF on HIV Health Services website at <http://www.sfhivcare.com>.

### **Mental Health Rehab Center Passes State Survey**

The California Department of Mental Health conducted the annual survey of the Mental Health Rehabilitation Center, located on the third floor of the Behavioral Health Center at San Francisco General Hospital. The survey, which spanned four days, began on Tuesday, March 24 and ended March 27. The lead surveyor was very impressed with the care the staff delivers daily to the MHRC residents. She commented specifically that "other organizations throughout the state could certainly learn and model their care after ours." The surveyor commented favorably on all aspects of care, including pharmacy, environment of care, and resident satisfaction. Congratulations to the MHRC leadership and staff for a job well done.

### **SFGH Pediatric Asthma Clinic Celebrating 10<sup>th</sup> Anniversary**

On March 25, the SFGH Pediatric Asthma Clinic celebrated its 10<sup>th</sup> anniversary. Begun in 1999, the Children's Health Center at San Francisco General Hospital formed the SFGH Pediatric Asthma Clinic to bring services to families and children with asthma in San Francisco's underserved communities. Ten years later, the Pediatric Asthma Clinic has evolved into a highly successful program utilizing a team of specialized professionals. Every patient who visits the Asthma Clinic receives a full medical evaluation, including allergy skin testing and lung testing. The services to the children and their families cover a wide array of critical areas that even includes health educators who visit homes to help patients decrease environmental asthma triggers and who also provide extensive asthma education.

Over the past ten years, the clinic has served more than 1600 children with asthma and provided over 5000 comprehensive asthma evaluations. Patients visiting the clinic are predominantly from

the Mission District, Excelsior and Bayview/Hunter's Point. The clinic also provides allergy testing and treatment for children with and without asthma diagnoses.

In response to the high volume of patients from the Bayview area, the SFGH Pediatric Asthma Clinic formed a partnership with Southeast Community Health Center, helping this center to form its own on-site asthma clinic. The SFGH Pediatric Asthma Clinic hopes to continue this partnership with other clinics around San Francisco to help improve access to quality asthma care.

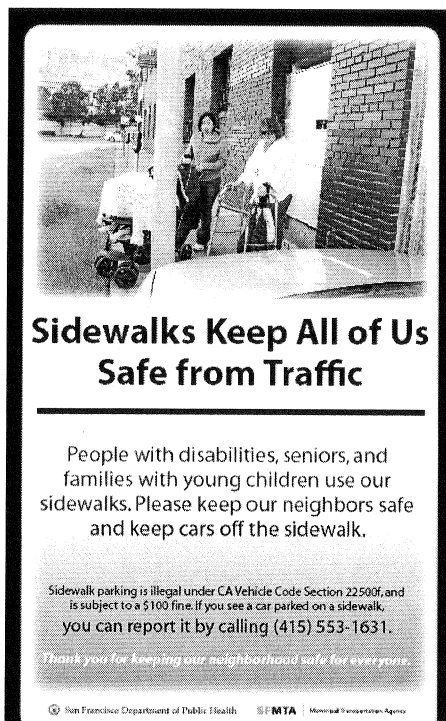
I know the Commissioners join me in congratulating the staff at the Pediatric Asthma Clinic for their 10 years of service to the families and children with asthma and thank them for their special care and concern for community members in our underserved neighborhoods.

### Pedestrian Safety Campaign Kicks Off



DPH has a joint grant with the Municipal Transportation Agency titled *Streets Smarts and Sidewalk Safety*, focusing on pedestrian safety in intersections as well as sidewalk obstructions such as sidewalk parking.

As part of *Streets Smarts and Sidewalk Safety* grant, the two agencies are launching a media campaign. The main focus of the campaign will be on pedestrian safety in intersections with 2 distinct messages. The message targeting drivers states that "They are not always right, but you can be. Let pedestrians go first." The second message targeting pedestrians is, "Tune in to your surroundings. Drivers can't always see you or stop in time."



These visuals will be posted on Muni buses, Muni shelters, City-owned garages, billboards, and sfgate.com. Campaign messages will be received by the general public on traffic radio reports and in the Muni underground stations.

Sidewalk parking presents significant pedestrian safety hazards to people with disabilities. To address sidewalk parking, the following advertisement will be placed in all San Francisco neighborhood newspapers as well as *El Tecalote* and *Sing Tao*.

Federal funding for this grant has been made available in whole or in part by a State Transportation Improvement Program (STIP)/ Transportation Enhancement Activity (TEA) grant administered by the California Department of Transportation (CalTrans).

### **Gene Marie O'Connell Named "Woman of the Year"**

Every year, the board of directors for the Women Health Care Executives (WHEC) of Northern California selects one outstanding woman from the many talented health care professionals working in the greater San Francisco Bay Area. Last week WHEC announced that Gene Marie O'Connell, newly retired chief executive officer of San Francisco General Hospital and Trauma Center, has been named its 2009 "Woman of the Year." O'Connell will be honored at a gala dinner to be held in San Francisco on Thursday, June 18, 2009. Congratulations to Ms. O'Connell for this well deserved recognition. For more information about WHEC and the June event, go to <http://www.whce.net>.

Anne Kronenberg provided two updates to the Director's Report:

Yesterday, Dr. Katz and Ms. Brigham were invited to attend the Western Regional White House Forum on Health Reform. It was hosted by Governor Schwarzenegger and Governor Gregoire of the State of Washington, along with Melody Barnes, the Director of President Obama's Domestic Policy Council. Dr. Katz was one of only a handful of people asked to speak during the forum, and the only one offering a potential model for health care reform --Healthy San Francisco. Governor Schwarzenegger pointed out that while the states are laboratories for the federal government, counties can be laboratories for the State, and said he was very pleased with the success of Healthy San Francisco.

Dr. Katz is this year's recipient of the Beverlee Myer's award. The Beverlee A. Myers award is presented each year to an individual who has exhibited outstanding leadership and accomplishments in public health in California. Established in 1993 in honor of the late Beverlee A. Myers, the award reflects the leadership and dedication to all aspects of public health improvement exemplified throughout her 25-year career, which included her service as the Director of the California Department of Health Services from 1978 to 1983.

### Commissioner Comments/Requests for Follow-up:

Commissioner Sako asked if there were any updates to the report on Laguna Honda. Ms. Kronenberg responded that Delvecchio Finley of going to LHH to help out in the transition.

Commissioner Illig asked about the status of the Golden Gate Restaurant Association's U.S. Supreme Court appeal. Ms. Brigham responded that the Golden Gate Restaurant Association has until early June to file its appeal.

### **4) GENERAL PUBLIC COMMENT**

Lucy Johns Strategic Health Planner spoke about the institutional master plan (IMP) submitted by CPMC. The review is about to start. A draft report is due 45 days after the clock begins. She believes this is an opportunity to leverage better health and health care for San Francisco, and urged to Commission to hold public hearings over the next couple of meetings.

Commissioner Chow noted the need for guidance and process to make the fullest opportunity to provide input. CPMC will be a much more complex IMP than the St. Francis IMP that was heard earlier in the year. He suggested that a process would provide an opportunity for full input to the Planning Commission.

Commission Illig suggested that it go first to the Citywide Health Planning and Effectiveness Committee.

Commissioner Sako asked about the process. Alicia Neumann, Senior Health Planner noted that she had a planning meeting with the Lewin Group today, and that Lewin will in San Francisco twice both to interview stakeholders and to present its initial findings to the Commission.

Commissioner Melara requested that other Commissioners provide input to CHPEC. Ms. Kronenberg requested that the input be provided to staff as soon as possible.

#### 5) **FINANCE COMMITTEE REPORT**

Commissioner Steven Tierney reported on the actions of the Finance Committee.

Action Taken: The Commission (Illig, Melara, Chow, Sako, Tierney, Waters) approved the April 7, 2009 Consent Calendar of the Finance Committee.

#### 6) **PUBLIC HEALTH WEEK: REPORT & RESOLUTION**

Brian Katcher of Community Health Promotion and Prevention presented the activities of the Department regarding National Public Health Week, April 6 – 10, 2009. June Weintraub of Environmental Health Services reported on the Water Programs at the Department in support of Public Health Week. A copy of the presentation is attached and incorporated into these minutes.

Action Taken: The Commission (Illig, Melara, Chow, Sako, Tierney, Waters) approved the Resolution Honoring Public Health Week, April 6 – 10, 2009.

#### 7) **CONTROLLER'S BUDGET IMPROVEMENT PROJECT & THREE-YEAR BUDGET PROJECTION REPORT**

Gregg Sass, Chief Financial Officer presented the Controller's Budget Improvement Project and Three-Year Budget Projection Report. A copy of his presentations is attached and incorporated into these minutes.

#### Commissioner Comments/Requests for Follow-up:

Commissioner Tierney noted that HSA predicts huge caseload increases as a result of the economic downturn requiring significant additional funding, which should also be included in DPH's planning.

Commissioner Chow noted that there is currently no plan for replacing the subsidy for Healthy SF through the Hospital Waiver Coverage Initiative. Mr. Sass responded that the Hospital Waiver is due to expire, and there are significant discussions going on, which could mean large changes to the Hospital Waiver.

Commissioner Illig asked about the FY 2009-10 citywide deficit. Mr. Sass responded that due to other items such as the FMAP increase and others, the citywide deficit is a bit of a moving target. Commissioner Illig noted that the assumptions in the three-year report are that the train keeps moving at the same pace, including city staffing.

Commissioner Illig recommended that the Laguna Honda Hospital (LHH) Joint Conference Committee (JCC) consider why LHH is spending 2.5 times the per capita amount than a public skilled nursing facility in San Mateo County.

Commissioner Illig noted that no Commissioners were interviewed for the Barbary Coast report. He noted that he intends to bring this to the Controller's Office attention.

Commissioner Chow asked what the Commission intends to do with these reports. Commissioner Illig responded that Commissions were requested to bring these reports forward at Commission meetings. Commissioner Chow asked about the policy implications of the differences between San Francisco and other counties. Ms. Kronenberg responded that the report made her proud to be in San Francisco, but that the Department could respond to the Controller's Office highlighting the reasons for the differences.

Commissioner Sako asked about performance measurement use in DPH. Mr. Sass responded that we do collect data on and report on performance measures as part of the budget process. He added that amount of funding is not, however, made on the basis of performance measures. Commissioner Sako asked whether there is room for improvement. Mr. Sass responded in the affirmative.

**8) FEDERAL ECONOMIC STIMULUS AND THE POSSIBLE IMPACT ON D.P.H.**

Gregg Sass, Chief Finance Officer reported on the Federal Economic Stimulus and the Possible Impact on DPH. A copy of his presentation is attached and incorporated into these minutes.

**9) DEPARTMENT OF CHILDREN, YOUTH AND THEIR FAMILIES COMMUNITY NEEDS ASSESSMENT AND ACTION PLAN**

September Jarrett of the Department of Children, Youth, and Their Families (DCYF) presented DCYF's Community Needs Assessment and Action Plan. A copy of her presentation is attached and incorporated into these minutes.

Commissioner Comments/Requests for Follow-up:

Commissioner Melara noted the comment about working with other departments about how to work better and how to fund organizations effectively, especially given that frequently we are working with the same families. She noted the need to work more collaboratively beyond three departments. How can we build a citywide system with one home organization rather than looking at it in a piecemeal fashion. Ms. Jarrett noted that out of the adversity of the economic downturn is an opportunity to work together better.

Commissioner Tierney asked about substance use and abuse and whether it is included in the needs assessment. Ms. Jarrett responded that DCYF is working with DPH to begin to understand family dynamics and to screen for problems in the various programs DCYF funds, including child care, after school programs, and school-based programs.

Commissioner Sako asked about transitional foster care children and the work that DCYF is doing with that population. Ms. Jarrett responded that DCYF is aware of the issue and is beginning to work with children at younger ages. She said that increased attention is being given both at the city and state levels. The Mayor's Transitional Youth Task Force includes DPH, DCYF, other City departments, non-profits, and youth to evaluate how programs are working.

Commissioner Chow asked about the Wellness programs and how DCYF is working with schools on that program. Ms. Jarrett responded that it is a joint program of DCYF, DPH, and the School District. Washington High School was one of the first high schools in the city to receive a Wellness Center, which was not successful. It was pulled from Washington and transferred to another high school, but recently reopened at Washington.

10) **HEARING TO CONSIDER THE DEPARTMENT OF PUBLIC HEALTH'S MID YEAR BUDGET REDUCTIONS ELIMINATING OR REDUCING MEDICAL SERVICES (BEILENSON HEARING)**

Public Comment:

Jennifer Friedenbach of the Homeless Coalition noted that the lack of people in attendance should not be an indicator to the Commission that the cuts in DPH programs will not have a significant impact, particularly in mental health and among the homeless population. The Coalition did a study that found a 43 percent reduction in the number of clients who will be receiving city-funded mental health services. She noted the need to focus services on community-based rather than more expensive institutional based care.

Commissioner Comments/Requests for Follow-up:

None

11) **OTHER BUSINESS**

None

12) **CLOSED SESSION**

Public Comment on All Matters Pertaining to the Closed Session:

None

Vote on Whether to Hold a Closed Session (San Francisco Administrative Code Section 67.11):

Action Taken: The Commission (Illig, Melara, Chow, Sako, Tierney, Waters) voted to hold a closed session.

The Commission went into closed session at 6:03 p.m.

Closed Session Pursuant to Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d)



## PERSONNEL ISSUES RELATED TO THE DEPARTMENT OF PUBLIC HEALTH

### Reconvene in Open Session

Possible Report on Action Taken in Closed Session (Government Code Section 54957.1(a)2 and San Francisco Administrative Code Section 67.12(b)(2).)


The Commission reconvened in open session at 6:42 p.m.

Vote to Elect Whether to Disclose Any or All Discussions Held in Closed Session. (San Francisco Administrative Code Section 67.12(a).)

Action Taken: The Commission (Illig, Melara, Chow, Sako, Tierney, Waters) voted not to disclose any discussions held in closed session.

### 13) ADJOURNMENT IN MEMORY OF JOHN T. KANALEY, 1957 - 2009

The Commission adjourned at 6:42 p.m. in memory of John T. Kanaley.



James M. Soos

Acting Health Commission Executive Secretary

Attachments: (5)

# Water Programs at the San Francisco Department of Public Health Environmental Health

Presentation to the San Francisco Health Commission in honor of Public Health Week

April 7, 2009

June Weintraub, Sc.D.  
Senior Epidemiologist, Environmental Health

Water Programs at SFPDH Environmental Health			
Category	1990's	2000's	
Recreational Water	Swimming Pool and Spa Inspections Beach Water Sampling and Posting		
Cross Connection Program	Ordinance Passed	Cross Connection Control Program	
Lead	Lead service line replacement project	Drinking water lead testing and Lead-free faucet programs	
<i>Cryptosporidium</i>	Grazing Controls	Case Control Study <i>Cryptosporidiosis</i> Surveillance Project	<i>Cryptosporidium</i> Detection Action Plan
Fluoride	Systemwide Fluoridation		
Disinfection	THM and spontaneous abortion study support		Chloramine conversion
Water Security	EPA WSI		
Environmental	Monitoring Wells, Mussel & Bay Water Sampling Recycled Water Master Plan, Greywater Reuse Rainwater Harvesting, Drinking Water Safety		

## Recreational Water

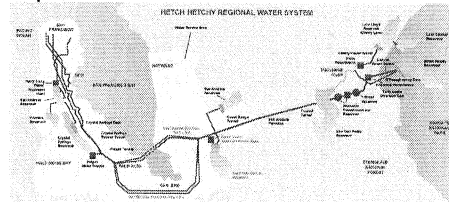
Ensure safety of recreational waters through testing and enforcement

- Monitor city beaches  
<http://www.sfdph.org/dph/EH/Water/beach.asp>

- Review, permit and inspect swimming pools and spas



## Drinking Water

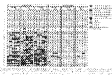


- SFPUC supplies water to 2.4 million customers in four counties in the Bay Area
- Unfiltered Hetch Hetchy Reservoir water (> 80%)
- Filtered local Bay Area reservoirs water (< 20%)

## Drinking Water

Work with the SFPUC to ensure protection and safety of the drinking water supply

- Cross Connection control
- Cryptosporidiosis and other waterborne disease surveillance
- Chloramine conversion support
- Legionella study
- Support for fluoridation as a public health measure
- Prevention and education about lead
- Emergency planning and security



## Environment, Water Supply and Conservation

Support environmental protection and conservation through interagency collaboration

- Monitoring wells
- SFPUC Recycled Water Master Plan and Sewer System Master Plan
- Cruise Terminal Environmental Advisory Committee
- California Environmental Health Tracking Program
- Mussel and bay water sampling
- Rainwater harvesting
- Greywater and treated wastewater reuse



## ● ● ● John Snow (1813-1858)

- "Father of epidemiology"
- Investigated Cholera outbreak in 1854
- Noticed more deaths around the area of the Broad Street pump
- Took the pump handle off, and the epidemic abated
- Demonstrated how effective investigation, monitoring, surveillance and intervention can protect the public health from waterborne disease



## ● ● ● For More Information

[June.Weintraub@sfdph.org](mailto:June.Weintraub@sfdph.org)

<http://www.sfphes.org/water>

<http://www.sfdph.org/dph/EH/default.asp>

<http://www.sfdph.org/dph/EH/Water/beach.asp>

<http://www.sfdph.org/dph/EH/CrossFlow/>

<http://www.sfdph.org/dph/EH/Water/>

<http://www.sfdph.org/dph/EH/Wells/>

# Budget Improvement Project

## Summary of Controller's Report to Mayor and Board of Supervisors

### Project Overview

By Charter, the City must adopt and maintain a balanced budget.

During this past decade, maintaining this track record has often required extraordinary and unsustainable efforts, including:

- Closure of projected deficits in each of the past 10 years,
- Significant mid-year spending reductions in 4 of 10 years,
- Renegotiation of closed labor contracts in 7 of 10 years,
- Voter consideration of tax increases in 8 of 10 years.

Despite these efforts, the City still faces significant deficits for the coming several years.

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### Project Overview

Given this historical context, The Mayor asked the Controller's Office to undertake a review of structural barriers to the achievement of long-term, sustainable balance of the City's budget.

The Controller created four working groups:

- An analytical review of historical revenue and spending trends, focusing on identifying the fastest growing revenues and expenditures,
- A survey of spending levels on core services in San Francisco compared to our peer California cities and counties,
- A comparison of San Francisco's budget and financial policies versus recommended governmental standards,
- Interviews and discussions with key budget stakeholders concerning the process San Francisco uses to prepare and manage its budget. This was led by consultants from Barbary Coast.

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### Project Approach

Working groups were formed around these four issue areas. These working groups included participation from over 30 finance professionals in the Controller's Office, the Mayor's Budget Office, the Board of Supervisors Budget Analyst, and City departments.

For comparisons to other cities and counties, surveys were conducted of spending levels in 10 cities and counties, including San Jose, Los Angeles, Sacramento, and Alameda County. Data from other cities and counties are intended to provide general comparative information.

San Francisco is unique relative to its peer jurisdictions because it is a combined City and County and contains functions that are often organized under special districts in other jurisdictions, and because of its high population density and its high daytime population.

4

### Growth During the Past Decade

General Fund Supported budget has grown from \$2.4 billion to \$4.0 billion during the past ten years. This represents average annual growth of 5%, versus 3% inflation during the same period.

The General Fund has been supported by extraordinary growth in several key General Fund revenues, with revenue volatility driven by property transfer tax and use of prior year fund balance.

Four General Fund departments -- Public Health, Human Services, Police, and Fire -- account for 60% of spending growth during this period. Within city agencies, the majority of spending growth has occurred to improve employee wages and benefits.

Comparisons indicate that San Francisco provides a very rich array of services at a greater cost than other surveyed cities and counties in California, and is supported by a robust and diversified revenue base.

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### Expenditure Growth Drivers

Growth in employee wages and benefits for services that the City provides directly account for 54% of spending growth during this period.

Growth in spending on the services the City buys accounts for 25% of the growth.

All growth in employee wage and benefits costs has been driven by employee wages and benefit improvements and not the number of employees, which is largely unchanged from seven years ago.

Active and retired employee health benefit costs -- largely driven by processes outside the City's labor negotiation process -- have grown at 10% annually, nearly double the rate of overall employee wage and benefit growth.

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## Expenditure Growth Drivers

Growth in General Fund Supported spending on four City departments – Public Health, Human Services, Police, and Fire – accounts for 60% of increased spending during this period. Services provided by these departments account for 64% of current General Fund supported spending.

Department	FY 1999-99		FY 2008-09		10-Year Change	
	Orig. Budget	% of Budget	Orig. Budget	% of Budget	Annual Avg % Change	% of Total Change
Public Health	\$ 844	35%	\$ 1,275	32%	4%	28%
Human Services Agency	364	15%	619	16%	5%	16%
Police	220	9%	371	9%	5%	10%
Fire	149	6%	251	6%	5%	7%
Subtotal	1,578	66%	2,516	64%	6%	60%
All Other Departments	684	29%	937	24%	3%	16%
Total Departmental Uses	2,261	94%	3,452	87%	4%	76%
Transfers Out to other Funds	0	0%	46	1%	184%	3%
Baselines and Tax Set-Asides	133	6%	459	12%	13%	21%
Total Uses	\$ 2,394	100%	\$ 3,957	100%	6%	100%

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## Public Health - Hospital Services

San Francisco's per capita spending on public health services is more than double the average of our surveyed peer counties. In part, this is due to San Francisco's ability to secure grant and other federal funding.

The City operates two public hospitals – San Francisco General Hospital and Laguna Honda Hospital, a skilled nursing facility (SNF).

- The Controller recently conducted a review of the cost per discharge case at San Francisco General Hospital and found it to be comparable to other public hospital systems.

- Laguna Honda is the largest skilled nursing facility in the State. San Mateo operates a small SNF and reports no General Fund investment in its operation, versus San Francisco's \$50M General Fund subsidy. Total costs per bed in San Francisco are 2.5 times higher than at San Mateo's facility.

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## Public Health – Non-Hospital Services

San Francisco provides a broader array of non-hospital services than other surveyed counties.

- The majority of respondents operate primary care clinics. San Francisco's cost per patient visit is comparable to the survey average, and well below that of Los Angeles County.

- San Francisco is the only surveyed county that has a health department that provides funding in its health department for permanent supportive housing and medical respite services.

- San Francisco spends dramatically more per capita on substance abuse, mental health, maternal & child health, and HIV/AIDS services than our surveyed peers.

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## Public Health – Spending Comparisons

Service Area	Spending per Capita (per year) Includes all Funds			
	San Francisco	Los Angeles	Sacramento	San Mateo
Substance Abuse	\$86.66	\$15.13	\$20.42	\$22.94
Housing	\$27.07	\$0.00	\$0.00	n/a
Child & Maternal	\$31.11	\$2.20	\$0.96	\$4.68
Mental Health	\$300.63	\$133.75	\$117.57	\$124.59

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# Three-Year Joint Report

## Three-Year Projection for GF supported operations 2009-10 through 2011-12

Joint Report by the Controller, Mayor and Budget Analyst

## Summary of Projected Deficits

The report updates the current year projected deficit, based on six months financial data, and forecasts the projected deficits for the three subsequent years assuming current spending.

	(Amounts in millions)		
	2009-10	2010-11	2011-12
Projected Deficit	\$438	\$615	\$746

To the extent that deficits are addressed with solutions that are ongoing, the deficit for future years would be reduced. The 2009-10 budget does include significant one-time solutions, which will not reduce shortfalls for future years.

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## Key Assumptions

- No major changes to service levels and number of employees
- Increases in FMAP (Federal Medicaid Assistance Percentage) included in projections
- Economic downturn impact on revenues continues through 2009 followed by slow recovery
- \$18.4M more in State funding reduction for 2009-10 compared to 2008-09 based on Special Legislative Sessions in February
- No change in closed labor agreements and inflationary increase on open agreements
- Retirement Plan Contributions will increase in future years as a result of a 20% decline in retirement assets in 2008-09.

2008-09 contributions	\$ 67.0M	2009-10 contributions	\$127.4M
2010-11 contributions	160.9M	2011-12 contributions	198.6M
- Inflationary increases are assumed for M&S, professional services, and CBO contracts 1.7%, 2.7%, and 2.8% for each of the next three years.
- Medical inflation on health and dental insurance assumed at 5.5%, 4.5%, and 5.1% for each of the next three years.
- 10% annual increases assumed for capital plan funding
- No rainy day reserve withdrawals assumed. To the extent the reserve is drawn upon, the 2009-10 shortfall would decrease.

3

## Key Factors that could affect projections

- Federal Stimulus Funding (non-FMAP) may offset GF expenditures
- Additional changes in State funding based on updated State Legislative Analyst Office report or the failure of certain ballot measures.
- New development projects may impact costs and revenues
- Pending or proposed legislation for additional fees / revenues by Board of Supervisors
- Potential new revenue proposals and Charter Amendments and changes to baseline requirements if approved by voters
- Natural disasters and man-made disruptions

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## Observations and Conclusions

- Many variables can change the outcome of a multi-year projection.
- The deficits projected in this report are the largest we have seen compared to previous 3-year joint reports.
- The cost of service supported by the General Fund exceeds current and projected revenues. Until the imbalance is addressed, either with increases to ongoing revenues or reductions in spending, annual deficits will continue and General Fund departments will be required to make additional reductions in General Fund.
- It appears that the imbalance in revenues and spending is in the range of \$500 million, which is more than 40% of discretionary General Fund.
- While the use of one-time solutions may well be needed to balance the 2009-10 budget, and will buy time to find other long term solutions, the use of one-time solutions will also result in a continuation of hiring and spending freezes, mid-year reductions, and annual budget deficits next year and beyond.
- The Health Department is benefitting from additional revenues from FMAP, much of which is one-time, and temporary, expiring on December 31, 2011. If we are required to further reduce our GF in the 2010-11 budget, we should anticipate that we will be required to fund the decline in FMAP and loss of other one-time solutions in addition to meeting any GF reduction targets.

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# American Recovery and Reinvestment Act of 2009 (ARRA)

- ## American Recovery and Reinvestment Act of 2009
- Overview
- AARA Signed into law on February 17, 2009
  - Total federal funding - \$787 billion
  - Estimated funding to California – \$48.34 billion
    - ✓ Health and Human Services - \$14.86 billion
    - ✓ Education - \$12.69 billion
    - ✓ Infrastructure - \$7.30 billion
    - ✓ Labor - \$8.36 billion
    - ✓ Energy / Climate - \$3.37 billion
    - ✓ Science technology, housing and public safety - \$1.76 billion

## Funding Directed to Health

The Health Department will benefit from additional funding from:

**Formula Funding**  
Temporary increases in federal matching funds matching local qualified expenditures for Medi-Cal services.

**Competitive Awards**  
Grants to fund projects in several areas, including funding for medical technology and other infrastructure investments. Details on how to apply are still in development at this time for most of this funding.

## Formula Funding

FMAP (Federal Medicaid Assistance Percentage) The federal match available for Medi-Cal expenditures (50% for California) will increase to 61.59%, retroactive to 10-1-08 and expiring 12-31-11. This will increase funding to DPH an estimated \$53 million over the 27-month period, \$41 million of which is estimated for the current and budget year.

DSH (Disproportionate Share Hospital) A 2.5% increase in DSH funding will provide an estimated \$8.5 million increase for the 27 month period, \$6.5 million of which is estimated for the current and budget year.

	08-09	09-10	10-11	Total
- FMAP Federal Medicaid Assistance Percent (increases from 50% to 61.59%)	18.19 M	23.03 M	11.53 M	52.75 M
- DSH Disproportionate Share Funding (increased 2.5%)	2.83 M	3.77 M	1.87 M	8.47 M
<b>Total</b>	<b>21.02 M</b>	<b>26.80 M</b>	<b>13.40 M</b>	<b>61.22 M</b>

## Competitive Funding

There are significant opportunities to apply for competitive grants in many areas.

We have identified the funding categories most relevant to the Health Department which include:

- Health Information Technology for Economic and Clinical Health (HITECH)
- Prevention and Wellness
- Violence Against Women
- Community Clinic Renovation
- Broadband / IT
- Healthcare Research and Quality
- Energy Efficiency

We plan to pursue all available competitive grants. We believe we are particularly well positioned to benefit from the HITECH funding.

## HITECH

There is about \$36 billion in stimulus funding available over the next six years. Following is information on three major projects that we are prepared to pursue:

Ambulatory Electronic Health Record – to support integration of primary and specialty services for Healthy San Francisco (\$6M)

Expand the Ambulatory Electronic Health Record to 20 community health centers serving as medical homes to members of Healthy San Francisco (\$2.5M)

Computerized Physician Order entry (CPOE) and Medication Bar-Coding to reduce medication errors in the ordering, processing and administration of medications at San Francisco General Hospital (\$5.5M)

The deadline for HHS to publish notice describing HITECH program and availability of funds is 5/18/09. Deadline for grants to be awarded to states is 1/1/10.

## Other Activities

Last month Mitch Katz and Catherine Dodd traveled to Washington D.C. to promote our highest priority projects.

The Mayor's Office announced the appointment Kyri McClellan to serve as his day-to-day point person and the lead in coordinating the City's interests to bring the maximum amount of stimulus money to the City and County as possible.



**We Live Here!**  
A Community Needs Assessment and Action Plan  
to make San Francisco A City of Opportunity  
for All Children, Youth and Families

Raising San Franciscans  
presented to the Health Commission  
April 7, 2009

## Today's Presentation

- ❑ Needs Assessment Process
- ❑ Demographic Snapshot
- ❑ Child and System Trends Highlights
- ❑ Feedback

## Context

A needs assessment is part of a three-year cycle to develop a citywide action plan and priorities for funding.

*SF Charter: Children's Amendment Planning Cycle*

<b>YEAR 1</b> Community Needs Assessment	<b>YEAR 2</b> Children's Services Allocation Plan	<b>YEAR 3</b> Request for Proposals
2007 – 2008	2008 – 2009	2009 – 2010

The Community Needs Assessment (CNA) identifies needs and communicates actions.	The Children's Services Allocation Plan (CSAP) analyzes overall spending and identifies priorities for funding to meet needs.	Request for Proposal(s) to fund programs and services identified in the CNA and CSAP.
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## The Needs Assessment Process

The Community Needs Assessment (CNA) is both a process and a product that lays the groundwork for a citywide action plan for children, youth and families and priorities for funding allocations.

Built from the 2005 Community Needs Assessment, the 2008 edition is updated with

- ❑ Research and quantitative data
- ❑ 20 neighborhood community conversations
- ❑ Citywide youth hearings
- ❑ Consultation with city departments and grantees.

The full draft Community Needs Assessment is available at [www.dcyf.org](http://www.dcyf.org)

## Next Steps

- ❑ Hearing at Board of Supervisors
- ❑ Community Needs Assessment Finalized
- ❑ Creation of Children's Services Allocation Plan

Issues to address in the Allocation Plan:

<ul style="list-style-type: none"> <li>➢ Cost effectiveness</li> <li>➢ Role of the Children's Fund</li> <li>➢ Community Based Organization (CBO) strategy</li> <li>➢ Core functions of city departments</li> </ul>	<ul style="list-style-type: none"> <li>➢ Accountability</li> <li>➢ Program models</li> <li>➢ Highest priority populations</li> <li>➢ Revenue ideas</li> </ul>
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## Findings: Themes

- ❑ Family needs similar to needs of all city residents – safety, vibrant community, strong institutions, quality services
- ❑ Surprisingly few difference by neighborhoods, populations or stakeholders
- ❑ Family focus, not just children and youth
- ❑ Collaboration is essential
- ❑ Asset-based approaches are critical

### Demographic Snapshot: Who are San Francisco's children and families?

San Francisco is home to an estimated 110,000 children and youth ages 0 – 17. They are present in about 1 out of every 5 households and account for 14.8% of the city's 744,041 residents. (American Community Survey (ACS), 2006)

Race/Ethnicity	Child Pop (%)	Total Pop (%)
Other	27%	44%
White	28%	34%
Hispanic/Latino	15%	10%
Asian	10%	7%
African American	10%	7%

The child population is significantly more ethnically diverse than the adult population (see table).

### Demographic Snapshot: Who are San Francisco's children and families?

- Following decades of decline, the child population has plateaued. SFUSD enrollment has stabilized.
- African Americans, Latino and Pacific Islander youth and families are disproportionately impacted by poverty, health disparities and school failure.
- African Americans are 10% of the child population, but 30% of children in poverty.
- 27.5% of students in San Francisco public schools are English Language Learners

Special Needs Populations include:

- abused and neglected;
- immigrants;
- transitional age youth;
- homeless youth and families;
- youth in the juvenile justice system;
- LGBTQ youth;
- families in public housing;
- pregnant and parenting youth;
- children with disabilities.

### Health and Wellness

**STATUS:** Moving in the right direction

**Access to Care:** A higher percentage of children in San Francisco are covered by health insurance than anywhere else in the country.  
 > Action: Monitor the status of the 3,000 transitional age youth who were transferred from Healthy Kids to Healthy San Francisco.

**Healthy Environments:** 88% of the population lives within ¼ mile of a park.  
 > Action: Create environments to support healthy eating and active living.

**Emotional Well Being:** The increasing severity and complexity of behavioral health needs has put a strain on existing services.  
 > Action: Expand training of community partners to recognize behavioral health and substance abuse problems.

**Physical Health:** Over the past 30 years, the national prevalence of childhood obesity has more than doubled for youth ages 12 – 19 and more than tripled for children ages 6 – 11.  
 > Action: Increase the availability of afterschool and child care programs which offer physical activity and nutritious food.

### Early Care and Education

**STATUS:** Moving in the right direction

**Availability:** Licensed care is available for only 43% of children with parents in the labor force.  
 > Action: Ensure that child care is included in the city's General Plan.

**Quality:** Over half of family child care and licensed centers scored 4.5 or above on the Early Childhood Environment Rating Scale (scale 1-7).  
 > Action: Continue and expand collaborative efforts to improve quality.

**Affordability:** Unmet need for child care subsidies is 52%.  
 Action: Preserve and expand investment in child care subsidies and protect the continuity of care between programs.

### Afterschool Programs (Out of School Time)

**STATUS:** Right direction

**Progress:** Currently reaching 77% of population in need (see chart)  
 Expanded 4,500 slots (adding capacity and enhancing quality)  
 Collaborative planning among City, SFUSD, providers, parents  
 Created afterschool program locator at [www.sfkids.org](http://www.sfkids.org)

**Goals:**

- Afterschool for All by 2010
- "Blended funding" model
- Professionalization of workforce
- Raise the bar for program quality

**Of the 33,500 youth who want afterschool:**

Year	In Afterschool Program (%)	Not in Afterschool Program (%)
2005	36%	64%
2008	23%	77%

### Violence Response

selected facts and actions

**STATUS:** Moving in the wrong direction

**Safe Homes:** Between 5,000 and 11,000 children and youth are exposed to domestic-violence each year in San Francisco.  
 > Action: Continue SafeStart initiative focused on young children exposed to violence and expand efforts to replicate best practices in government systems.

**Safe Schools:** 59% of 7<sup>th</sup> graders, 54% of 9<sup>th</sup> graders and 60% of 11<sup>th</sup> graders report feeling safe or very safe at school. (SFUSD students only.)  
 > Action: Continue collaborative efforts to improve safety with clear outcome tracking.

**Safe Communities:** Violence in San Francisco is rising. From 2005 to 2007 violence crime rose 7% and homicides reached a decade high. Over half of YouthVote respondents report that "harassment and violence on MUNI is a problem."  
 Action: Pursue multiple strategies  
 > Implement joint funding and monitoring of Violence Response/ Intervention Grants  
 > Implement Mayor's Violence Prevention Plan  
 > Expand transportation strategies to ensure safe passages between home and school



## Citywide Improvements

selected facts and actions

*Public Schools: Education is the single biggest investment to provide a youth.*

- Action: Create responsive, high quality, full service schools that engage community and families and serve as hubs of neighborhoods.
- Action: Support implementation of the new SFUSD Strategic Plan and "Balanced Scorecard" to address access and equity.

*Public Housing: Improve living conditions of and services to residents of public housing who earn an average of \$12,000 per year.*

- Action: Actively implement HOPE SF revitalization of 8 family housing developments and surrounding neighborhoods.
- Action: Continue to improve collaboration between the Housing Authority, the City, and community based organizations to meet resident needs.

Further feedback and questions are welcome!

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