

Patrick Monette-Shaw

975 Sutter Street, Apt. 6

San Francisco, CA 94109

Phone: (415) 292-6969 • e-mail: pmonette-shaw@earthlink.net

June 27, 2009

Budget and Finance Committee

The Honorable John Avalos, Supervisor, San Francisco Board of Supervisors, District 11
The Honorable Ross Mirkarimi, Supervisor, San Francisco Board of Supervisors, District 5
The Honorable Carmen Chu, Supervisor, San Francisco Board of Supervisors, District 4
The Honorable David Campos, Supervisor, San Francisco Board of Supervisors, District 9
The Honorable Bevan Dufty, Supervisor, San Francisco Board of Supervisors, District 8

San Francisco Board of Supervisors

1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94102

Re: Testimony Regarding Raid of Community Living Fund to Balance Mayor Newsom's Proposed Budget for FY '09-'10

Dear Chairman Avalos and Members of the Budget and Finance Committee,

This letter requests that the Budget and Finance Committee restore, by preventing, Mayor's Newsom's raid of \$1 million from the Community Living Fund in order to balance his proposed FY '09-'10 City budget.

It has been widely reported that Mayor Newsom's FY '09-'10 proposed budget raids \$2.3 million out of the City's public campaign financing program, a program required under City law.

But sadly, completely unreported by the news media is that Newsom is also raiding \$1 million from this community living fund that was established to help elderly and disabled San Franciscans, even though a response to a public records request in December 2008 indicated there were 129 people on a waiting list for those funds. This \$1 million raid is in addition to an almost \$1 million cut the Department of Public Health proposed to its Health at Home program serving, among others, seniors and disabled people.

On Thursday, June 11 during a meeting of the Mayor's Long-Term Care Coordinating Council, Catherine Dodd, Mayor Newsom's Deputy Chief of Staff for Health and Human Services, announced that Newsom has taken \$1 million from the currently unspent \$5 million balance in the City's Community Living Fund (CLF) in order to balance his FY '09-'10 budget. Dodd didn't elaborate on whether Newsom has any intention of ever repaying the \$1 million he's raiding from the CLF.

This is the same Newsom who prevented the full 1,200-bed rebuild at Laguna Honda Hospital, by cutting the now \$593 million replacement facility to only 780 beds — and the same Newsom who *prematurely* cut Laguna Honda to only 780 beds *prior to* opening the new facility in order to help balance his FY '08-'09 City budget. This is also the same Newsom who permitted a mid-year Department of Public Health budget cut that closed the Adult Day Health Care (ADHC) program at Laguna Honda Hospital serving seniors and people with Alzheimer's in the spring of 2009.

For her part, Dodd also reported to the LTCCC on June 11 that Newsom was only cutting the Department of Public Health's budget by \$34 million; she may not have read page 55 in the Mayor's 430-page proposed budget submission that he is reducing the Department of Public Health's budget by \$128.4 million (and the Human Services Agency with another \$15.9 million cut, on page 54).

More importantly, why is Newsom raiding a fund created by San Francisco's Board of Supervisors in 2006 to assist the elderly, when a response on December 16, 2008 to a public records request reported there were 129 people on the CLF waiting list?

June 27, 2009

**Re: Testimony Regarding Raid of Community Living Fund to Balance Mayor Newsom's
Proposed Budget for FY '09-'10**

Page 2

The CLF was created in 2006 to assist elderly and disabled residents of Laguna Honda Hospital, or people "at risk" of admission to Laguna Honda, to live independently in the community. Notably, the ordinance creating the CLF was authored by San Francisco's Supervisors Michela Alioto-Pier, Sophie Maxwell, Tom Ammiano, Bevan Dufty, and Fiona Ma, not by Newsom, despite the fact that Newsom appears to be belatedly taking credit for having created the fund (his web site for governor indicates he has "twice helped secure" CLF funding, when in fact it is a set-aside required by the Board's Ordinance number 0198-06 that does not require any involvement by the mayor to fund). He's again claiming as his own record initiatives other legislators, including Ammiano, have introduced on their own.

The program is administered by San Francisco's Department of Aging and Adult Services (DAAS) through the Institute on Aging and other organizations.

According to the Institute on Aging's [web site](#), "the CLF program funds home and community-based services, or a combination of goods and services, which help individuals who are currently at risk of being institutionalized. The program uses a two-pronged approach: (1) intensive case management; and (2) purchase of services." The CLF program makes money available to vulnerable elderly and disabled San Franciscans for services and resources not funded by any other program.

The CLF's top priority is to assist residents of Laguna Honda Hospital and patients at San Francisco General Hospital who are able and willing to be discharged to community living. The program also assists individuals on the Laguna Honda waiting list — people at SFGH, other hospitals, and at home — and individuals at "imminent risk" for nursing home or institutional placement.

Types of services supported by the CLF includes, but is not limited to, additional in-home support service hours, adult day health care, durable medical equipment and other assistive devices, emergency food, home delivered meals, home repairs and adaptive modifications, "patch" funding for transitional housing, respite care, Medi-Cal "share-of-cost" assistance, short term rent subsidies, and transportation to medical and other appointments.

The CLF was established as a Category 4 special fund, "meaning that funds may be appropriated, interest shall be accumulated, and that any fund balance shall carry forward year to year." The CLF was passed unanimously by the Board of Supervisors on July 18, 2006, requiring that DAAS report every six months to the Board of Supervisors about the level of services provided from, and costs incurred by, the fund. It is not known whether DAAS has appeared before, or reported to, the Board of Supervisors six times (i.e., every six months) since first receiving CLF funding in FY '06-'07.

DAAS reports that the CLF received a budget appropriation of \$2,887,998 in FY '06-'07, \$3 million in FY '07-'08, and \$4 million in the current fiscal year, FY '08-'09. This totals almost \$10 million since this fund was created, and the funds are permitted to be carried forward annually. To reach a \$5 million account balance, the fund appears not to have spent 50% of the \$10 million in funding it has received since 2006, not including interest the account has earned. Looking at it a different way, the \$5 million unspent balance in the CLF account represents 85% of the \$5.89 million the CLF was allocated in its first two years.

The Board of Supervisors needs to enact legislation that specifically:

1. Restores, by preventing, the Mayor's \$1 million raid from the CLF in FY '09-'10.
2. Expedites getting people off of the CLF waiting list.
3. Considers whether the diverted \$1 million from the CLF should be appropriated to restore cuts to the Health at Home program, if DAAS is unable to spend down its \$5 million CLF balance.
4. Prevents any Mayor (or the Board, itself) to raid Category 4 special fund accounts in order to balance the City budget in any future fiscal year.

June 27, 2009

**Re: Testimony Regarding Raid of Community Living Fund to Balance Mayor Newsom's
Proposed Budget for FY '09-'10**

Page 3

5. Permits DAAS and other City departments to roll over Category 4 special funds for *only* six months into a succeeding fiscal year, or forfeit any unspent balance. Requiring that funds be encumbered during the fiscal year an appropriation was made, and then fully spent within six months into a subsequent fiscal year, is a common practice with entitlement programs. Category 4 accounts were never intended to be used to amass huge slush-fund account balances using unspent funds, and were never intended to create an on-going endowment for any program.

If San Franciscans truly care about meeting our obligations to care for elderly and disabled people, we can't permit City officials to raid funds set aside for that purpose. And we can't have 129 people (or more, by now) sitting on waiting lists while accounts grow to massive unspent balances. City officials must either spend these funds in the year intended and needed, or they must stop the pretense that they want to meet societal obligations to help the elderly and disabled.

Respectfully submitted,

Patrick Monette-Shaw
Independent Community Observer

cc: The Honorable Eric Mar, Supervisor, San Francisco Board of Supervisors, District 1
The Honorable David Chiu, President, San Francisco Board of Supervisors, District 3
The Honorable Chris Daly, Supervisor, San Francisco Board of Supervisors, District 6
The Honorable Sean Elsbernd, Supervisor, San Francisco Board of Supervisors, District 7
The Honorable Michela Alioto-Pier, Supervisor, San Francisco Board of Supervisors, District 2
The Honorable Sophie Maxwell, Supervisor, San Francisco Board of Supervisors, District 10
Angela Calvillo, Clerk of the Board, San Francisco Board of Supervisors
Mayor Gavin Newsom