

1 [Accept-Expend Ryan White HIV/AIDS Treatment Modernization Act Grant.]

2

3 **Resolution authorizing the San Francisco Department of Public Health (DPH) to accept**
4 **and expend retroactively a one-time funding award of Ryan White Part A (RWPA) funds**
5 **for the San Francisco Eligible Metropolitan Area (SF EMA) in the amount of \$4,758,228**
6 **from the Health Resources and Services Administration (HRSA) to support HIV Health**
7 **Services; for the period of July 1, 2007 through February 29, 2008.**

8 WHEREAS, For the fiscal year 2007-2008, DPH was awarded a Ryan White Part A
9 (RWPA) program grant by the Health Resources Services Administration (HRSA) in the
10 amount of \$18.8 million, a 31% decrease from the fiscal year 2006-2007 grant of \$27.3
11 million;

12 WHEREAS, This reduction in federal grant funds precipitated an immediate crisis that
13 threatened the most basic HIV services and the region's entire integrated system of care;

14 WHEREAS, This percentage reduction occurred not only for San Francisco but also for
15 other local jurisdictions across the nation;

16 WHEREAS, In response to this threat to HIV services, in the Consolidated
17 Appropriations Act, 2008, Congress lessened the percentage cuts for San Francisco and
18 other local jurisdictions by enacting a supplemental appropriation for Ryan White program
19 year 2007-2008 (March 1, 2007 to February 28, 2008) to be included in the fiscal year 2008-
20 2009 Ryan White grants. The federal appropriation legislation states that "funds shall be
21 made available to qualifying jurisdictions within 45 days of enactment, for increasing
22 supplemental grants for fiscal year 2008 to metropolitan areas that received grant funding in
23 fiscal year 2007 . . . to ensure that an areas' total funding under part A for fiscal year 2007,
24 together with the amount of this additional funding, is not less that 85.6% of the amount of
25 such areas' total funding under part A for fiscal year 2006";

1 WHEREAS, The federal appropriation bill expressly made the supplemental funding
2 retroactive to the Ryan White 2007-2008 fiscal year, stating that the additional funding "may
3 be used for costs incurred during fiscal year 2007 "

4 WHEREAS, The grant award to San Francisco similarly makes the funding retroactive
5 to the Ryan White fiscal year 2007-2008 by expressly stating that the funding may be used for
6 costs already incurred during that Ryan White program year (March 1, 2007 to February 28,
7 2008). The grant award states: "This award included one time additional funding in the
8 amount of \$4,758,228, authorized under the Consolidated Appropriations Act 2008, Public
9 Law 110-161, to support costs incurred (if any) during Fiscal Year 2007 under Part A of Title
10 XXXVI of the Public Health Service Act ";

11 WHEREAS, Because the 2008-2009 Ryan White grant expressly states that the
12 supplemental \$4.7 million in funds may be used to "support costs incurred (if any) during
13 Fiscal Year 2007 under Part A," the City is authorized to use those funds to pay for the costs
14 already incurred during the Ryan White program year 2007-2008, which ended on February
15 28, 2008, and,

16 WHEREAS, During fiscal year 2007-2008, San Francisco incurred substantial costs in
17 order to continue to provide HIV services at the level provided in the prior fiscal year and
18 avoid the funding crisis that threatened the most basic services. In order to meet those costs,
19 avoid crisis and in anticipation of obtaining supplemental federal funding, San Francisco
20 provided one time emergency funding as a loan of approximately \$4.0 million from the City's
21 general fund reserve to fund the shortfall in Ryan White Part A funds, and in doing so reduced
22 the general fund reserve below its base for the first time, and

23 WHEREAS, The \$4.0 million emergency funding was made on the condition that if the
24 City received additional Ryan White Part A funds for fiscal year 2007-2008, the \$4.0
25 emergency funding would be returned to the City's general fund. In connection with the \$4.0

FILE NO.

RESOLUTION NO.

1 million, the City's Annual Administrative Ordinance, Section 8.2, directed the Controller to
2 repay the \$4.0 million emergency funding to the General Fund reserve if additional state or
3 federal funds were allocated to San Francisco.

4 WHEREAS, The City's "maintenance of effort spending" on HIV related services has
5 increased from \$14.2 million in 2001 to \$16.7 million in 2006 to \$17.8 million in 2007. The
6 \$4.0 million emergency nonrecurring funding was *in addition to* \$17.8 million that the City
7 appropriated for certain HIV services in City fiscal year 2007-2008.;

8 WHEREAS, Under HRSA guidelines, the \$4.0 million emergency funding is not part of
9 the City's required "maintenance of effort" (level of grantee expenditures to be maintained)
10 because it was a one-time emergency infusion of funds. The Ryan White CARE Act Title I
11 Manual, Section II, chapter 4 states that "maintenance of effort" does not "include
12 expenditures of a nonrecurring nature." The Manual explains that: "Grantees may determine
13 which expenditures are of a nonrecurring nature and are therefore excluded from the
14 maintenance of effort calculations. An example of a nonrecurring expenditure is a one-time
15 infusion of funds into a political subdivision program on an emergency basis, where the
16 appropriations or other authorizing language clearly identifies it as a one-time-only
17 commitment."

18 WHEREAS, This request that the Board approve this resolution is being made on a
19 retroactive basis, with a start date of July 1, 2007 through February 29, 2008, because the
20 federal funds are to be encumbered in Ryan White program year 2007-08 and the award letter
21 for additional funds was not received by DPH until late February 2008; and,

22 WHEREAS, The budget does not include a provision for indirect costs because HRSA
23 does not allow it; now therefore, be it

24 RESOLVED, That DPH is hereby authorized to accept and expend retroactively a grant
25 for the RWPA program from HRSA in the amount of \$4,758,228; and, be it

FILE NO.

RESOLUTION NO.

1 FURTHER RESOLVED, That under Section 8.2 of the 2007-2008 AAO, the Controller
2 is authorized to return the \$4.0 million to the general fund reserve; and be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
4 indirect costs in the grant budgets; and be it

5 FURTHER RESOLVED, That DPH is hereby authorized to retroactively accept and
6 expend the grant funds pursuant to San Francisco Administrative Code section 10.170-1; and,
7 be it

8 FURTHER RESOLVED, That the Director of Health is authorized to enter into the
9 agreement on behalf of the City.

10

11 RECOMMENDED:

APPROVED:

12

13

14 _____
15 Mitchell Katz, M.D.
16 Director of Health

17 _____
18 Office of the Mayor

16

17

18

19 _____
20 Office of the Controller

19

20

21

22

23

24

25