

San Francisco Department of Public Health Division of Behavioral Health Services

Ordinances for PRC & Baker Places

San Francisco Board of Supervisors
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PRC (Positive Resource Center) and Baker Places

PRC (formerly Positive Resource Center) provides emergency financial assistance, benefits advocacy, HIV outreach, workforce development and administrative support to Baker Places

Among other services, **Baker Places provides urgently needed residential detox services and other substance use and mental health treatment programs** under contract with the SF Department of Public Health (DPH)

- Critical component of behavioral and mental health services in San Francisco serving approximately 2,000 clients annually

Current Baker Places contracts with DPH are:

Program	Beds
Detox, Residential, Housing	144
Ferguson Place	12
Hummingbird General Hospital	29
Hummingbird Valencia	30
Subtotal, Baker Places	215

Financial Background

- Baker Places and PRC started merging in 2017 but not yet complete
 - Currently operate under a Management Service Agreement, by which PRC provides all administrative functions to Baker Places
- Beginning in July 2021, PRC reached out to DPH regarding deficit specifically with Joe Healy Detox under Baker Places
 - Through this process, Baker Places and PRC identified additional financial issues
- Since December 2021, DPH has actively assisted Baker Places/PRC to optimize contracts held by DPH through a variety of measures
- **Analysis from Controller's Office confirmed an additional combined shortfall of approximately \$3,220,000**
 - Deficit at Baker Places of \$1,210,000
 - Deficit at PRC of \$2,010,000
- As a result, Baker Places/PRC has been unable to meet fully its payroll, lease, and other obligations and is at risk of insolvency

Ordinances

- Proposed ordinances would **authorize DPH to award one-time, limited grants** to both Baker Places (\$1.2 million) and PRC (\$2 million) for total of \$3.2 million
 - Funding for these grants would come from **FY 21/22 contract savings**
- Purpose of these ordinances are to maintain financial solvency of both organizations through the end of the current fiscal year
 - This will preserve mental health and substance use treatment services including over **200 beds**
 - This will also preserve over **250 staff positions** at Baker Places and PRC
- This would provide short-term funding to enable Baker Places/PRC to complete and implement a **financial and business plan** to assure the City of the stability of their programs
- If ordinances are not passed by June 30th, these agencies are at risk of closure as a result of financial insolvency
 - DPH would then need to identify other provider(s) to potentially transfer services to close this gap
- These ordinances are an **emergency stop-gap measure**. These ordinances are to preserve services to patients who are most vulnerable while Baker Places/PRC stabilizes.

Accountability

- City will retain an independent consultant to evaluate each organization's financial condition including the reasons for Baker Places/PRC's financial deficit and identify all steps necessary to support Baker Places/PRC's long-term financial stability
 - Includes submission to the City of unaudited balance sheets and related statements of income and cash flows for Fiscal Years 2017-18 through 2020-21
- In consultation with DPH and independent consultant, Baker Places/PRC will use this analysis to develop a financial sustainability plan addressing:
 - long-term operating and financial sustainability planning at both agencies
 - mutually agreed upon development milestones
 - review of scenarios regarding the agency's long-term relationship with the City.
- Grants are deliverable-based with payment due upon City acceptance of deliverables along the timeline agreed upon by all parties

Thank You

Any questions?