

File No. 120018

Committee Item No. 4

Board Item No. 21

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: January 25, 2012

Board of Supervisors Meeting

Date: 1/31/12

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |

#### OTHER (Use back side if additional space is needed)

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Completed by: Victor Young

Date: January 20, 2012

Completed by: Victor Young

Date: 1-26-12

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 Re-Appropriating ~~\$1,846,265~~ \$1,574,127 of General Fund Reserves for State Revenue Loss to  
2 Support HIV/AIDS Programs at the Department of Public Health, FY2011-2012]

3 **Ordinance re-appropriating ~~\$1,846,265~~ \$1,574,127 of General Fund reserves for State**  
4 **revenue loss to backfill federal funding reductions to HIV/AIDS programs at the**  
5 **Department of Public Health in FY2011-2012.**

6  
7 Note: Additions are single-underline italics Times New Roman;  
8 deletions are ~~strikethrough italics Times New Roman~~.  
9 Board amendment additions are double underlined.  
10 Board amendment deletions are ~~strikethrough-normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The sources of funding outlined below are herein de-appropriated to reflect  
13 funding available in Fiscal Year 2011-2012.

14  
15 **Uses De-appropriation**

Fund	Index/ Project	Subobject	Description	Amount
2S HWF DSS – Human Services	45ASCL	03801	Community Based	<del>\$1,846,265</del>
Special Revenue			Organization Services	<u>\$1,574,127</u>
<b>Total Uses De-appropriation</b>				<del>\$1,846,265</del>
				<u>\$1,574,127</u>

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23 Section 2. The Sources of funding outlined below are herein appropriated in Subobject  
24 48990- General Fund reserves for State revenue loss and reflects the funding available in  
25 Fiscal Year 2011-2012.

1 **Sources Appropriation**

2

Fund	Index/ Grant	Subobject	Description	Amount
1G AGF AAA	995031	48990	State Revenue Loss	<u>\$1,846,265</u>
General Fund – Non- Project			Reserve	<u>\$1,574,127</u>
<b>Total Sources De-appropriation</b>				<u>\$1,846,265</u>
				<u>\$1,574,127</u>

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9 Section 3. The Sources of funding outlined below are herein de-appropriated in  
10 Subobject 44939-Federal Direct Grants and reflects the projected loss of federal funding to  
11 support HIV/AIDS services at the Department of Public Health in Fiscal Year 2011-2012.  
12

13 **Sources De-appropriation**

14

Fund	Index/ Grant	Subobject	Description	Amount
2S CHS GNC – Public Health	HCHPDHIVSVGR	44939	Federal Direct	<u>\$1,846,265</u>
Community Health Services	/ HCPD13-12		Grants	<u>\$1,574,127</u>
Grants				<u>\$1,846,265</u>
<b>Total Sources De-appropriation</b>				<u>\$1,574,127</u>

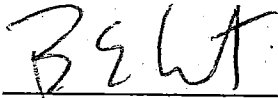
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21 Section 4. The Controller is authorized to record transfers between funds and adjust  
22 the accounting treatment of sources and uses appropriated in this ordinance as necessary to  
23 conform with Generally Accepted Accounting Principles. The Controller is also authorized to  
24 decrease the General Fund reserves appropriation to the Department of Public Health should  
25

1 the final allotment of the Federal grant for HIV/AIDS services be larger than estimated at the  
2 time of this appropriation.  
3  
4

5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

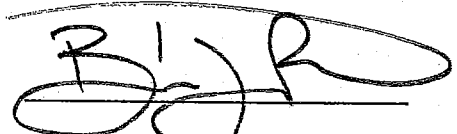
7 By:



8 Deputy City Attorney

FUNDS AVAILABLE  
Ben Rosenfield, Controller

9 By:



10 Date: January 10, 2012

11 Amended January 25, 2012  
12  
13  
14  
15  
16  
17

Item 4  
File 12-0018

Department:  
Department of Public Health (DPH), Office of the Controller

## EXECUTIVE SUMMARY

### Legislative Objectives

- The proposed ordinance would (a) de-appropriate \$1,846,265 of State Revenue Loss Reserve funds previously appropriated by the Board of Supervisors to the Human Services Agency (HSA) and (b) re-appropriate \$1,846,265 to the Department of Public Health (DPH).

### Key Points

- The FY 2011-12 budget, as previously approved by the Board of Supervisors, included a \$15,000,000 State Revenue Loss Reserve Fund. On November 15, 2011, the Board of Supervisors appropriated \$3,370,001 from the State Revenue Loss Reserve Fund to the Human Services Agency (HSA) to replace the loss of State funding for Adult Day Health Care centers. In November 2011, the State Department of Health Care Services settled a lawsuit to block the State funding reductions to Adult Day Health Care centers, resulting in the State continuing to fund the Adult Day Health Care centers. Therefore, according to Ms. Shireen McSpadden, HSA's Deputy Director of the Department of Aging and Adult Services, HSA will not require the \$3,370,001 previously appropriated by the Board of Supervisors.
- The Department of Public Health (DPH) receives recurring annual Federal Ryan White Program grants for services to persons with HIV and AIDS. According to Mr. Dean Goodwin, Administrator of the DPH HIV Health Services, DPH estimates that the total Ryan White grant awards for the next grant period from March 1, 2012 through February 28, 2013, will be reduced by approximately \$4,722,380, as follows: (a) \$4,153,125 estimated reduction due to the loss of "Stop Loss" funds, approved by Congress in prior years to offset reductions in Ryan White Program grant funds to San Francisco, which will not be approved for the next grant period; and (b) \$569,255 estimated reduction in Ryan White Program grant funds.

### Fiscal Impact

- DPH is requesting \$1,846,265 for the four-month period from March 1, 2012 through June 30, 2012 to replace expected reductions in Federal Ryan White Program grant funds and Stop-Loss funds. The Budget and Legislative Analyst estimates that the actual reduction in Ryan White Program grant funds and Stop Loss funds for the four-month period from March 1, 2012 through June 30, 2012 is \$1,574,127 (\$4,722,380 divided by 3). Therefore, the Budget and Legislative Analyst recommends reducing the requested appropriation by \$272,138, from \$1,846,265 to \$1,574,127.

### Recommendation

- Amend the proposed ordinance to reduce the proposed appropriation of State Revenue Loss Reserve Fund monies by \$272,138, from the requested \$1,846,265 to \$1,574,127.
- Approve the proposed ordinance as amended.

**MANDATE STATEMENT**

Under the City's Charter, the Board of Supervisors is responsible for amending and approving the Annual Appropriation Ordinance.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would (a) de-appropriate \$1,846,265 of State Revenue Loss Reserve Fund monies previously appropriated by the Board of Supervisors to the Human Services Agency (HSA) and (b) re-appropriate this \$1,846,265 to the Department of Public Health (DPH).

**HSA De-appropriation of \$1,864,265**

In order to provide for reduced State funding allocations, the City's FY 2011-12 budget included a \$15,000,000 State Revenue Loss Reserve Fund appropriated from the City's General Fund. On November 15, 2011, the Board of Supervisors appropriated \$3,370,001 from the State Revenue Loss Reserve Fund to the Human Services Agency (HSA) in order to replace the loss of State funding for Adult Day Health Care centers. According to Ms. Shireen McSpadden, HSA's Deputy Director of the HSA's Department of Aging and Adult Services, the \$3,370,001 supplemental appropriation was necessary to maintain basic Adult Day Health Care center services, previously funded by the State, from December 1, 2011 through June 30, 2012.

A class action lawsuit was filed in August 2009 on behalf of California seniors and disabled residents to block reductions in State funding for Adult Day Health Care centers. In November 2011, the State Department of Health Care Services settled the lawsuit, resulting in the State continuing to fund the Adult Day Health Care centers. Therefore, according to Ms. McSpadden, HSA will not require any of the \$3,370,001 previously appropriated by the Board of Supervisors for Adult Day Health Care centers located in the City.

**DPH Re-appropriation of \$1,846,265**

DPH receives annual recurring federal Ryan White Program grants to pay for health and other services for low-income, un-insured and under-insured San Franciscans living with HIV and AIDS, including primary care services and critical support services, hospice, treatment adherence, case management, housing and related services. The Ryan White Program grant is divided into two subcategories: Ryan White Part A and Ryan White Part B. The Ryan White Part A grant period is from March 1, 2011 through February 28, 2012 and the Ryan White Part B grant period is from July 1, 2011 through June 30, 2012. DPH's total current Ryan White Part A and Part B grant funding is \$25,800,873<sup>1</sup>.

DPH has applied for the (a) Ryan White Part A grant for the grant year from March 1, 2012 through February 28, 2013, and (b) Ryan White Part B grant for the grant year from approximately July 1, 2012 through June 30, 2013. According to Mr. Dean Goodwin, Administrator of the DPH HIV Health Services, DPH has not been notified of the amount of the

<sup>1</sup> The \$25,800,873 includes (a) \$22,795,508 for the Ryan White Part A grant from March 1, 2011 through February 28, 2012; and (b) \$3,005,365 for the Ryan White Part B grant from July 1, 2011 through June 30, 2012.

grant award for the Ryan White Part A grant from March 1, 2012 through February 28, 2013 and the Ryan White Part B grant from July 1, 2012 through June 30, 2013. However, Mr. Goodwin estimates that the total Ryan White Part A and Part B grant awards will be reduced by approximately \$4,722,380 as follows:

- \$4,153,125 estimated reduction due to the loss of "Stop Loss" funds to offset reductions in Ryan White Program grant funds to San Francisco. DPH has been notified that Congress will not appropriate Stop Loss funds for the next grant period beginning March 1, 2012.
- \$569,255 estimated reduction in Ryan White Part A and Part B grant funds. According to Mr. Goodwin, the Ryan White Program grant funds to San Francisco for the grant period beginning March 1, 2011 were reduced by \$569,255. DPH expects the Ryan White Program grant funds to San Francisco for the grant year beginning March 1, 2012 to be reduced by the same amount.

**FISCAL IMPACTS**

The proposed ordinance would de-appropriate \$1,846,265 of the \$3,370,001 in the State Revenue Loss Reserve Fund previously appropriated by the Board of Supervisors for HSA to offset State funding reductions for Adult Day Health Care centers, and appropriate such funds to DPH. The balance of \$1,523,736 previously allocated to HSA (\$3,370,001 less \$1,846,265) would be returned to the City's State Revenue Loss Reserve Fund. According to Ms. Cindy Czerwin, Citywide Budget Manager in the Controller's Office, as of the writing of this report, the balance of the State Revenue Loss Reserve Fund is \$11,629,999. With the return of the \$1,523,736, the new balance will be \$13,153,735.

The proposed appropriation of \$1,846,265 would replace estimated reductions in Ryan White Program grant funds to DPH for the four-month period from March 1, 2012 through June 30, 2012. According to Mr. Goodwin, DPH will request additional monies to replace further reductions in Ryan White Program grant funds in DPH's FY 2012-13 budget.

The following table shows the estimated reduction in Ryan White Program grant funds and Stop Loss funds for the 12-month period from March 1, 2012 through February 28, 2013. The Budget and Legislative Analyst estimates that the reduction in Ryan White Program grant funds and Stop Loss funds for the 4-month period from March 1, 2012 through June 30, 2012 is \$1,574,127 (\$4,722,380 divided by 3)<sup>2</sup>.

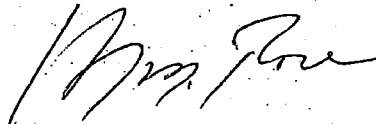
Estimated Reduction in Grant Funding for the Ryan White Program		
	12-Month Period from March 1, 2012 through February 28, 2013	4-Month Period from March 1, 2012 through June 30, 2013 (Need for the remainder of this fiscal year)
Estimated Reduction in Stop Loss Funds	\$4,153,125	\$1,384,375
Estimated Reduction in Ryan White Program Grant Funds	569,255	189,752
<b>Total</b>	<b>\$4,722,380</b>	<b>\$1,574,127</b>

<sup>2</sup> There are three 4-month periods in 12 months.  
SAN FRANCISCO BOARD OF SUPERVISORS

As shown in the table above, the Budget and Legislative Analyst recommends reducing the proposed appropriation of State Revenue Loss Reserve Fund monies by \$272,138, from the requested \$1,846,265 to the needed amount of \$1,574,127 for the four-month period from March 1, 2012 through June 30, 2013.

## RECOMENDATIONS

1. Amend the proposed ordinance to reduce the proposed appropriation of State Revenue Loss Reserve Fund monies by \$272,138, from the requested \$1,846,265 to \$1,574,127.
2. Approve the proposed ordinance as amended.



Harvey M. Rose

cc: Supervisor Chu  
Supervisor Avalos  
Supervisor Kim  
President Chiu  
Supervisor Campos  
Supervisor Cohen  
Supervisor Elsbernd  
Supervisor Farrell  
Supervisor Mar  
Supervisor Olague  
Supervisor Wiener  
Clerk of the Board  
Cheryl Adams  
Controller  
Rick Wilson



OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *for* Mayor Edwin M. Lee *JK*  
RE: Re-appropriating \$1,846,265 of General Fund reserves for State revenue loss to support HIV/AIDS programs at the Department of Public Health in Fiscal Year 2011-2012  
DATE: January 10, 2012

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Attached for introduction to the Board of Supervisors is the ordinance re-appropriating \$1,846,265 of General Fund reserves for State revenue loss to backfill federal funding reductions to HIV/AIDS programs at the Department of Public Health in Fiscal Year 2011-2012.

Please note this item is cosponsored by Supervisor Wiener, Supervisor Campos, and Supervisor Olague.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

cc. Supervisor Scott Wiener  
Supervisor David Campos  
Supervisor Christina Olague

