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

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

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

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

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

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

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

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

WHEREAS, The $4.0 million emergency funding was made on the condition that if the City received additional Ryan White Part A funds for fiscal year 2007-2008, the $4.0 emergency funding would be returned to the City's general fund. In connection with the $4.0
million, the City’s Annual Administrative Ordinance, Section 8.2, directed the Controller to repay the $4.0 million emergency funding to the General Fund reserve if additional state or federal funds were allocated to San Francisco.

WHEREAS, The City’s “maintenance of effort spending” on HIV related services has increased from $14.2 million in 2001 to $16.7 million in 2006 to $17.8 million in 2007. The $4.0 million emergency nonrecurring funding was in addition to $17.8 million that the City appropriated for certain HIV services in City fiscal year 2007-2008.;

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

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

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

RESOLVED, That DPH is hereby authorized to accept and expend retroactively a grant for the RWPA program from HRSA in the amount of $4,758,228; and, be it
FURTHER RESOLVED, That under Section 8.2 of the 2007-2008 AAO, the Controller is authorized to return the $4.0 million to the general fund reserve; and be it

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

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

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

RECOMMENDED: 

Mitchell Katz, M.D.
Director of Health

APPROVED:

Office of the Mayor

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

July 8, 2008 Board of Supervisors — ADOPTED
Ayes: 10 - Alioto-Pier, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Excused: 1 - Ammiano
I hereby certify that the foregoing Resolution was ADOPTED on July 8, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom

7-11-08
Date Approved