

✓ AIDS
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— George Hurd, SCAP's executive director

SC AIDS Project almost in the black

By MAY WONG

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SANTA CRUZ — The Santa Cruz AIDS Project has risen from the brink of disaster.

After more than a decade of pulling clients out of life and death predicaments, the agency found itself in the middle of its own crisis last year. In debt and in serious disarray, the agency considered for the first time in its 12-year history closing its doors.

But today, board members, staff, clients and others say the non-profit organization is on the road to recovery, having virtually erased a

\$90,000 debt. SCAP leaders also say the group has a new commitment and financial setup designed to keep the agency afloat through tough times. And it is driven more than ever to survive, as long as necessary.

"I'd love to close the door of the agency, but for the right reason," said George Hurd, SCAP's executive director.

To help turn SCAP around, a new executive director — Hurd — and a new slate of directors, including three of the agency's founders, came on board in November. Their top priority: to

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get the agency back in the black and keep it there.

They restructured the organization and involved clients and staff in their decisions. They also put in place internal financial controls and set up a reserve fund, which they hope will hit the \$40,000 mark by next June.

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Shmuel Thaler/Sentinel

Drop-in coordinator Dana Blumrosen talks with a youth outside the center.



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They also won a terrific deal with the county: a one-year, \$1-a-month lease agreement. At the end of August, SCAP's office will move from its \$4,000-a-month downtown location to 1070 Emeline Street, in a space at the county's health and human services complex that is now used for storage.

Together, with the agency's staff and volunteers, board members revitalized the fund-raising program. Private parties in homes, a new drag queen show, silent auctions, parking lot sales, and a new direct-mail campaign — all brought donations back to the level they once were, about \$200,000 a year.

Everyone — the staff, clients, volunteers and the community — chipped in, either with more money or more time. Some of the contractors whom the agency owed money, such as printers or support-group facilitators, forgave the debts or agreed to payment plans.

Agency leaders also made some gut-wrenching service cuts. There are fewer social workers now available to those who need them. Open hours at the agency's drop-in center on Front Street were slashed from six to five days a week. An outreach program geared specifically for Latinos was ended.

For four months, the agency's 24 staff members endured a rotational work furlough, their hours and pay docked by 20 percent.

The cuts didn't make it any easier for staff members who already work for relatively low wages under emotionally challenging and exhausting conditions. Knowing they were less accessible to clients twisted them up — even though many clients understood the agency's troubles.

"A crisis (for a client) could happen anytime 24 hours a day," said Dana Blumrosen, drop-in center coordinator. "The less we're open, the less we're able to address their needs. Sometimes people are ready to make that life change at Thursday at 4, and if you're not there, maybe you would have lost that opportunity."

Also, cost control stretched down to the basics. The agency's pamphlets are no longer reprinted, glossy, or colorful; they're photocopied. Staff training, via conferences and seminars, was eliminated. No one received pay raises.

But it was a time to change or die. The cuts were "the lesser of two evils," Hurd said. "We're not going to slip in the red anymore — that's real clear."

Last year's financial crisis was a result of debt dating back to the

1995-96 fiscal year.

A combination of waning public support, a growing clientele, and organizational changes pushed the agency down the fiscal descent, SCAP officials said.

During that period, donations did not keep pace with the agency's \$850,000-plus annual budget. Individual and corporate contributions fell to \$150,000 — 25 percent short of the agency's normal \$200,000 annual donation level.

At the same time, the agency was coping with an epidemic in transition.

Some people with AIDS or HIV, the virus that causes acquired immunodeficiency syndrome, were living longer, largely because of a new drug therapy called protease inhibitors.

The effectiveness of the drugs forced some people who thought they were at the edge of death to switch gears. Many had spent their nest eggs. Some were getting healthy enough to go back to work,

but risked losing their medical benefits as a result.

"People think that people are dying less rapidly so they don't need the services as much, but in fact, the opposite is true," said Joantha Muse, SCAP's development director.

Between 1995 and 1996, SCAP's client base went from 180 to 275. The clients needed advice on jobs, housing and medical benefits. They needed SCAP to point them to resources to help them pay for the increasingly expensive drug treatments. And they still needed massages and all the other emotional and mental therapeutic services that SCAP and its volunteers provide.

The reported success of the latest drug therapies also shifted the public's perception that AIDS was not as big a problem anymore. People were also becoming more lax about protecting themselves against infection.

SCAP's education and outreach programs became even more important.

"Services were being expanded without adequate infrastructure," Hurd explained. "Donations were not adequate for the revenue projections and no one was monitoring it, so expenses continued to occur and the agency fell farther and farther into debt."

But no one seems to like talking much about that part of the past anymore — a period that culminated at a board meeting last November, when staff protests of a proposed suspension of employee health benefits caused a majority of board of directors to resign. It also was a time when the fiscal fiasco and strident infighting sent staff morale to rock bottom.

The next board meeting was a turning point.

"It came down to 'Do we commit

About SCAP

In a county where as many as 500 people are estimated to be infected with HIV, the Santa Cruz AIDS Project serves as a clearinghouse for AIDS information and offers education, outreach, counseling, legal help, benefits advocacy, housing, transportation, food, in-home support services and emergency assistance to those living with AIDS or others affected by it.

Formed in 1985, the agency has 24 employees and more than 500 regular volunteers who last year, donated more than 20,000 hours of their time.

In the 1996-97 fiscal year, the agency served 272 clients, and gave assistance or information to 8,000 other people.

ourselves to making it a viable organization again or start a process of closing it?" Muse recalled. "Things had to change from that moment. At that point, we were running out of time."

Three of the agency's six founders returned to serve as board

members.

"It was one of those things," said John Laird, co-founder and former executive director of SCAP. "I really didn't have the time, but the agency couldn't go down. It just

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means too much to the county, the community and the clients it serves."

County officials who supported the special lease agreement with SCAP agree.

"I'm sure there are some (other non-profit agencies) that might want a similar arrangement," said Charles Moody, county health services director. "But we partner very closely with (SCAP) and the folks with HIV. We're very interested in them staying in business and they were in difficult times ..."

Other local non-profit organizations, which sometimes compete for the same government dollars,

have not voiced any complaints about SCAP's special deal. "If there was any resentment, I would have heard it," said Dorothy Nicholls of the Mid-Coast Visiting Nurse Association.

Despite SCAP's strong comeback, Hurd and other agency officials say it is not completely healthy yet.

Only 90 percent of the \$90,000 debt is gone, and the previously depleted reserve has not yet been rebuilt. The agency still needs to find a permanent home after its low-cost one-year lease expires. And new board members will soon be needed, because some, including the founding members, will be leaving.

"The recovery has been effective, but it's fragile," Hurd said. "It still needs the support of the community or we'll be in the same

place we were at a year ago."

But agency workers say the staff's morale is much better now.

"We're street counselors and street therapists and it's hard to focus on what's really important when there's a financial crisis," Blumrosen said. "But now we could get back to business."

And clients like Deanna Anderson are breathing a sigh of relief.

"SCAP is like the queen bee of the AIDS beehive in the county," she said. "All services filter through there. Clients would have been completely empty-handed without them."

Added Curt Meyer, who serves as a client representative on the board of directors: "I did always feel the agency would survive this crisis. But it would require everybody helping, including myself. And from what I could tell, it's working."