

CITY & COUNTY OF SAN FRANCISCO
HUMAN SERVICES AGENCY

*promotes well-being and self-sufficiency
among individuals, families and communities*

Department of Aging & Adult Services FY17-18 & FY18-19 Budgets

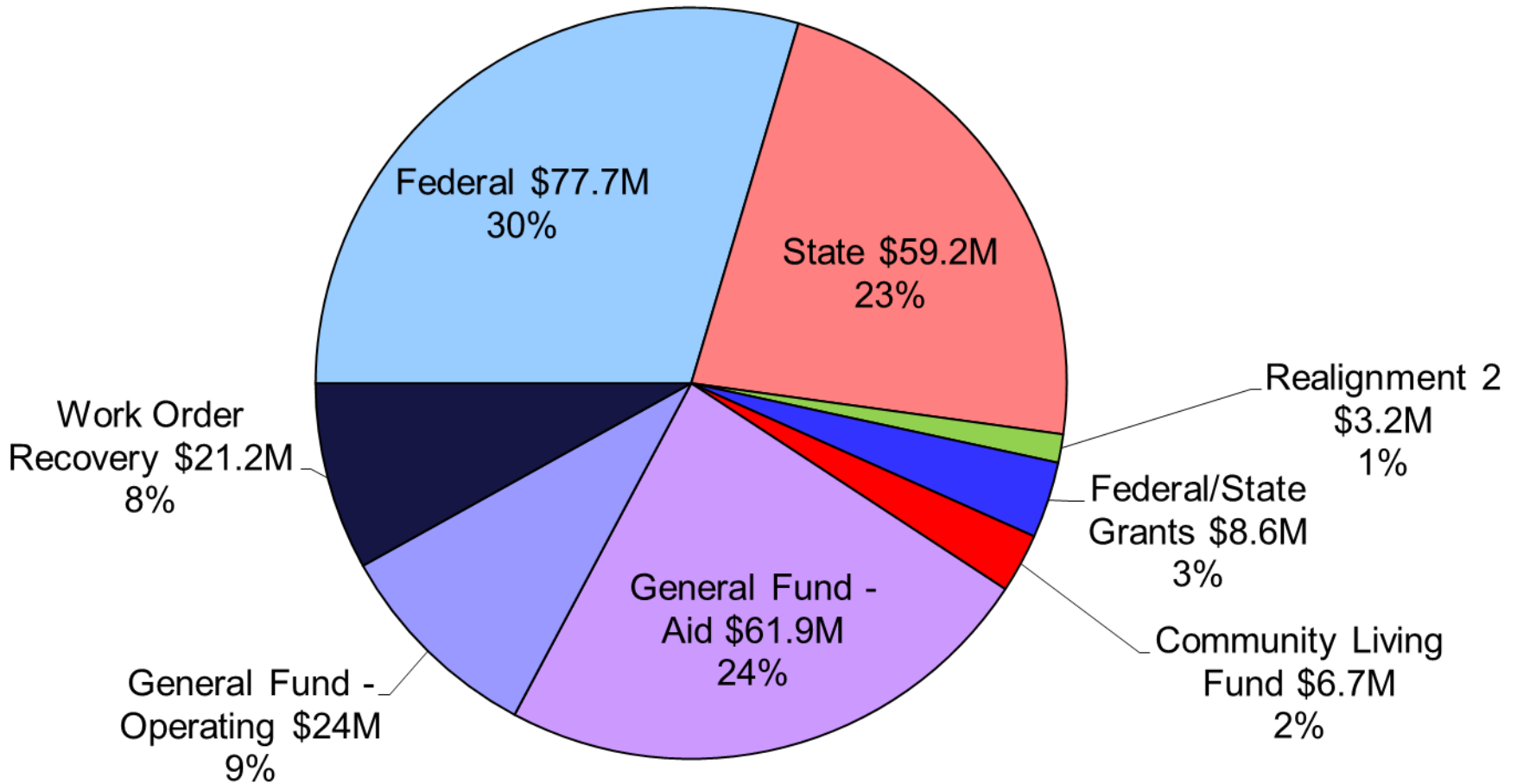


DAAS Finance Committee – February 1, 2017

CITY & COUNTY OF SAN FRANCISCO

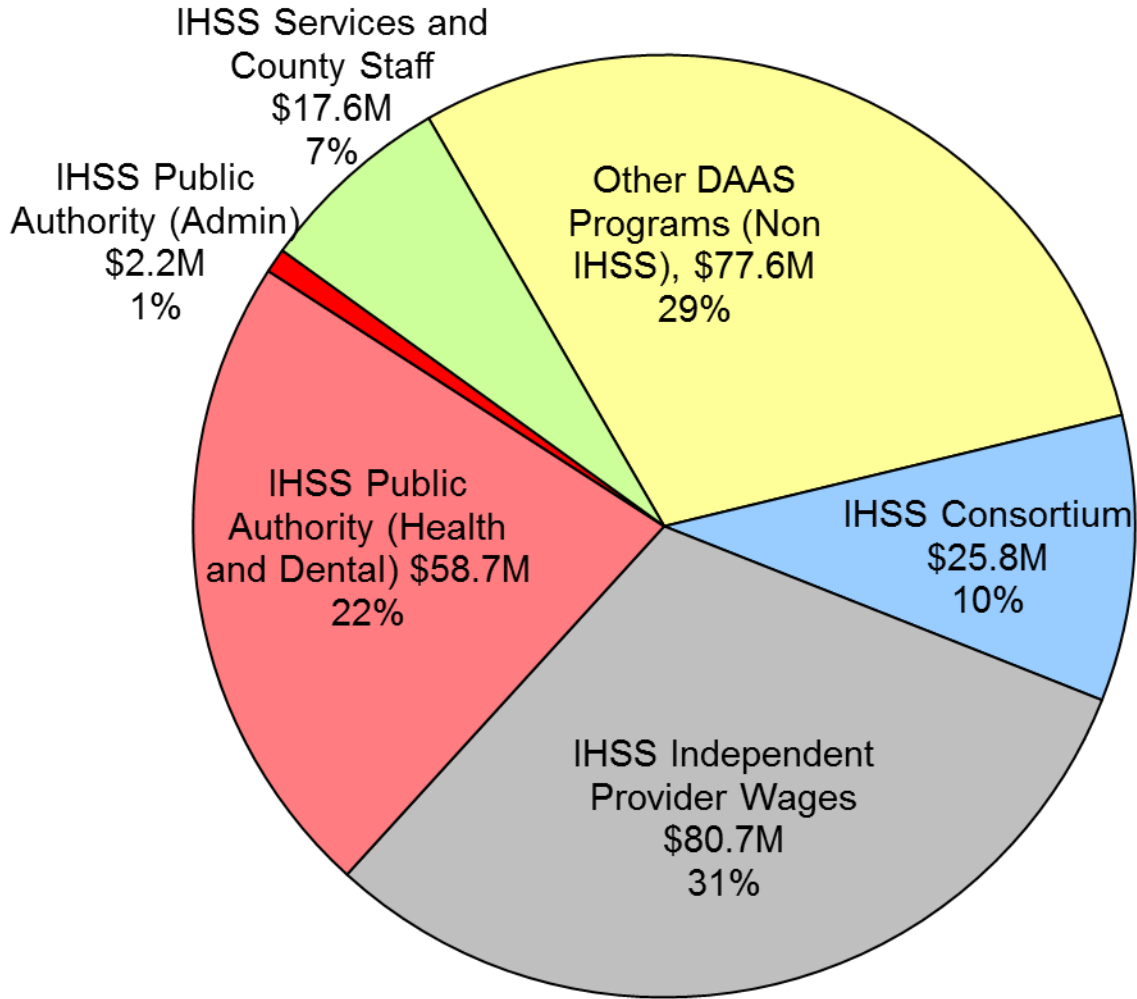


DAAS FY16-17 Original Budget By Sources \$262.6M



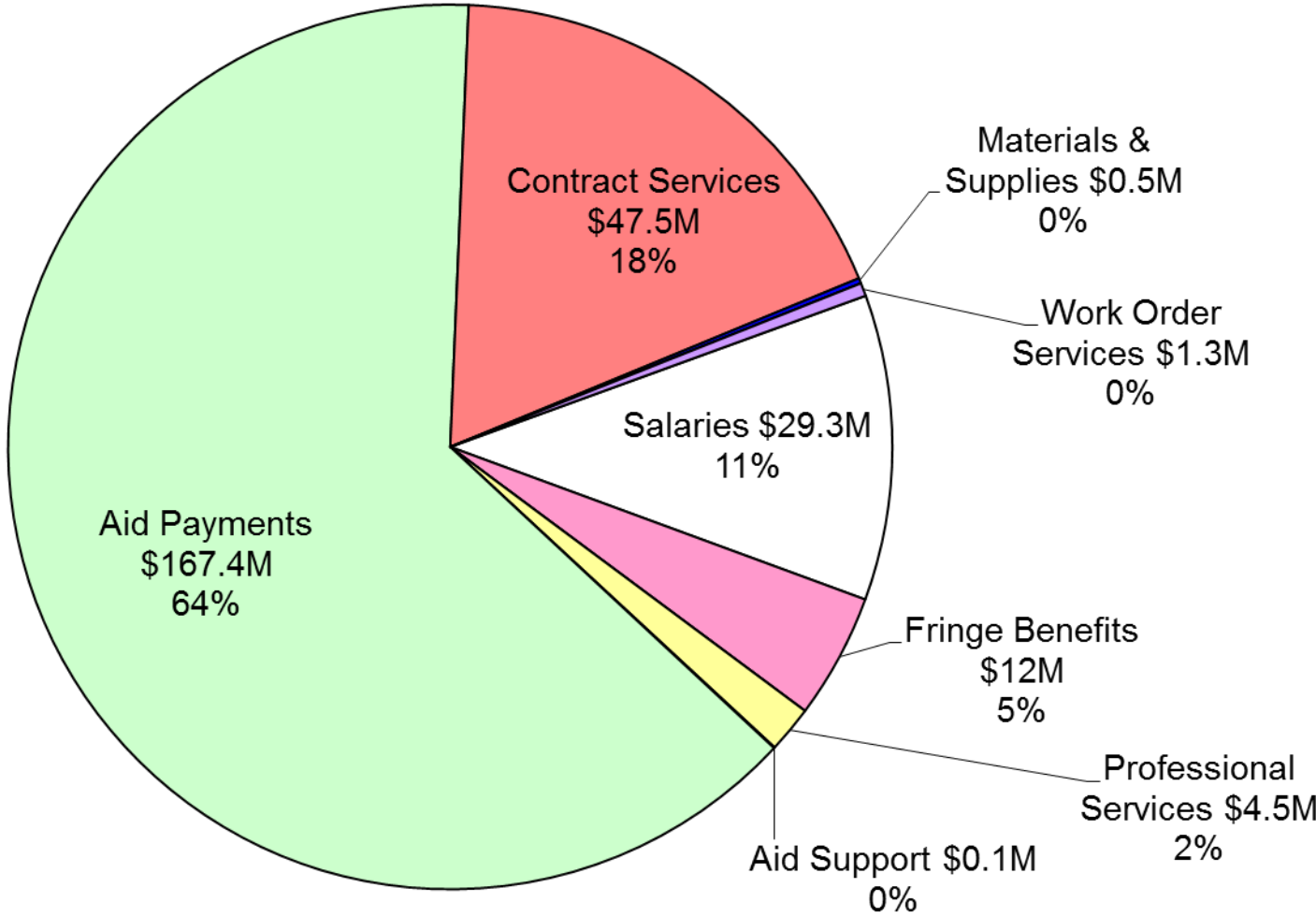
DAAS FY16-17 Original Budget by Program

\$262.6M



FY16-17 Original DAAS Budget by Character

\$262.6M



Mayor's FY17-18 & FY18-19 Budget Projections

Revenues are expected to increase, but expenses increase faster.

Citywide Projected Shortfall (in millions)	FY17-18	FY18-19
Total Revenue	143.9	328.7
Total Expenditures (Salary & Benefits: (145.8)/(273.1), Baselines & Reserves (46.7)/(116.1); Citywide Uses*: (70.4)/(222.9))	(262.9)	(612.1)
Cumulative Shortfall	(119.0)	(283.4)

*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service), and capital/equipment/IT investments.

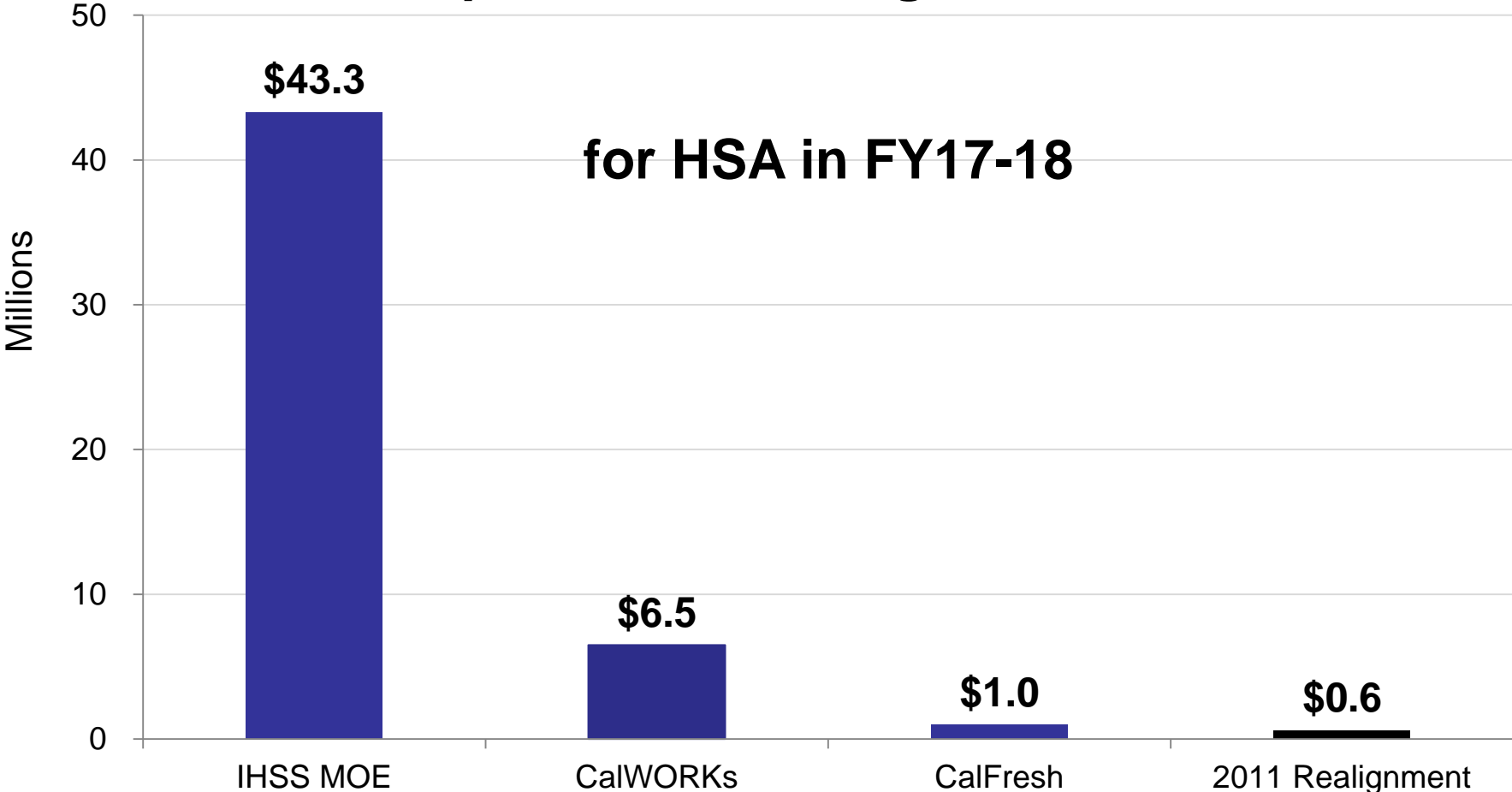
Mayor's Budget Instructions

- For FY17-18 agencies are to propose ongoing general fund reductions of 3% - \$1.5 Million for HSA
- For FY18-19 agencies are to propose ongoing general fund reductions of an *additional* 3% - \$3.0 Million for HSA
- Agencies should not grow FTE count

State Budget Impact

The Governor's Budget includes these reductions affecting the HSA budget:

Proposed State Budget Reductions



State Budget Impact

- IHSS MOE: Governor's budget eliminated IHSS MOE by ending the Coordinated Care Initiative (CCI)
 - Returns counties to a share of cost for IHSS
 - IHSS costs have increased since FY12-13 due to minimum wage increases, caseload growth, City administrative cost increases, medical inflation, and IHSS contract costs
- CalWORKs / CalFresh: state budget numbers are closely tied to caseload
- 2011 Realignment: still growing, but slower than last year's projections

HSA Budget Strategies

- Maximize revenue opportunities in existing programs
- Look for opportunities to repurpose existing position vacancies and funds to meet new needs

Post-Election Uncertainty

At this point in time, there have been no changes to any of the programs administered by the Department of Human Services, the Department of Aging and Adult Services and the Office of Early Care and Education.

However, there are current Congressional efforts to repeal key aspects of the Affordable Care Act.

There is also speculation about pulling back Federal funding to Sanctuary Cities.

Medi-Cal and the Affordable Care Act (ACA)

Medi-Cal provides health care services to more than 13 million low-income Californians.

Funded with both state and federal dollars, enrollment in Medi-Cal increased by several million after the implementation of ACA, in part by expanding coverage to low-income adults who were previously ineligible.

- Approximately one in four San Franciscans now receives Medi-Cal coverage.
- Enrollment has nearly doubled since implementation in 2013, from approx. 101,000 individuals to 195,000+ in 2016.
- All immigrants who meet the income guidelines can receive Medi-Cal emergency and pregnancy care, regardless of immigration status. All immigrant children can receive full-scope Medi-Cal, regardless of immigration status.

Affordable Care Act (ACA)

Nationally, ACA provides medical insurance for nearly 20 million Americans.

The incoming Presidential administration and Republican Controlled Congress have indicated their intention to repeal and replace the ACA.

Emerging strategy is “Repeal *and Delay*” the effective repeal date for 2 or 3 years

- Congress is using the budget reconciliation process to try to repeal key provisions, including.
 - Federal funding provided each year to states that have expanded eligibility for Medicaid. (estimated at \$15 billion for California)
 - Subsidies for private health insurance coverage obtained through the public exchange markets (estimated at \$5 billion for California)
 - Tax penalties imposed on people who go without insurance and on larger employers who do not offer coverage to employees.
- The new administration supports some of the existing provisions, including coverage for pre-existing conditions and allowing parents to keep their children on their insurance until age 26.
- There is speculation that states could have the option to keep Medicaid expansion but on their own dime

Federal Funding to Sanctuary Cities

The incoming Presidential administration has indicated its intention to defund sanctuary cities.

Implementing this “policy” would require acts of Congress with regard to each programmatic funding source.

To now, there has been no legislative action taken to block San Francisco from receiving federal funding.

It is unclear how efforts to defund would advance without significant implications for public health and safety, infrastructure, and education initiatives for millions of individuals and families.

Mayor Lee has reaffirmed his commitment to ensuring that San Francisco remains a Sanctuary City.

DAAS Highlights

- OOA Nutrition program received an additional \$2.9M in funding for FY16.17 through addbacks from both the Mayor's Office and Board of Supervisors
- Funding was provided to pilot a Home Care program for clients who earn slightly too much to qualify for IHSS
- New programming for Senior Employment, LGBT Isolation, extending funding for senior and adults with disabilities housing subsidies, case management wage increases, and Village program expansions
- Funding shifted over from DPH for the Scattered Site housing program

DAAS Highlights

32 New Positions were added to the DAAS Budget in FY16-17 including:

- New Unit in Adult Protective Services focused on high-risk cases of self-neglect and potential evictions
- New IHSS Intake Unit to help address the 10% increase in Intakes since 2012 as well as screening for dementia and depression
- Expansion in the IHSS Quality Assurance staffing
- Additional supervision for the IHSS Care Transitions program
- Support for the Public Conservator, Dignity Fund, and a new Deputy Director position

DAAS Highlights

Implementing the Dignity Fund

- Dignity Fund Coalition, DAAS, and HSA currently meet biweekly to:
 - ✓ Create an Oversight and Advisory Committee (OAC)
 - ✓ Establish a planning process for FY17-18 Dignity Fund expenditures
 - Baseline Dignity Fund budget is \$38 million
 - Additional \$6 million will be added in FY17-18 and must be allocated
- To support Dignity Fund planning beginning in FY16-17, DAAS will:
 - ✓ Develop internal capacity to support the Dignity Fund
 - ✓ Fund consulting services to conduct surveys and focus groups
- DAAS will work with the OAC to:
 - ✓ Conduct a Community Needs Assessment (FY17-18)
 - ✓ Develop a Service and Allocation Plan (FY18-19)

DAAS FY17-18 & FY18-19 Budget Timeline

- Dec 8 Mayor's Budget Instructions Released
- Jan 10 HSA Budget Meeting with Community and CBO partners
- Feb 1 DAAS Finance Committee Meeting – 1st budget meeting
- Feb 15 Aging & Adult Services Commission – 2nd budget meeting
- Feb 21 Agency Proposed Budget due to Mayor
- June 1 Mayor submits budget to Board of Supervisors (BoS)
- June BoS Budget Committee Hearings
- July Budget Considered at BoS

Presentation Link

<http://www.sfhsa.org/7023.htm>