

CITY & COUNTY OF SAN FRANCISCO
HUMAN SERVICES AGENCY

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

Human Services Agency – FY11-12 Budget Presentation



January 11th, 2011

CITY & COUNTY OF SAN FRANCISCO

Agenda

- Provide overview of Agency budget
- Present local and state budget forecasts
- Discuss Mayor's Office budget instructions and budget reduction target
- Provide outline of budget reduction plan

Budget Projections



State Budget

State budget shortfall of \$25.4 billion

Current Year shortfall	\$ 8.2 billion
Budget Year shortfall	<u>\$17.2 billion</u>
Total shortfall	\$25.4 billion

Source: California Department of Finance

State Budget – Governor’s Solutions

Solutions

Program cuts	\$12.5 billion
Revenues	\$12.0 billion
Other funds	\$ 1.9 billion
Reserve	<u>(\$ 1.0 billion)</u>
Total solutions	\$25.4 billion*

*Rounded

Source: California Department of Finance

State Budget – Human Services Proposals

Child Welfare and Foster Care

- Reduce funding to Transitional Housing Program-Plus (THP+) by removing 18- and 19-year olds, assuming they would be covered through AB12 extended Foster Care

- Restore the \$70 million cut to the Seriously Emotionally Disturbed program for residential placements

State Budget – Human Services Proposals

CalWORKs

- Maintain Single Allocation reduction
- Retrospectively reduce the lifetime limit on aid to 48 months from 60 months
- Reduce grants by 13 percent (from \$694 to \$604 for a family of three)

The time limit and grant reduction proposals are estimated to reduce caseload by aprox. 1,025 families in SF, a 21.3 percent decrease from the current year.

State Budget – Human Services Proposals

Child Care

- Restore Stage 3 child care
- Reduce Stage 2 child care due to projected caseload reduction from changes to lifetime limit
- Eliminate services for 11- and 12-year olds
- Reduce eligibility to 60 percent from 75 percent of State median income
- Unallocated across the board reduction in subsidy levels (34%)

State Budget – Human Services Proposals

In-Home Supportive Services

- Cut service hours by 8.4% (in addition to 3.6% cut in current year)
- Eliminate Domestic and Related Services to certain recipients:
 - Minor children living with able and available parent
 - Recipients living with others in shared-housing
- Institute new physician certification
- Eliminate funding to IHSS advisory committees
- Reduce county administration due to caseload reductions

State Budget – Human Services Proposals

Medi-Cal Administration & Program

- Continue reduction in county administration
- Continue suspension of cost of doing business increase
- Limit service utilization and benefits
- Increase beneficiary cost-sharing and co-pays
- Eliminate benefits
- Reduce provider payments by 10 percent

State Budget – Human Services Proposals

SSI/SSP

- Reduce grants to federal minimum levels (from \$845 to \$830/month)

County Veterans Services Offices (CVSO)

- Eliminate state general fund support for CVSO's

Adult Day Health Care (ADHC) and Multipurpose Senior Services Program (MSSP)

- Eliminate funding for these optional Medi-Cal programs

State Realignment Proposal

PHASE I - Shift of “Public Safety” programs to Local Government including:

- Various law enforcement
- Child Welfare & Foster Care
- Adult Protective Services
- Mental Health (e.g. EPSDT, AB 3632)
- Substance Abuse Treatment

State Realignment Proposal

PHASE I - Revenue Sources

- 1% Sales Tax
- 0.5% Vehicle License Fee rate
- Mental Health Services Act (Proposition 63) in FY11-12 for Mental Health services

State Realignment Proposal

PHASE I - Timing & Budget Assumptions

- Legislature approves realignment proposal in March
- Five-year extension of existing taxes sent to voters (and approved) in June
- All other statutory changes approved by June

City Budget Forecast (GF in Millions)

Sources

FY 2011-12

Loss of Federal Medical Assistance Percentage (FMAP)	-47.1
Loss of Department of Public Health Hospital Fees	-88.0
Other General Revenue Losses	-32.7
Loss of prior year starting balance and current year savings	-23.5
Revenue Growth	<u>105.0</u>
Sources Subtotal	-\$86.4

Uses (Expenditures)

Expiration of Labor Givebacks, MOU's	-34.8
Health & Retirement Increases	-66.3
Baseline Funding Increases	-32.1
Other Expenditures	<u>-160.2</u>
Uses Subtotal	-\$293.4

Projected Shortfall with Mid-Year Reductions **-\$379.8**

Mayor's Budget Instructions

- Reduce General Fund spending by 10%
- Submit “contingency” reductions of 10%
- Seek and prioritize solutions such as:
 - Administrative efficiencies
 - Consolidation of programs and functions
 - Restructuring service delivery
 - Revenue options

Mayor's Budget Instructions

The Mayor's instructions direct the Agency to cut 20% in General Fund support.

10% GF Reduction	\$9,332,527
10% GF Contingency Reduction	<u>\$9,332,527</u>
Total	\$18,665,054

FY10-11 Mid-Year Reductions

Mayor's Office request for initial
2.5% reduction (of total 10%) or \$2.3M

Agency-wide contract surplus	\$479,713
Housing Pipeline projects surplus (delayed starts)	\$741,287
CAAP Grant Program Sanctions	\$400,000
IHSS Consortium contract savings	\$200,000
IHSS Independent Provider benefits	\$148,975
JobsNOW2 - PAES client shift	\$63,300
Working Families Credit prior year surplus	\$300,000
Total	\$2,333,275

Counts toward total \$18,665,054 target

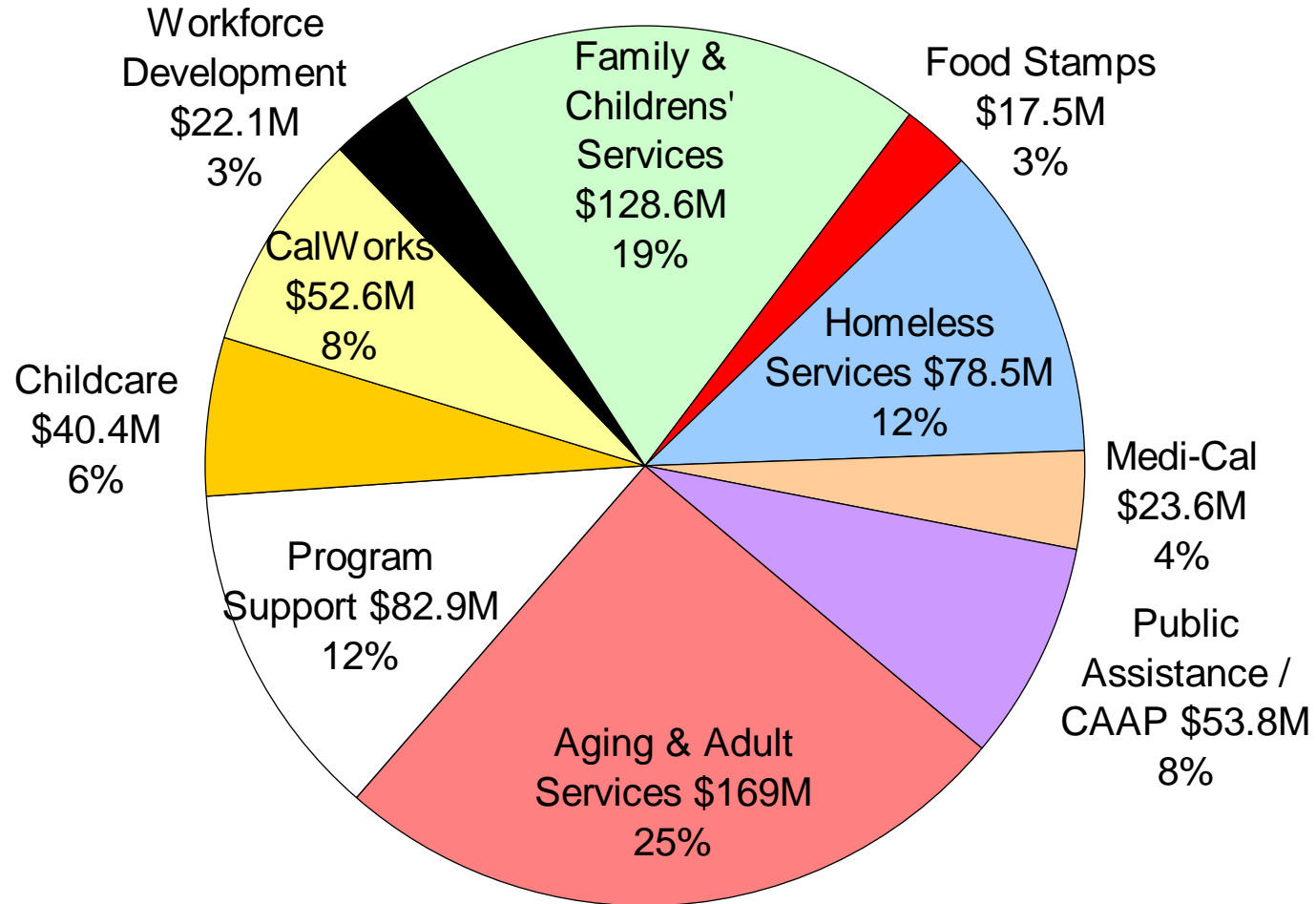
Department of Human Services

Budget Principles for FY 11-12

- Preserve programs and services that meet basic human needs:
 - housing/shelter, food and nutrition, access to health care, income support, and protection/safety.
- Minimize reductions to services and programs that leverage outside revenues.
- Maintain client services that are necessary to achieve mandated outcome objectives.
- Develop business process improvements and program efficiencies in order to reduce costs.
- Consider program effectiveness when making budget reductions in specific programs or initiatives.

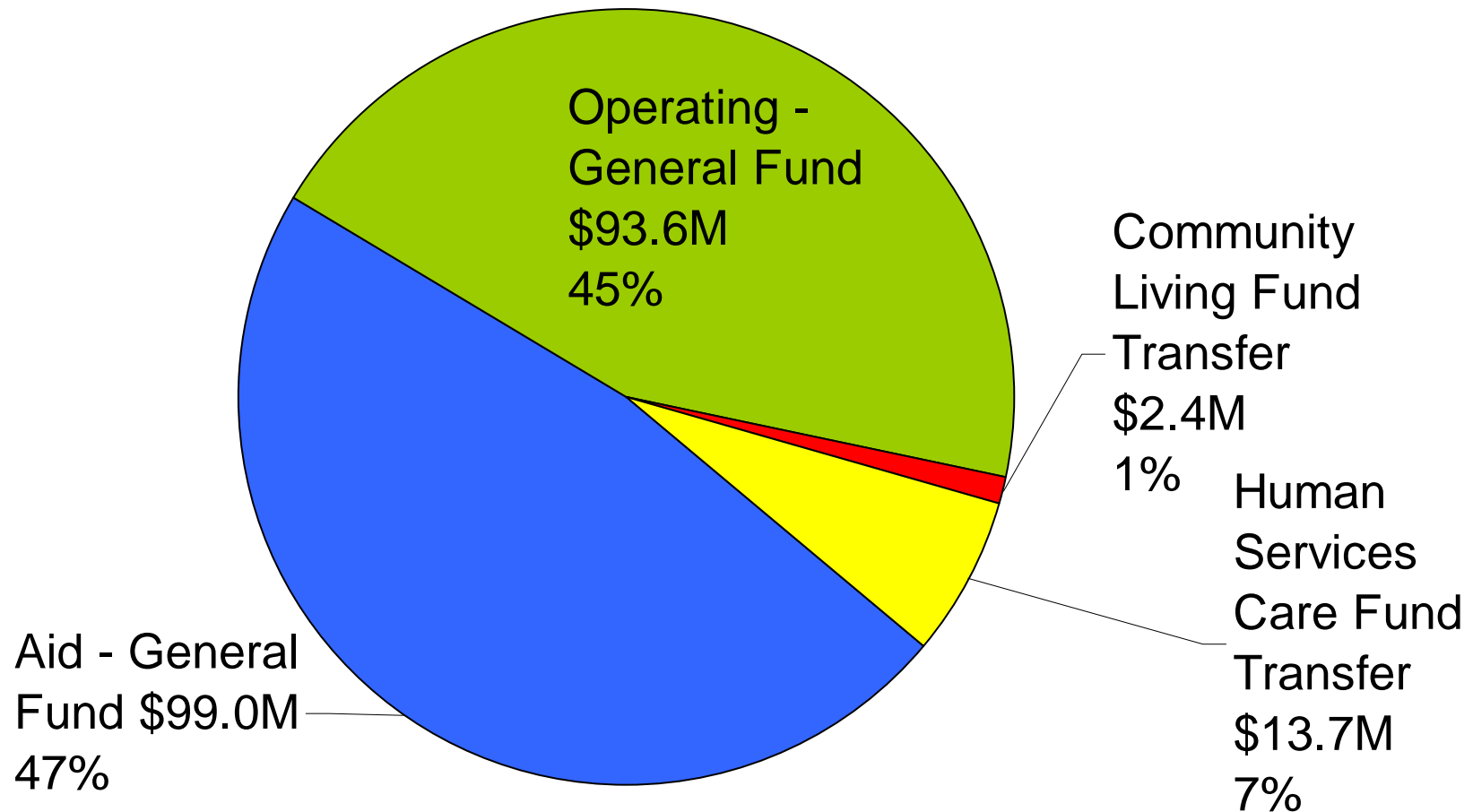
HSA FY10-11 Budget By Program

HSA FY10-11 Original Budget By Program \$669.2M



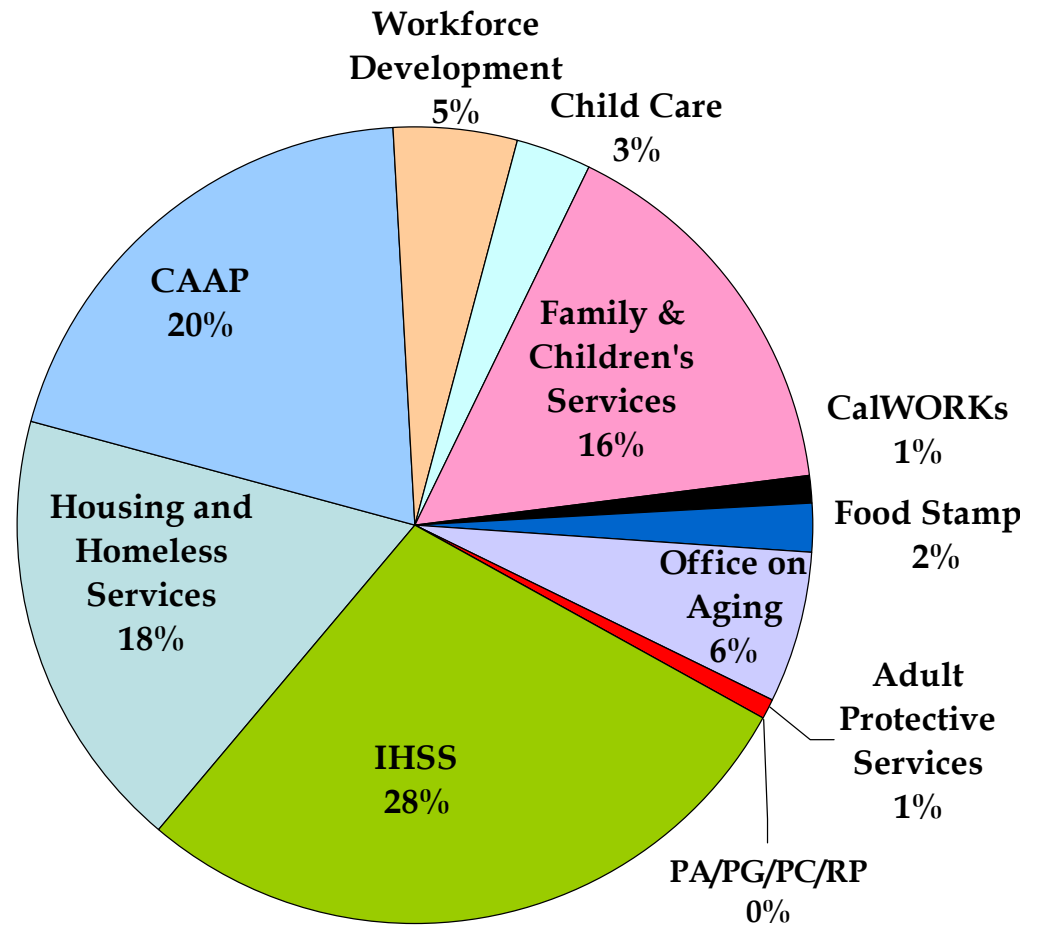
HSA FY10-11 Budget - General Fund Support

HSA FY10-11 Original GF Budget: Operating
vs Aid: GF = \$208.7M



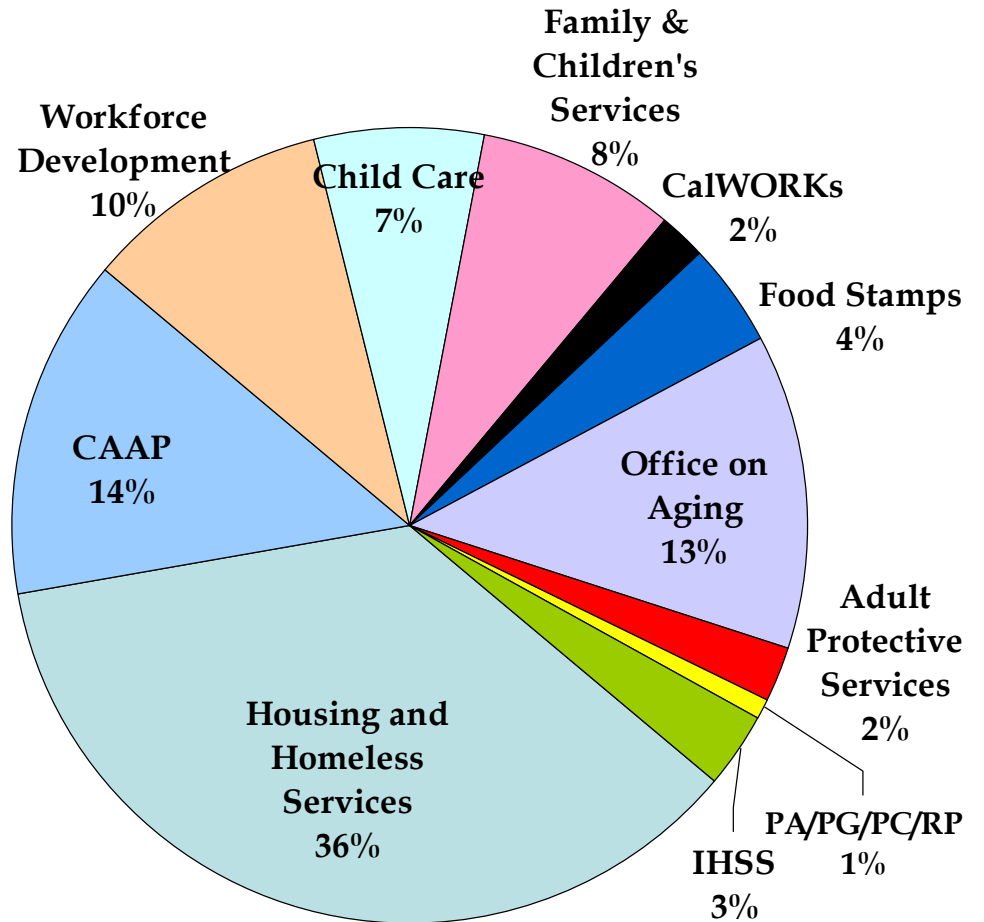
HSA Operating and Aid Budget - General Fund Support

Program	% GF
DHS	
Housing & Homeless Services	18%
CAAP	20%
Workforce Development	5%
Child Care	3%
Family & Children's Services	16%
CalWORKs	1%
Medi-Cal	0%
Food Stamps	2%
DAAS	
Office on Aging	6%
Adult Protective Services	1%
PA/PG/PC/RP	0%
Community Living Fund	0%
In-Home Supportive Services	28%
Total	100%



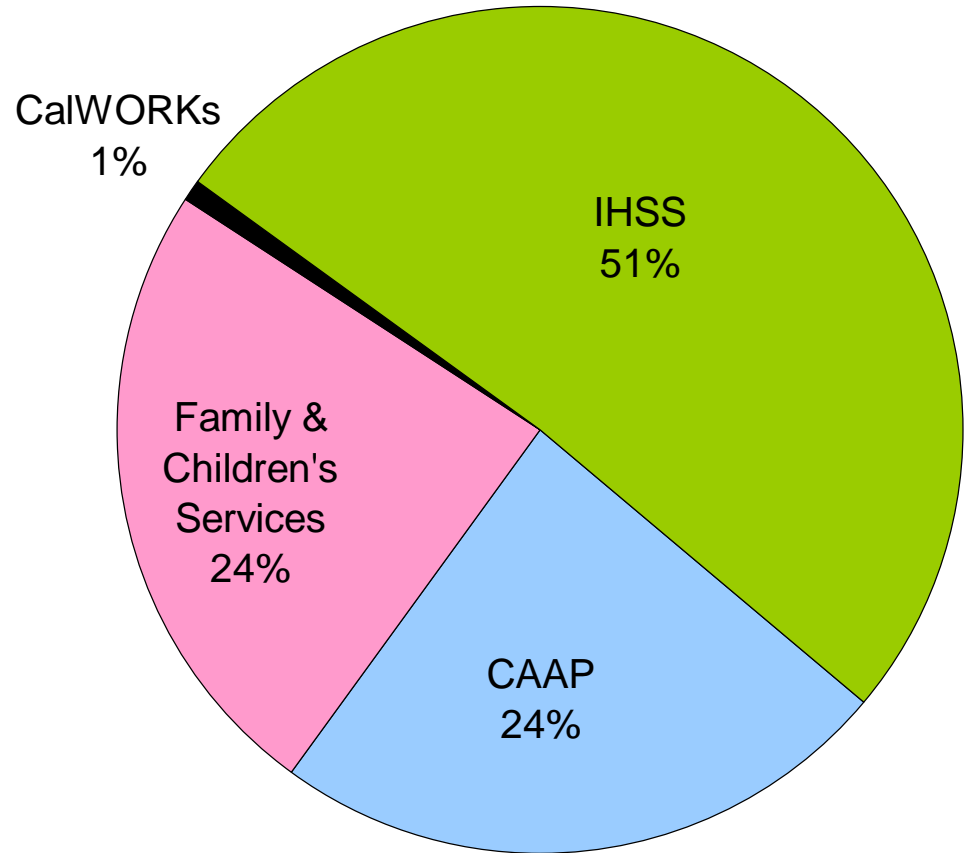
HSA Operating Budget - General Fund Support

Program	% GF
DHS	
Housing & Homeless Services	36%
CAAP	14%
Workforce Development	10%
Child Care	7%
Family & Children's Services	8%
CalWORKs	2%
Medi-Cal	0%
Food Stamps	4%
DAAS	
Office on Aging	13%
Adult Protective Services	2%
PA/PG/PC/RP	1%
Community Living Fund	0%
In-Home Supportive Services	3%
Total	100%



HSA Aid Budget - General Fund Support

Program	% GF
DHS	
CAAP	24%
Family and Children's Services	24%
CalWORKs	1%
Medi-Cal	0%
DAAS	
In-Home Supportive Services	51%
Total	100%



Budget Reductions made for HSA

Actual General Fund Reductions:	FY08-09	FY09-10	FY10-11	Total	%
Revenue or Other	\$3,532,816	\$36,227,497	\$17,708,935	\$57,469,248	65%
Agency Admin and Program Support	\$2,654,947	\$13,086,006	\$2,149,794	\$17,890,747	20%
CBO Contract	\$3,108,744	\$7,959,909	\$1,423,776	\$12,492,429	14%
Total	\$9,296,507	\$57,273,412	\$21,282,505	\$87,852,424	100%

HSA Staffing Reductions Since FY 08-09

<u>Human Services Agency</u>	<u># of Positions</u>
Family & Children's Services	67
Administration	40.5
CAAP	28
CalWORKs	25
IHSS	17
Welfare to Work Services	10
Adult Protective Services	6
Public Admin/Guardian/Conservator/Rep Payee	6
Foster Care Eligibility	5
Other DAAS	5
Food Stamps	4
Housing & Homelessness	3
Medi-Cal	2

Total: 218.5 (10.9%)

HSA Budget Reduction Plan

- Focusing on internal programs and contracted services with General Fund spending
- Not planning across-the-board cuts to programs
- Looking at aid and non-aid budgets
- Developing initiatives to increase federal and state revenues
- Continuing to identify internal efficiencies

Main HSA Program Areas Under Review

Administration/Agency-wide

- Update employee classifications to match current job duties
- Closely align budgets with actual expenditures
- Postpone essential, though lower priority, equipment and capital projects
- Evaluate revenue claiming practices to identify additional opportunities for savings and efficiencies

Main HSA Program Areas Under Review

Administration/Agency-wide (continued)

- Review every vacant position (classification and need)
- Implement changes to eligibility determination processes (call centers, web applications, combined intakes, document imaging)
- Indirect cost rate review

Main HSA Program Areas Under Review

Housing & Homelessness

- Supportive housing (Family & Single) funding alignment
- Shelter operations and services
- General Fund overmatch for supportive housing projects funded by HUD grants
- Drop-in and resource centers

Main HSA Program Areas Under Review

Family and Children's Services

- Standardize reimbursements for out of home placements
- Programs supported by declining state funding streams (CWS Outcome Improvement Project, Independent Living Services, Emancipated Youth Stipends, and Transitional Housing Program Plus)
- Non-mandated services to clients not in the Child Welfare System

Workforce Development & Child Care

- Contract efficiencies
- Analyze program support budgets

Budget Timeline of Events FY 11-12

Mayor releases budget instructions & targets	Dec 1 st
Community Meetings: DHS	Jan 11 th
DAAS	Jan 18 th
Budget presented to DAAS Finance Committee	Jan 25 th
Budget presented to Human Services Commission	Jan 27 th
Budget presented to DAAS Commission	Feb 9 th
Budget presented to Human Services Commission	Feb 10 th
HSA Budget submitted to Controller's Office	Feb 22 nd
HSA Budget submitted to Mayor's Office	Mar 1 st

Information

- To access this presentation online, please go to <http://www.sfhsa.org/2621.htm>
- Any questions or comments, please email Derek Chu at derek.chu@sfgov.org