



SAN FRANCISCO HUMAN SERVICES AGENCY

Department of Benefits and Family Support

Department of Disability and Aging Services

Office of Early Care and Education

P.O. Box 7988 San Francisco, CA 94120-7988 www.SFHSA.org

MEMORANDUM

TO: Benefits and Family Support Commission
THROUGH: Trent Rhorer, Executive Director
FROM: Daniel Kaplan, Deputy Director for Administration, Human Services Agency (HSA)
DATE: February 11, 2021
SUBJECT: Human Services Agency and Department of Benefits and Family Support Proposed Budget for FY 2021-22 & FY 2022-23

Through this memo, we present to you for review and approval the FY 2021-22 and FY 2022-23 budgets for the Department of Benefits and Family Support (DBFS) and Human Services Agency (HSA) Administration.



London Breed Mayor

Trent Rhorer Executive Director

As noted at your January 28, 2021 meeting, the COVID-19 pandemic and recession have significantly reduced City revenues. To balance the budget, the Mayor’s Office has directed discretionary general fund budget reductions of 7.5% in FY 2021-22 and FY 2022-23. For the Human Services Agency, this translates to general fund reductions of \$7.3 million in each year.

Nevertheless, due to rising state allocations in a number of human services program areas, HSA should be able to maintain critical client aid and services.

DBFS and HSA Administration Budget for FY 2021-22 and FY 2022-23

HSA’s proposed FY 2021-22 budget for DBFS and HSA Administration of \$608.6 million is \$4.2 million, or 0.7% more than the FY 2020-21 budget of \$604.4 million. HSA’s revenues of \$469.7 million in FY 2021-22, are \$9.2 million, or 2% more than FY 2020-21 revenues of \$460.5 million. General Fund support for DBFS and HSA Administration of \$138.9 million in FY 2021-22 is \$5 million, or 3.5% less than the \$143.9



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million in FY 2020-21. These changes reflect the higher revenues HSA anticipates in the upcoming fiscal year, and a handful of cost reductions, some of which relate to COVID response programs that were limited to FY2020-21.

Major Budget Proposals and Changes **COVID-19 Shelters and Feeding**

HSA expects to continue its collaboration with the Department of Public Health (DPH), the Department of Homelessness and Supportive Housing (HSH), the Department of Emergency Management (DEM) and other partners to operate the COVID-19 shelter and feeding response. Current plans for FY21-22 remain under development and under discussion with the Mayor's Office.

On the alternative housing side, HSH published a demobilization plan in early December outlining a timeline for exiting clients in the SIP hotels to appropriate housing interventions by next summer. The plan, however, is currently being updated to reflect recent policy and budget changes. In particular, the Biden administration has stated its commitment to funding FEMA-backed response efforts 100%, instead of requiring a 25% local match. This support will be retroactive to January 2020 and is expected to continue at least through September 2021. Given this expanded support, HSA expects that it will continue to assist with the COVID-19 shelter response through much of FY21-22, so vulnerable homeless individuals can remain sheltered through the emergency.

In addition, HSA, and especially the Department of Disability and Aging Services (DAS), has worked to address the City's dramatic spike in food insecurity. HSA expects the pandemic-driven increase in demand for food will continue into FY 2021-22, diminishing slowly as the vaccine reduces the incidence of disease and allows for lifting of the shelter-in-place restrictions. HSA/DAS is working with the Mayor's Office on a proposal to continue feeding initiatives into FY 2021-22. The proposed programs are:

- Community-based food supports for those impacted by the health and economic impacts of the COVID-19 pandemic. This includes continued investment in a close partnership with the San Francisco-Marin Food Bank, which is currently delivering over 80,000 food bags each month across 20 pop-up locations. It also includes a variety of smaller, targeted community



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programs such as partnerships with the Latinx community in the Mission, and in Chinatown to address those disproportionately impacted by the pandemic.

- The City's Isolation and Quarantine Helpline will continue to deliver meals and/or groceries to food insecure households with a positive or suspected COVID-19 case.
- The DAS nutrition network anticipates that it will continue to serve a heightened number of older and disabled San Franciscans in need of food throughout the next fiscal year. It is expected that the Great Plates Delivered and Meals in Place programs will not continue in FY 2021-22, as shelter-in-place orders will be lifted.

HSA is also seeking support for a small number of temporary positions to support the community-based initiatives through the next fiscal year. These positions will allow staff currently deployed as disaster workers to return to their home departments. This team will also coordinate with philanthropy and other private resources to develop and sustain a collaborative recovery effort. Engaging with philanthropy, provider groups, and other key stakeholders is a critical aspect of this work to ensure services are equitable and accessible to communities disproportionately impacted by Covid-19.

Economic Support and Self Sufficiency

HSA anticipated that a tremendous demand for employment services would occur during the current fiscal year, due to the economic downturn. It budgeted additional dollars to expand ESSS's JobsNow Wage Subsidy program. However, the prolonged duration of the pandemic, accompanying shelter-in-place orders, and availability of pandemic unemployment insurance, have combined to lessen demand for employment services in the current year.

As a result, HSA anticipates significant one-time savings in its current budget and proposes to use this funding to support direct economic recovery while maintaining its budget for expanded jobs programs in FY2021-22 when the recovery hopefully takes-off. HSA's proposal has three objectives:

- 1) Ameliorate personal and financial hardships that stand in the way of clients' self-sufficiency efforts



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- 2) Cover aid gaps in the State and Federal government's relief plans
- 3) Promote economic and racial equity by expanding Career Pathways for welfare-to-work clients

Some of the specific initiatives, which will continue to develop in response to the State and Federal relief efforts, include:

- Digital Divide – The pandemic has illuminated the critical importance of access to technology. The Digital Divide initiative seeks to improve clients' digital literacy with both training and equipment, empowering them to engage in job searches and self-education online.
- Eviction Prevention Services – While eviction moratoriums and emergency relief programs have prevented most evictions during the pandemic so far, many households have become financially unstable due to widespread loss of job-related income. Recent moratoriums require households pay at least part of their rent. This initiative seeks to help these households remain housed through back rent assistance.
- Working Families Credit (WFC) – WFC is a locally-funded tax credit program that provides \$250 payments to low-income families. In FY19-20, WFC received a one-time funding augmentation from the City to reach additional families. The funding enabled HSA to issue the credit to nearly 4,000 families, up from less than 1,000 in previous years when clients were limited to claiming once in their life. While the funding is sufficient to continue the expanded program in FY20-21, HSA seeks to maintain this client reach in FY21-22 by funding the WFC program at this same high level.
- Hardship Help and Disaster Aid for the Undocumented – HSA is aware of hundreds of family members of CalWORKs clients who are left out of conventional aid and relief efforts due to their undocumented status. It is proposing to reduce these hardships by setting up a fund that would cover various one-time expenses that pose current barriers to these individuals' self-sufficiency such as back rent or debt, education services, small business startup costs, car repair and legal fees.



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- Career Pathways – Career Pathways participants work for up to three years with City departments, earning automatic minimum qualification for future positions in that classification track. This program has culminated in permanent City employment for a high percentage of its participants, an outcome that has invaluable equity impacts on the City’s workforce given the socioeconomic and racially diverse profile of these individuals. WDD currently operates 50 Career Pathways slots, and would like to add 30 more one-time so that more of HSA’s clients can receive the requisite experience to compete for City jobs on the open market.

HSA would internally fund these efforts with an estimated \$5.9M of one-time redirections.

Family & Children’s Services (FCS)

FCS continues to work towards a sustainable budget in the face of significantly reduced revenues resulting from the end of the Title IV-E waiver. The program faces a \$12.7M a year shortfall in the base budget.

HSA has worked closely with the Mayor’s Office on a transition plan that continues to allow HSA to use one-time savings to sustain the program through both budget years. Federal support for the end of the waiver, through the Families First Transition Act, will provide an estimated \$7M this fiscal year and an additional \$1M in the budget year. The City has until September 2026 to spend these funds and HSA will work with the Mayor’s Office on how best to spread these funds over several years to ease the transition. One-time savings that were generated under the waiver will also continue to be carried forward into FY21-22. HSA will also continue to explore new sources of funding such as the Families First Prevention Services Act.

In order to address the longer-term deficit, FCS has also begun implementing cost-saving strategies. As part of this process, FCS had previously identified \$1.5M of savings in its contracts and work orders that it implemented beginning in FY20-21 and that will fully annualize beginning in FY21-22. They will also continue to review and resize contracts with community-based organizations and partner departments based on projected needs and program efficacy. FCS has also committed to reducing staffing costs through attrition by identifying positions that will not be backfilled. There are currently 15 positions that have already been identified to hold. FCS has committed



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to identifying an additional 8 positions that will be held to generate additional savings in the budget. Staffing resources will be gradually reallocated within program as FCS adjusts to the increased level of attrition.

Through this process, FCS continues to deliver services to families while adjusting accordingly to a pandemic environment. Program needs continue to be addressed and in this attitude, FCS has identified the need to expand domestic violence services. The requested increase would support expanded capacity to reduce the current waitlist and build out services to focus on domestic violence perpetrators. Funding for this program would be generated by reallocating current resources.

Administration

Diversity, Equity, Inclusion and Belonging (DEIB)

In FY19-20, HSA established its new Diversity, Equity, Inclusion, and Belonging (DEI/B) team within its Human Resources division. The goal of the new DEI/B team is to create an agency culture which embraces diversity, equity, and inclusion in all aspects of its work.

The FY21-22 proposed budget grows the DEI/B team to seven FTEs. HSA will reposition two positions from its Family & Children's Services division, one for its Disability and Aging Services Department, and several from within Human Resources to meet this need. The team will continue to operationalize the recommendations from the report completed in FY 2018-19 entitled, "Advancing Racial Equity at the SFHSA: Opportunities in Hiring, Promotion, and Organizational Culture" and its recently submitted Racial Equity workplan. This work includes:

- Data development and tracking and the creation of a DEI/B Dashboard
- Developing and implementing a diversity recruitment strategy
- Policy development to improve equity in the hiring process
- Working with supervisors and managers to create alternatives to discipline
- Monthly Racial Equity Work Group meetings
- Monthly racial equity newsletter and opportunities for staff to connect and discuss race and equity topics



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HSA will invest in data systems which track training and professional development and streamline accommodation requests. HSA is also committed to quickly implementing agency-wide racial equity training as well as enhanced training and coaching for management and program directors. The budget includes funding to support these efforts.

170 Otis Street Relocation

HSA will eventually move out of its 170 Otis Street headquarters, which was determined to be seismically unfit. In planning its future office space arrangements, HSA is also factoring the likelihood of increased telecommuting. Due to HSA's focus on maintaining social services delivery through the pandemic, the Department is pushing back \$4.9 M of originally planned moving costs in FY21-22 to FY22-23.

Position Actions

In addition to the above proposals, there are a number of substitutions of existing positions within the Department of Benefits and Family Support and Human Services Agency Administration. Some of these substitutions aim to bring the position in line with their current usage by the agency, while others correspond to organizational changes in service delivery and management.

Required Action and Recommendation

With this memo, we request approval of the proposed FY 2021-22 and FY 2022-23 budgets for the Department of Benefits and Family Support and the Human Services Agency.