



London Breed, Mayor

Department of Human Services
Trent Rhorer, Executive Director

MEMORANDUM

TO:	Human Services Commission
THROUGH:	Trent Rhorer, Executive Director
FROM:	Dan Kaplan, Deputy Director of Administration Human Services Agency (HSA)
DATE:	February 12, 2020
SUBJECT:	Department of Human Services and Human Services Agency Administration Proposed Budgets for FY 2020-21 and FY 2021-22

Through this memo, we present to you for review and approval the FY 2020-21 and FY 2021-22 budgets for the Department of Human Services (DHS) and the Human Services Agency (HSA) Administration. In developing this budget, HSA used as guidance the budgeting principles established by both the Human Services Commission and the Disability and Aging Services Commission, as well as overarching budget goals set by the Mayor to address fiscal sustainability and equitable outcomes.

As was described at the Human Services Commission meeting on January 23, the budget outlook this year is similar to last year. While HSA is not yet being asked to make reductions that would impact our service levels, slowing revenue growth and increasing expenditures are resulting in a citywide deficit that requires corrective action.

HSA worked diligently to maintain critical client aid and services. Overall, the budget proposal prioritizes core functions, minimizes service impacts and addresses critical needs.

Reduction Plan

The Mayor’s Office has requested budget reductions of 3.5% in each upcoming budget for FY 2020-21 and FY 2021-22. Therefore, HSA’s two-year budget submission must include reductions in discretionary General Fund support of \$2.2 million in FY 2020-21, and \$4.4 million in FY 2021-22. Based on the Governor’s proposed budget in early January, HSA anticipates increases to its State allocations for Medi-Cal (+\$1.8 million) and IHSS Administration (+\$0.7 million). These changes, coupled with better-than-expected revenues in a number of programs in the current fiscal year, offer HSA sufficient means to both meet its reduction target, and to support targeted substitutions, in the upcoming budget years.

DHS and HSA Administration Budget for FY 2020-21 and FY 2021-22

The following describes the major developments across DHS and HSA Administration in the coming year.

HSA's proposed FY 2020-21 budget for DHS and HSA Administration of \$577.2 million is \$16.1 million or 2.9% more than the FY 2019-20 budget of \$561.1 million. HSA's revenues of \$440.5 million in FY 2020-21, are \$2.8 million or 0.6% more than FY 2019-20 revenues of \$437.7 million. General Fund support for DHS and HSA Administration of \$136.7 million in FY 2020-21 is \$13.3 million or 10.8% more than the \$123.4 million in FY 2019-20. These increases are primarily due to the increased costs of CAAP aid, revenue loss from the expired Title IV-E Waiver, as well as increasing salary, benefit, and contract costs in line with cost-of-living adjustments. The proposed FY 2021-22 budget is the same as the proposed FY 2020-21 budget with the exception that adjustments were made for the costs associated with mandated growth in salaries, fringe benefits, and aid costs.

The documents that follow the memo provide additional information about proposed substitutions, program details, and charts and graphs detailing the DHS and HSA Administration budget.

As discussed in this memo, the department is also proposing several new budgetary initiatives which would require the investment of additional General Fund, if available. In accordance with the Mayor's instructions, costs for these proposals have not been included in the foregoing discussion of changes to the DHS and HSA budget, and their consideration is contingent on availability of funds.

Major Budget Proposals and Changes

Workforce Development and CalWORKs:

1) Internally fund 30 Career Pathways Program positions with repurposed JobsNow funds.

HSA's Workforce Development Division (WDD) manages a large Public Service Trainee (PST) program, which employs clients at HSA and other City agencies for up to one year. PST positions provide clients with valuable, paid work experience in the public sector; however, these positions often do not provide enough experience to allow clients to transition to permanent civil service jobs. The Career Pathways Program provides a way for clients who successfully graduate from the PST program to continue gaining work experience for up to an additional three years. During that time, they are able to take civil service exams and, in many cases, have been appointed to permanent positions.

HSA currently has 30 Career Pathways Program slots funded through salary savings from holding other HSA clerical positions vacant. Due to underspending in other parts of WDD, based on its current and projected caseloads, HSA has identified funds that can be shifted to a newly dedicated Career Pathways budget, ensuring greater consistency for the program. This proposal has no net new General Fund cost in the budget but will involve internally shifting approximately \$2M.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
30-1402 Junior Clerk Temporary Positions	\$2,042,937	\$2,042,937	\$2,145,084	\$2,145,084

2) Revenue-Backed Analyst Position for CalWORKs Home Visiting Program

The statewide CalWORKs allocation for the Home Visiting Program (HVP) increased substantially in FY19-20, and will see a further expansion in FY20-21, bringing the annual revenue up to \$1.2 M. This program sends nurses and other trained professionals to new parents’ homes to provide guidance, coaching, access to prenatal and postnatal care, and other health and social services. As part of this program expansion, CalWORKs requires an additional 1823 Senior Administrative Analyst to perform all the data collection, analysis, and reporting functions required of HVP.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
1823 – Senior Administrative Analyst	\$141,121	-	\$188,974	-

SF Benefits Net, SF Benefits Net Operations, and County Adult Assistance Programs (CAAP):

1) Benefits Navigators for Navigation Centers and Homeless Shelter Sites

Successful linkage to benefits is a key ingredient to stabilization for people experiencing homelessness, providing the income and supportive services to help them successfully access housing and remain stably housed. Homeless clients face especially significant difficulties negotiating complex eligibility systems requiring multiple appointments and complicated paperwork. Benefits navigators meet clients where they are, streamline business processes whenever possible, and provide personalized support to help them complete the application or re-enrollment process. HSA eligibility workers work alongside contracted triage staff on-site. Triage staff conduct assessments designed to identify clients' employment barriers or unmet health needs, and establish their ability to participate in work programs or refer them to SSI advocacy services.

Since the inception of the first Navigation Center in 2015, HSA staff has had a presence at all sites. From January 2018 through November 2019, almost 3,000 benefits applications were submitted, with approval rates equal to or higher than those at HSA service centers. As part of the Mayor’s initiative to add 1,000 shelter and Navigation Center beds by December 2020, the City projects the opening of three new sites in FY 20-21. This expansion will add 475 beds to the system, an increase of more than 50% over current capacity.

In FY 20-21, HSA proposes to ask the Mayor’s Office for support to both increase our coverage at existing sites and expand to new sites through the following actions:

1. Make permanent five SFBN and CAAP 2905 Eligibility Workers approved for two years in FY 19-20.
2. Backfill funding for two 2905 Eligibility Workers, one contracted triage position, and one half of an 0923 Manager that were included in the Whole Person Care grant ending in December 2020.
3. Add one, term-limited 2905 Eligibility Worker backed by the new Medi-Cal Outreach award received in late 2019.
4. Add six new positions at HSA and two positions with the contractor that performs triage services: (2) SFBN 2905s, (4) CAAP 2905s, and (2) Triage Workers (who assess whether a person is able to work or should be referred to SSI Advocacy).

Budget Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
Baseline 7-2905 eligibility workers, 1 triage worker and 0.5-0923 manager	\$228,242	\$151,059	\$1,183,074	\$788,933
Add 7-new 2905 eligibility workers and 2 triage workers	\$1,176,227	\$660,633	\$1,133,691	\$677,452
Total	\$ 1,404,468	\$ 811,691	\$ 2,316,765	\$ 1,466,385

2) Universal Intake

The Economic Support & Self-Sufficiency division (ESSS) administers four public safety net programs – CalFresh, Medi-Cal, CalWORKs, and County Adult Assistance Programs (CAAP) – that touch over 225,000 low-income San Franciscans each year. Enrollment in any one of these programs confers eligibility for income support, assistance meeting basic needs, and access to wrap-around services such as case management, housing subsidies and employment services. Today, clients need to visit multiple sites to access the full array of services they might need. Over the last decade, HSA has integrated some of these services, making it easier for clients to enroll and receive assistance at a single location, but ESSS recently launched an effort to integrate more fully. The current vision is to transition to a universal intake worker model over the next two years. Once realized, this means that applicants for public benefits will be able to initiate their enrollment across all four programs by speaking with a single eligibility worker. The overarching goal of these initiatives within ESSS is to improve the service delivery experience for both clients and staff, and to improve self-sufficiency outcomes for public aid recipients.

Family & Children’s Services (FCS)

1) End of the Title IV-E Waiver

The end of the Title IV-E waiver in September 2019, which provided both increased federal revenues and increased flexibility in child welfare funding, represents a significant financial challenge for the Family & Children’s Services Program. Under the waiver, FCS was able to make new investments which included contributions to the East Bay Visitation Center, Peer Parent Program, Visitation Services, Wraparound, and Talkline. It also expanded FCS staffing to improve oversight and coordination of efforts to improve on compliance measures and child welfare outcomes.

In the FY 2019-20 and FY 2020-21 budget, HSA worked closely with the Mayor’s Office on a transition plan that allowed HSA to continue to use one-time savings generated under the waiver and small amount of additional General Fund to sustain the program through both years of the budget. Since the passage of the budget and the official end of waiver, two significant developments have occurred:

- With the official end of the waiver, HSA has found the ongoing revenue loss to be more substantial than initially projected. This is somewhat offset by anticipated revenues in FCS as a result of growth in 2011 Realignment revenues.
- In late December 2019, as part of the year-end budget deal, the federal government passed significant, one-time transition funding to assist all states in the transition to the Families First Preventative Services Act (FFPSA) in October 2021 and to, in particular, mitigate the revenue loss to states and counties that had Title IV-E waivers.

In its FY2020-21 and FY2021-22 budget, HSA proposes to: 1) continue to use one-time funding, including the transition revenues, to allow it to ease the transition from the waiver to FFPSA and 2) begin to take incremental steps to reduce ongoing costs in FCS. Examples of proposed savings include identifying staffing areas for attrition by not backfilling some vacancies, reviewing and potentially resizing contracts as they come up for procurement based on projected needs and the efficacy of services, and working with partner departments on the size of work orders based on projected caseloads.

In combination, these efforts can fully mitigate the costs of the end of the Title IV-E waiver to the General Fund in FY2020-21 and significantly mitigate them in FY2021-22. Because of the heavy reliance on one-time, transition funds and carryforward of savings under the waiver, these would still leave an ongoing hole in FY2022-23, with potential revenues from FFPSA unclear and with further savings to be identified.

Program Support

1) Renovations at 1650 Mission Street

In FY 2020-21, City Planning and the Department of Building Inspection will leave 1650 Mission, and HSA will acquire this newly vacated 55,000 square feet of space. This additional space will allow the Agency to end several leases and consolidate multiple departments into one building.

While the City Planning space is available for immediate move-in, HSA needs to renovate other parts of the building before occupancy. HSA is requesting the Mayor’s support to offset one-time costs related to move-in of approximately \$1.0 M in FY 2020-21 and \$0.7 M in FY 2021-22.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
One-Time Costs	\$1,024,000	\$788,480	\$736,000	\$566,720

2) Diversity, Equity, Inclusion and Belonging Analyst to Address Racial Equity at HSA

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.

In the budget proposal, HSA has identified existing positions to repurpose to establish the office with a 0923 Manager II and a 1244 Senior Personnel Analyst. This leaves a need for one more position – an 1823 Senior Administrative Analyst – which HSA is seeking support from the Mayor’s Office for adding. This position will be responsible for researching and formulating DEI/B policy, organizing and facilitating workshops, building community partnerships, crafting strategic plans, and analyzing the department’s budget and revenues/expenditures.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
1823 – Senior Administrative Analyst	\$141,121	\$108,663	\$188,974	\$145,510

3) Displaced Persons Housing Services Coordinator

HSA is seeking support from the Mayor’s Office to add a position to its Disaster Response team. The current Displaced Persons Housing Subsidy Program – which serves clients displaced by fire or hazardous housing conditions with a time-limited housing subsidy – is solely staffed by one 2905 Eligibility Worker, which also serves as the Agency’s Disaster Response Assistant. This position is currently serving 165 people by providing initial intake assessments and overseeing the payment of the monthly housing subsidy.

By the end of 2020, HSA projects that more than 37% of its clients will term out of the subsidy program and be in an immediate need of safe and affordable long-term housing. HSA proposes to add one 2914 Social Work Supervisor to manage the Displaced Persons Housing Subsidy Program and oversee housing case management, including housing locator services, that would improve clients’ ability to secure and maintain long-term housing upon exiting the program.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
2914 – Social Work Supervisor	\$123,385	\$95,006	\$165,223	\$127,222

4) Temporary CalSAWS Positions

HSA’s Information Technology Division has begun transitioning to a new statewide automated welfare system that will come into effect in 2023. Since 2005, HSA has used the CalWORKs Information Network (CalWIN) as its central eligibility system as part of a consortium with a number of other counties. Over the next three years, CalWIN will be consolidated with two other California benefits

systems into a single Statewide Automated Welfare System (CalSAWS). This consolidation will facilitate client data integration and streamline service delivery, while also costing the State less for system maintenance. HSA is involved in Statewide conversations about the migration to the new system, which it will be required to do. This multi-year effort will represent a major change to HSA’s practice, since CalWIN is at the core of eligibility determination and benefits issuance.

HSA will receive allocations from the State beginning this year to facilitate the transition over the next few years. This will result in a request for critical, limited-term positions as well as contract dollars for project management.

Request	FY20-21 All Funds Amount	FY20-21 General Funds Amount	FY21-22 All Funds Amount	FY21-22 General Funds Amount
2-1054 – Principal IS Business Analyst	\$466,999	-	\$481,522	-

Position Actions

In addition to the above proposals, there are a number of substitutions of existing positions within the Department of Human Services 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 2020-21 and FY 2021-22 budgets for the Department of Human Services and the Human Services Agency.