



MEMORANDUM

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TO:	Department of Disability and Aging Services (DAS) Commission
THROUGH:	Kelly Dearman, DAS Executive Director
FROM:	Daniel Kaplan, Deputy Director for Administration and Finance, Human Services Agency (HSA)
DATE:	January 10, 2024
SUBJECT:	Disability and Aging Services Budget for FY 2024-25 & FY 2025-26

The City’s financial projections for the next two fiscal years suggest expenditure growth well in excess of local revenues, leading to significant budgetary shortfalls in both the near- and long-terms. A combined deficit of approximately \$799 million is anticipated in the upcoming biennium, with a \$244.7 million deficit in FY 2024-25, a \$554.5 million deficit in FY 2025-26, and with worsening deficits thereafter.



London Breed
 Mayor

Kelly Dearman
 Executive Director

The primary drivers for the declines in revenue are: high office vacancies negatively impacting property, business and transfer taxes, as well as a slower-than-expected recovery in the hospitality sector. These are coupled with increased costs in salary and benefits for City staff, inflationary pressures on Citywide operating costs such as real estate, capital, debt services, etc., and a continued commitment to fully funding the City’s 10-year capital plan, among other rising-cost pressures.

As a result, the Mayor’s Office has asked for all City departments to reduce their discretionary General Fund budgets by 10% in both FYs 2024-25 and 2025-26, as well as to propose a further 5% in ongoing contingency reductions for possible implementation. For the Human Services Agency, including both departments and its administrative division, this results in an ongoing budget reduction target in each fiscal year as follows:

	FY 2024-25	FY 2025-26
Ongoing reduction 10%	\$6,480,000	\$6,480,000



The Mayor's Office further asks that all City departments maintain the cost-saving, mid-year cuts implemented in the current year (FY 2023-24), as well as to forego adding any new positions. Continuing the mid-year cost savings over the biennium period effectively reduces HSA's actual reduction target to \$3.1 million in each year. The Mayor's overall budget priorities continue to be centered on revitalizing San Francisco through emphasis on the following:

- Improving public safety and street conditions;
- Reducing homelessness and transforming mental health service delivery;
- Supporting the City's economic recovery and vitality;
- Delivering on accountability and equity in City spending.

HSA Budget Strategies

HSA is using the following principles in building its proposed budget:

- Maintain client services;
- Maximize revenue opportunities with our State and Federal partners;
- Look for opportunities to repurpose existing position vacancies and funds to meet new needs.

The City as a whole has faced challenges filling vacant positions, and DAS programs have not been spared from this trend. Recruiting DAS staff has grown more challenging due to limited pools of eligible candidates, an increasingly competitive labor market, and lengthy City hiring timelines. This has made it more difficult for DAS programs to provide quality services to clients in a timely manner and retain an adequate workforce to meet existing service demands. City staff vacancies in the In-Home Supportive Services (IHSS) program, for example, have contributed to longer wait times for both initial and annual client reassessments which are mandated by the state. Vacancies in the Office of Community Partnerships and Benefits and Resource Hub hinder timely client service, as well as place the collection and administration of state and federal revenues in jeopardy. This year, the Human Services Agency has taken steps to increase resources dedicated to recruitment and outreach efforts, and leverage changes to streamline the City's hiring process; however, we have more to accomplish and will continue to work with the Mayor's Office to reflect these hiring plans in the upcoming budget.

Preliminary estimates also suggest a very challenging budget picture for the state over the next two years, with a deficit of approximately \$68 billion anticipated in FY 2024-25, according to the Legislative Analyst's Office. The shortfall is largely driven by lower-than-expected state tax revenues collected in FY 2022-23, exacerbating what was already a multi-year deficit forecast. It remains to be seen what impact(s) the state's financial woes will have on the human services areas of its budget, but given the magnitude of the deficit, some curtailment of resources is possible. And while it is too early to tell what strategies the



Governor and Legislature will adopt to address the shortfall, the state does have reserves it can draw on as well as cost deference measures that could likely serve as buffers in order to maintain core services. Over the next several months, we will continue to monitor the State budget process for impacts and will keep the Commission updated as we learn more details.

DAS Program Highlights:

As DAS prepares its budget submission, it is looking at community needs and key organizational issues across the department. Below are highlights of those current-year developments and accomplishments that will shape the budget-planning process.

Direct Services Division

In-Home Supportive Services

San Francisco's In-Home Supportive Services (IHSS) program continues to experience exponential growth as a result of the City's burgeoning older adult population and implementation of the State's full-scope Medi-Cal expansion initiatives. Currently, more than 28,000 individuals are enrolled in IHSS in San Francisco. Within this group, however, there are still approximately 2,600 individuals enrolled in IHSS who are not actively connected to an IHSS Independent Provider (IP). As a result, these individuals are not taking advantage of the long-term caregiver support they are authorized and entitled to receive.

Although San Francisco has over 25,000 active IPs, caregiver shortages remain at an all-time high. This trend is not unique to San Francisco, but rather experienced throughout the state and nationally. At the state level, California is attempting to develop initiatives to recruit, retain and support caregivers through the Master Plan for Aging. In San Francisco, the IHSS program has embarked on its own caregiver-recruitment efforts along with providing tangible resources and support to recipients and active providers. Many of these efforts are in partnership with the San Francisco IHSS Public Authority (PA).

Unlinked recipient collaboration

Working with the PA and San Francisco's IHSS contract mode provider, Homebridge, DAS has developed a plan to identify consumers who do not have an IP and find ways to ensure they are getting their needs met. By identifying and initiating targeted outreach to over 300 individuals who live alone and have gone over a year without an IP, the goal is to assess whether these individuals are interested in receiving assistance in hiring a provider through the PA's mentoring program or if they would benefit from a referral to San Francisco's IHSS contract mode provider, Homebridge.



Reinstatement of in-person provider orientations

The IHSS Independent Provider Assistance Center (IPAC) assists providers and recipients with provider enrollment, orientation completion, and payment matters, as well as assists in the verification of employment documents. During the height of the pandemic, all in-person orientations were suspended as a health and safety precaution. In April of this year, IPAC reinstated in-person orientations; currently, IPAC offers roughly 11 orientation sessions per week in the program's threshold languages – English, Spanish, Chinese and Russian. Since the spring, IPAC has conducted over 300 orientations.

Community outreach

IHSS program staff have conducted over a dozen outreach efforts in the current fiscal year, including one television appearance, plus multiple visits to community centers, supportive housing sites, and other community-based organizations to educate the public about IHSS, its eligibility requirements, and efficacy of supportive services delivered in an individual's own home.

IHSS live scan fingerprinting fee waiver project

Starting in March 2023, IHSS personnel, in collaboration with the PA, began waiving the live scan/fingerprinting fee for prospective IHSS Independent Providers. The intent of this fee waiver was to increase the caregiver workforce by helping to eliminate barriers for new IPs who are required to complete a background check as part of the application process. Through August, 919 new providers have received the fee waiver, with the majority stating they experienced no challenges going through the fingerprinting/scheduling process. In fact, most new providers stated that they would not have been able to complete the enrollment process if not for the fee waiver.

Monthly transit vouchers for IHSS providers

This year the PA launched a new transit pass program per the provisions in the new collective bargaining agreement with IPs. The program allows all active registry providers to receive a free monthly transit pass to aid in commuting to a recipient's home throughout the City.

Local Maintenance of Effort Costs and IP Wage Increases

During the spring of FY 2022-23, a new labor agreement between the City – through the IHSS Public Authority – and IHSS independent providers (IPs) – through Service Employees



International Union (SEIU) Local 2015 – was negotiated, and a new Memorandum of Understanding (MOU) between the parties was established. This new contract commenced on July 1, 2023 and codifies a series of wage increases for IPs through FY 2026-27. During that four-year period, the hourly IP wage grows from \$19.25 to \$25.50.

The State’s Maintenance of Effort (MOE) framework – the mechanism by which counties pay for the local share of IHSS program costs – is primarily driven by three factors: a) locally-negotiated increases to IP wages and benefits, b) increases to the hourly rate paid for contract mode IHSS services, and c) a mandated four-percent inflation factor applied to the MOE base each year. While inflation accounts for the largest share of expansion in the City’s MOE obligation each year, increases to IP wages and benefits also have a significant impact. Therefore, the new MOU between the PA and SEIU Local 2015 will affect the City’s share of cost in the IHSS program over the coming years due to the scheduled wage increases, as well as the increasing cost of health benefits.

On September 1, 2023, the IP wage increased from \$19.25 to \$20.25 as per the new labor agreement, with an additional \$0.50 increase implemented on January 1, 2024, concurrent with the increase in the state minimum wage. Per the terms of the MOE legislation, this \$0.50 increase in the IP wage on January 1 entailed no additional MOE cost to California counties. The City’s MOE obligation is projected to be \$179.6 million in FY 2023-24, increasing to \$192.8 million in FY 2024-25 and to \$209.6 million in FY 2025-26.

Adult Protective Services

Adult Protective Services (APS) continues to field a growing number of referrals. APS receives and responds to reports of suspected abuse, neglect, self-neglect and financial exploitation of older adults and adults with disabilities residing in the community; that is, outside licensed facilities. The division had been receiving approximately 7,000 reports per fiscal year, but during FY 2021-22, that number jumped to 7,952 reports, with a further increase in FY 2022-23 to 8,327. This was a result – on top of the natural growth in San Francisco’s older adult population – of California Assembly Bill 135, which expanded the APS program to provide services to at-risk adults earlier in their lives, and before reaching a crisis point. The new law expanded the definition of “older adult” for APS program eligibility from 65 to 60, effective January 1, 2022. The law also requires APS programs across the state to provide longer-term case management for those with complex needs, and encourages the development of multidisciplinary teams to increase systems-level collaboration.

High-Risk Self-Neglect Multi-Disciplinary Team

Now in its second year of operation, this partnership with the Department of Homelessness and Supportive Housing (HSH), the San Francisco Fire Department (SFFD), the Department of Public Health (DPH), the University of California San Francisco (UCSF), and community-



based partner, Institute on Aging (IOA), continues its focus on coordinating care and bringing a holistic approach to assisting individuals with complex needs. The combination of proficiencies brought by the participating agencies has helped to diminish silo effects and fostered advantageous information exchange such that team stakeholders engaged in the same, or related, work are more thoroughly aware of the array of options available throughout the City. IOA's Elder Abuse Prevention program team is coordinating and facilitating this multi-disciplinary effort and monitoring intervention outcomes.

Home Safe

In July 2021, the California Department of Social Services expanded the APS Home Safe program as part of the State's larger investment to address homelessness. The current program expansion has allowed San Francisco's APS program to leverage a total of \$6.8 million in State funding through 2025, with no county match requirement. San Francisco was one of 25 counties that originally launched a Home Safe program in 2019. APS carried out the initial program in collaboration and co-design with the Institute on Aging (IOA), by providing eviction prevention and intensive case management services. The now-extended program has augmented those effective strategies, and added housing transition services to the model, thus bringing a bifocal approach.

The eviction prevention services are targeted to assist low-income older adults, and adults with disabilities, who are at imminent risk of homelessness due to self-neglect. By adding housing transition services, San Francisco's model now relies on the provision of intensive case management activities that target eviction prevention, assessment in congregate homeless shelters and permanent supportive housing (PSH) units, and tailored housing-transition plans that meet the client's functional and safety needs. These activities are coupled with purchase of service dollars that can be utilized to pay for critical services such as a monthly financial patch to support a vulnerable adult's stay in a Residential Care Facility for the Elderly (RCFE) when deemed appropriate.

Since its inception, the Home Safe program has enrolled 295 clients, and enabled 127 older adults and/or adults with disabilities to remain housed and safe by enhancing their ability for self-care and self-protection. Twenty-five Home Safe clients have received financial support enabling them to reside in Residential Care Facilities for the Elderly (RCFE), and APS, IOA and partner departments – most notably HSH – continue to cultivate Home Safe as a critical component in the City's multifaceted approach to homelessness.

Public Administrator, Public Conservator, Public Guardian and Representative Payee

The authority conferred on the Public Administrator (PA), Public Conservator (PC), and Public Guardian (PG) divisions is codified in State law. These DAS units operate either fully, or in part, under the supervision of the San Francisco Probate Superior Court, with the DAS



legal division serving as in-house counsel for the Public Administrator and Public Guardian offices. The Representative Payee (RP) program serves as a substitute payee, as designated by the Social Security Administration, for individuals who have difficulty managing money or their financial affairs, many of whom are also conserved by the Public Conservator. Collectively, these divisions serve around 2,000 vulnerable individuals who have health, mental health, and/or financial difficulties, as well as administer the estates of over 900 deceased San Franciscans.

Preparing for SB43 and Executive Directive 23-02

In October 2023, Governor Newsom signed Senate Bill 43 (SB43), which expands the definition of grave disability to include those living with severe substance use disorder and those unable to provide for their own personal safety and/or medical care. This change will enable local governments to begin utilizing Lanterman-Petris-Short (LPS) conservatorship as a means to stabilize and provide compulsory wraparound care and treatment to individuals most at risk of fatal overdoses and self-harm. More than 50% of San Francisco's unhoused residents self-reported having substance use challenges; in recent years, untreated substance use disorder and mental illness have had profound impacts on health and safety in the City.

The new law takes effect on January 1, 2024, and to engage the many City departments involved in its successful implementation at the local level, the Mayor released Executive Directive 23-02, outlining a set of required actions as follows:

- Creation of an Executive Steering Committee to guide SB43's implementation;
- Augmented training for all first responders, hospitals and community clinicians;
- Adoption and formalization of policies and training, to assist departments to appropriately identify individuals who could be eligible for conservatorship;
- Creating and maintaining a priority list for those potentially eligible for conservatorship;
- Submitting appropriate cases to DAS's Office of the Public Conservator;
- Developing a roadmap with resource needs, target milestones and overall timeline;
- Establishing a system for reporting and transmitting data to the Mayor's Office.

While serving the expanded population stipulated in SB43 will necessitate a multi-departmental, collaborative approach, it is anticipated that workloads shall increase in both DAS's Benefits and Resources Hub (BRH) at 2 Gough, as well as in the Office of the Public Conservator. As the Executive Steering Committee continues to work through the many decisions requisite to operationalizing SB43, a preliminary list of additional, anticipated resources specifically needed by DAS is currently under development in close coordination with the Mayor's Office.



Community Services Division

Benefits and Resource Hub

The DAS Benefits and Resource Hub (BRH) – comprised of the Integrated Intake and Eligibility units, plus the County Veterans Service Office (CVSO) – continues to provide in-person, telephone, and online assistance to all consumers seeking services for older adults, adults with disabilities, veterans, and caregivers.

Integrated Intake works with community partners and uses a no-wrong-door, person-centered approach to provide consumers a seamless transition to services through a centralized intake helpline. This helpline is operated by social workers who conduct whole-person assessments with potential consumers, as well as advise caregivers and professionals seeking services for DAS clientele.

Enhanced Care Management

The Integrated Intake unit developed and implemented a new referral process for San Francisco Health Plan members who are eligible to receive Enhanced Care Management (ECM) which is a Medi-Cal benefit. ECM provides comprehensive case management and coordination of services to individuals transitioning back to the community from a skilled nursing facility or those at risk of institutionalization who can remain in the community with wraparound supports. Eligible participants are contacted by the Integrated Intake team for outreach and screening purposes before being referred and enrolled into the ECM program.

SB43 Referrals

Integrated Intake is also in the process of working with the Public Conservator's Office to operationalize the requirements of SB43. Integrated Intake will be the first point of contact/referral at DAS for clients who may be eligible for conservatorship under SB43.

CalSAWS Transition

The Eligibility unit, in alignment with HSA's San Francisco Benefits Network (SFBN) division, participated in the trainings for CalSAWS (California Statewide Automated Welfare System) and successfully transitioned to the new system on October 30, 2023. CalSAWS replaced the legacy CalWIN system and is now used as the unified case management system for CalWORKs, CalFresh, Medi-Cal, Foster Care, Refugee Assistance, County Medical Services Program, and General Assistance/General Relief to children, families, and individuals in all 58 California counties. It encompasses eligibility determination, benefits calculation, benefits issuance, and information management.



County Veterans Service Office (CVSO)

The CVSO started a Veterans Transportation program to help veterans who don't have transportation to access critical and confirmed appointments to and from the CVSO or other designated locations on a one-time basis. This taxi voucher program enables veterans to come to the CVSO, the Veterans Administration (VA) hospital, the VA Success Center or other locations that can help connect them to VA benefits.

The CVSO also worked with the San Francisco Employees' Retirement System (SFERS) in implementing a San Francisco ordinance allowing City employees to purchase public service credit for time served in the military before their City employment. Application to purchase public service credit requires the assistance of a Veteran Service Representative at the CVSO to certify the applicant's years of military service and discharge status.

BRH Strategic Outreach

All units at the BRH continue to conduct outreach to consumers and professionals in the community as part of its strategic outreach plan. BRH outreach is currently focused on expanding efforts to increase awareness of DAS services and programs among the disability and BIPOC communities in historically underserved neighborhoods, particularly Supervisorial Districts 1, 2, 4 and 11.

Office of Community Partnerships

In-person community services have returned, with some virtual and hybrid options remaining available to participants. The balance between the two formats remains a work-in-progress, as community-based organizations respond to client preference while ensuring programs are available and accessible. Office of Community Partnerships (OCP) staff will continue to provide support and guidance around this topic while also working on new program and funding responsibilities.

Advancing Services for the Disability and LGBTQ+ Communities

The OCP completed a staffing reorganization, which expanded its special-projects team. This group is currently working on projects with an emphasis on services to the disability and LGBTQ+ communities. The team will also provide development and support for staff trainings offered within DAS and to DAS contractors.

In October 2023, DAS entered into a contract with Haven of Hope to serve as the operator of the Disability Cultural Center (DCC). Programs and services are currently in a planning phase while construction on the building continues. When completed, the site will have 112 housing units, with approximately 25 percent of those reserved for people with disabilities who use Home and Community-Based Services (HCBS). Lease negotiations are underway for a dedicated space on the ground floor, which will be home to the DCC. The launch of a



virtual DCC in advance of the brick-and-mortar location is planned for summer 2024, with in-person operations starting when the building opens in 2025.

The LGBTQ+ Telehealth pilot program, a collaboration between DAS and its community-based partners, Curry Senior Center and Openhouse, entered its first full year of operations and continues to get settled into regular program services. This ambitious program recruits and trains behavioral healthcare providers to serve the LGBTQ+ community, helps LGBTQ+ community members get connected to the internet and trained up on technology/device use, and then connects the two parties so community consumers can begin receiving free behavioral health services/assistance remotely.

New State Funding for Nutrition and Technology Programs

The California Department of Aging (CDA) has provided over \$1 million in one-time funding for infrastructure expenses for nutrition providers. Funds have been allocated and are being used to restock and replace old equipment. These purchases will ensure continuity of high-quality services and help our providers as they stretch to meet persistently high demand.

CDA funding for digital divide programs has increased capacity in this key area; additionally, OCP received 1,000 tablet computers to be distributed through its network of providers.

Dignity Fund End-of-Cycle Evaluation and the Area Agency on Aging Four-Year Area Plan

DAS and HSA Planning staff have begun work on the Dignity Fund cycle-end evaluation. Required by the Dignity Fund legislation, this report will provide a reflection upon, and evaluation of, the Dignity Fund and its benefits for older adults and adults with disabilities during the previous 4-year funding cycle. Report completion and release is projected for summer 2024.

Simultaneously, DAS and HSA Planning are working on the new 4-year Area Plan report, which will cover July 1, 2024 to June 30, 2028. (The current Area Plan report runs through June 30, 2024). This report is a foundational element of DAS's responsibility as an Area Agency on Aging. It provides information on populations served and demographic information for San Francisco, reports on identified community needs, and describes how DAS plans to administer Federal and State Older Americans Act funding. A draft of the report will be issued for presentation and review mid-Spring 2024.

Next Steps

At the regularly-scheduled meeting of the Department of Disability and Aging Services Commission on February 7, DAS and HSA staff will present a full proposal of the DAS budget for FY 2024-25 and FY 2025-26, for the Commission's review and final approval.