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

DHS FY20-21 & FY21-22 Budgets

Human Services Commission Meeting
January 23, 2020
DHS FY19-20 Original Budget by Source
$561.1M

- Federal $246.7M (44%)
- General Fund $67.8M (12%)
- General Fund - Aid $37.8M (7%)
- 1991 Realignment $65.5M (12%)
- 2011 Realignment $50.6M (9%)
- Care Not Cash Savings Transfer $17.9M (3%)
- State $51M (9%)
- 2011 Realignment AB 85/Aid $20.7M (4%)
- Work Order Recovery $2.4M (0%)
- Dedicated Gifts, Grants and Fees $0.7M (0%)
DHS FY19-20 Original Budget by Category
$561.1M

- Salaries $176.7M (32%)
- Fringe Benefits $90.2M (16%)
- Professional Services $41.3M (7%)
- Aid Assistance $21.6M (4%)
- Aid Payments $110.1M (20%)
- CBO Grants $43.8M (8%)
- Materials & Supplies $3.3M (0%)
- Work Order Services $55.5M (10%)
- Capital Projects $1M (0%)
- Care Not Cash Savings Transfer $17.9M (3%)
HSA Caseload

CalWORKs

Foster Care

CAAP

Medi-Cal

CalFresh
## Mayor’s FY20-21 & FY21-22 Budget Projections

*Rising expenses outpace slowing revenue growth.*

### Citywide Projected Shortfall (in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY20-21</th>
<th>FY21-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue Increase</strong></td>
<td>89.0</td>
<td>346.0</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Benefits:</td>
<td>(284.3)</td>
<td>(570.1)</td>
</tr>
<tr>
<td>Baselines &amp; Reserves:</td>
<td>(167.9)</td>
<td>(269.6)</td>
</tr>
<tr>
<td>Departmental Costs:</td>
<td>(45.5)</td>
<td>(54.0)</td>
</tr>
<tr>
<td>Citywide Uses*:</td>
<td>(3.9)</td>
<td>(78.8)</td>
</tr>
<tr>
<td></td>
<td>(66.9)</td>
<td>(167.8)</td>
</tr>
<tr>
<td><strong>Cumulative Shortfall</strong></td>
<td>(195.4)</td>
<td>(224.1)</td>
</tr>
</tbody>
</table>

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

• Slowing growth rate for business tax and interest earnings

• Rising costs significantly outpacing revenue

• Growing employee costs: wages, pension and health

• Large ongoing cost commitments: IHSS, Free City College, Minimum Compensation Ordinance

• Reliance on one-time “fund balance” to balance annual budgets

• Large number of baselines and set-asides
Mayor’s Budget Instructions

- Departments must reduce ongoing General Fund budgets by 3.5% in FY20-21, as well as an additional 3.5% in FY21-22

- For HSA this translates into reductions of:
  - $2,200,219 in FY20-21
  - $4,400,439 in FY21-22

- Departments should not grow their FTE counts

- Prioritize core functions, minimize service impacts, and avoid layoffs

- Mayor will target expansions and new funding to core priorities: homelessness, mental health and clean streets
Federal and State Budget Context

- Overall, possible slowing economic growth; current period of US economic expansion is longest since 1945
- Continued volatility in financial markets due to trade policy uncertainty
- Election year uncertainty
- End of Title IV-E Waiver in FCS
  - End of waiver creates revenue shortfall in FY19-20 and FY20-21
  - Families First Preventative Services Act (FFPSA) will provide some new federal revenue for preventative services, but does not begin until FY 21-22
  - Transition funding passed in budget bill at end of Dec. 2019 will provide some relief for FY19-20 and FY20-21
Local Financial Issues

• Child Protection Center (CPC) closure
  – Supporting a foster family agency (FFA) to maintain a system of ten emergency foster homes that will handle most emergency placements ($1.1 M in GF / yr.)
  – Supporting an innovative approach to serve four high-needs youth at a time and offer mobile response services to all caregivers ($3.2 M in GF / yr.)
  – Combined costs of $2.7 M in GF / yr. above current CPC costs
DHS Highlights

Self-Sufficiency: CalWORKs and Workforce Development

• Implementation of statewide CalWORKs Outcomes and Accountability Review (Cal-OAR) program management system.
  – Mandates tracking of new outcome measures, and promotes best practice sharing across California counties.

• Increased State funding for the CalWORKs Housing Support Program (HSP), which provides housing locator services as well as move-in and rental subsidies.
  – New funding enabled HSP to increase its capacity, and offer temporary rooms for families awaiting housing placement.

• Increased State funding for the Home Visiting Program (HVP), which provides home-based healthy child development and parenting support to CalWORKs families with expecting mothers and/or young children.

• Expansion of Career Pathways program from 30 to 50 slots.
  – Affords PSTs additional public sector work experience, and improves their chances of securing permanent City employment.
DHS Highlights

SF Benefits Net: Medi-Cal and CalFresh

• New ABAWD Initiatives
  – Provide ongoing ABAWD exemption screening and engagement in employment services
  – Planning policy and procedural changes needed to comply with federal ABAWD rules

• SSI Recipients
  – Newly enrolling this population into CalFresh, for which they have recently become eligible. Over 20,000 SSI recipients have been enrolled so far in FY19-20.
  – Opened new outstations in neighborhoods with a high density of SSI recipients

• Medi-Cal Outreach Navigators Project
  – Secured DHCS funding to provide Medi-Cal application assistance at community sites, navigation centers, and via mobile staff.
County Adult Assistance Programs (CAAP)

- 13% CAAP grant increase in October 2019

- Technology advancements
  - Online application portal
  - Text reminders to clients about upcoming appointments

- Continuing partnership with the Department of Homelessness & Supportive Housing
  - Housing Disability Advocacy Program
  - Connecting homeless adults to HSA benefits and the Coordinated Entry System
  - Benefits outreach at Navigation Centers

- Alignment of CAAP policies with ABAWD workfare requirements
  - Workfare hours
  - Exemptions
  - Triage database and procedures
DHS Highlights

Family & Children’s Services

• Implementation of Continuum of Care Reform (AB 403):
  – Recruitment of additional foster families/homes
  – Streamlining of licensing process for all caregivers
  – Transitioning group homes to Short Term Residential Treatment Programs (STRTP)
  – Full implementation of child and family teams

• Emergency placement and support system for youth following CPC closure

• Planning underway to address the end of the Title IV-E waiver, and bridge HSA to the beginning of FFPSA.
DHS Highlights

Program Support

• Racial Equity Work Group
  – Developed and published an action plan containing strategies to address matters of racial equity within HSA
  – Hired a new manager of Diversity, Equity, and Inclusion (DEI).

• CalWIN transition to CalSAWS (Information Technology)
  – Consolidating CalWIN client benefits portal with other two California benefits portals into a single statewide system. Transition completion in 2023.

HSA FY20-21 & FY21-22 Budget Timeline

- Dec 12  Mayor’s Budget Instructions Released
- Jan 23  Human Services Commission – 1st budget meeting
- Feb 13  Human 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