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

DAAS FY19-20 & FY20-21 Budgets

DAAS Finance Committee Meeting
January 30, 2019
DAAS FY18-19 Original Budget By Sources
$334.7M

- Federal $79.4M (24%)
- State $58.3M (18%)
- 1991 Realignment $54.7M (16%)
- Work Order Recovery $20.1M (6%)
- General Fund $54.8M (16%)
- Dignity Fund $47.1M (14%)
- Community Living Fund $7.6M (2%)
- Dedicated Gift, Grants and Fees $7.5M (2%)
- 2011 Realignment $5M (2%)
DAAS FY18-19 Original Budget by Program
$334.7M

- County Veterans Services $0.9M (0%)
- Public Guardian $3.1M (1%)
- Public Conservatorship $2.7M (1%)
- Public Administrator $1.7M (1%)
- IHSS Services and County Staff $19.6M (6%)
- IHSS Public Authority (Admin) $3.2M (1%)
- IHSS Public Authority (Health and Dental) $67.6M (20%)
- Representative Payee $0.7M (0%)
- Office on Aging $62.8M (19%)
- DAAS Program Support (includes IR unit) $8.3M (2%)
- Community Living Fund $8.6M (3%)
- Adult Protective Services $9.3M (3%)
- IHSS Contract Mode $28.3M (8%)
- IHSS Maintenance of Effort $117.8M (35%)
FY18-19 Original DAAS Budget by Category

$334.7M

- **Aid Payments**: $216.9M (65%)
- **CBO Contracts**: $62.9M (19%)
- **Salaries**: $32.9M (10%)
- **Fringe Benefits**: $13.7M (4%)
- **Rents, Fees, Travel, and Other Professional Services Contracts**: $6.2M (2%)
- **Ancillary Client Support**: $0.1M (0%)
- **Materials & Supplies**: $0.5M (0%)
- **Work Order Services**: $1.4M (0%)

**Total Budget**: $334.7M
Mayor’s FY19-20 & FY20-21 Budget Projections

Revenues are expected to increase, but expenses increase faster.

<table>
<thead>
<tr>
<th>Citywide Projected Shortfall (in millions)</th>
<th>FY19-20</th>
<th>FY20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Increase</td>
<td>182.0</td>
<td>466.0</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Benefits: (180.7)/(317.9)</td>
<td>(289.4)</td>
<td>(629.4)</td>
</tr>
<tr>
<td>Baselines &amp; Reserves: (55.3)/(99.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental Costs: 1.8/(29.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citywide Uses*: (55.1)/(182.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative Shortfall</td>
<td>(107.4)</td>
<td>(163.4)</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

- Revenues growing slower than expenses result in small deficits in budget year; larger in out years

- Rising employee costs are largest driver of deficits, with pension expenses being the biggest component therein

- Increases in voter-mandated commitments through baselines and set-asides also augment deficits

- Growing “departmental costs” are driven (57%) by changes in IHSS funding rules at the state level
Mayor’s Budget Instructions

• Departments must reduce ongoing General Fund budgets by 2.0% in FY19-20, as well as an additional 2.0% in FY20-21

• For HSA this translates into reductions of:
  - $753,376 in FY19-20
  - $1,530,752 in FY20-21

• Departments should not grow their FTE counts

• Departments must propose contingency savings equal to 1.0% of General Fund support in FY19-20, as well as an additional 1.0% in FY20-21
Federal Budget Concerns

• Possible Slowing Growth
  • Slowing national GDP growth
  • Stock market volatility from possible trade war

• Prolonged government shutdown
  • Jeopardizes issuance of CalFresh benefits if shutdown extends into March
  • TANF has not been reauthorized, delaying federal payment, but State law requires state to continue program
  • Other programs do not appear to be impacted because HHS budget for federal fiscal year 2018-19 was already passed

• End of the Title IV-E Waiver in Sept 2019
State Budget Concerns

• Changes in IHSS Funding
  – Reduces MOE in FY19/20
  – Reduces annual inflation factor from 7% to 4% beginning in FY20/21

• Proposed increase in CalWORKs grant
  – Would raise grant levels to 50% of the projected 2019 federal poverty level, effective October 1, 2019

• Funds for SSI Cash-out administration, CalWORKs Home Visiting Initiative and Housing Disability Advocacy Program
IHSS Minimum Compensation Ordinance

- The Board of Supervisors passed legislation raising the minimum wage for IHSS independent providers.

<table>
<thead>
<tr>
<th>IHSS MCO Hourly Wages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 2019</td>
<td>$16.00</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>$16.50</td>
</tr>
<tr>
<td>July 1, 2020</td>
<td>$17.50</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>$18.00</td>
</tr>
<tr>
<td>July 1, 2022</td>
<td>$18.75</td>
</tr>
<tr>
<td>July 1, 2023 and annually</td>
<td>Cost of living</td>
</tr>
<tr>
<td>thereafter</td>
<td>adjustment in line</td>
</tr>
<tr>
<td></td>
<td>with CPI</td>
</tr>
</tbody>
</table>

- Estimated cost is $6.2 million in FY18-19 and $7.3 million in FY19-20.
### DAAS Caseloads

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Protective Services</td>
<td>5,200 clients</td>
</tr>
<tr>
<td></td>
<td>6,800 reports of abuse</td>
</tr>
<tr>
<td>County Veterans Service Office</td>
<td>3,000 clients</td>
</tr>
<tr>
<td>In-Home Supportive Services</td>
<td>25,300 clients</td>
</tr>
<tr>
<td>Integrated Intake and Referral</td>
<td>28,500 calls</td>
</tr>
<tr>
<td></td>
<td>15,400 program intakes</td>
</tr>
<tr>
<td>Office on the Aging</td>
<td>34,600 clients</td>
</tr>
<tr>
<td></td>
<td>73,400 enrollments</td>
</tr>
<tr>
<td>Community Service Centers</td>
<td>16,300 clients</td>
</tr>
<tr>
<td>Congregate Meals</td>
<td>16,500 clients</td>
</tr>
<tr>
<td>Home-Delivered Meals</td>
<td>5,600 clients</td>
</tr>
</tbody>
</table>
DAAS Highlights

- **Adult Protective Services**
  - Home Safe eviction prevention pilot program
  - CDSS to provide $773,981 over three years

- **In-Home Supportive Services**
  - Homebridge launched STEPS (Skills, Training and Employment Pathway)
  - Tiered-wage initiative has early, promising results

- **Office of the Public Conservator**
  - Preparing SB1045 implementation

- **Office of the Public Guardian**
  - Conservatorship outreach and education seminars
DAAS Highlights

• **Dignity Fund**
  – Community Needs Assessment completed with deeper dives
  – Service Allocation Plan (FY19-20)

• **Office on the Aging**
  – Increase employment opportunities for older adults and people with disabilities
  – Expansion of home-delivered meal and home-delivered grocery programs

• **Long-Term Care Operations**
  – Evaluation of program impacts for preventing institutionalization
  – First year program evaluation report available for Support at Home pilot
DAAS Highlights

• Additional community collaborations:
  – San Francisco Age and Disability Friendly Workgroup
  – National Health Care Decisions Day
  – Dementia early diagnosis and intervention
  – Reframing campaign
HSA FY19-20 & FY20-21 Budget Timeline

- **Dec 21**: Mayor’s Budget Instructions Released
- **Jan 30**: Aging & Adult Svcs Finance Committee – 1st budget mtg
- **Feb 15**: Aging & Adult Svcs Commission – 2nd budget meeting
- **Feb 21**: HSA’s Proposed Budget due to Mayor
- **June 1**: Mayor submits budget to Board of Supervisors (BoS)
- **June**: BoS Budget and Finance Committee Hearings
- **July**: Budget Considered at BoS