HSA/DBFS FY21-22 & FY22-23 Budgets

Human Services Agency
Department of Benefits and Family Support
Commission Meeting

January 28, 2021
HSA/DBFS FY20-21 Original Budget by Program $604.4M

- Program Support $131.2M (22%)
- CalWORKs $69.9M (11%)
- Welfare to Work $67.8M (11%)
- CAAP $67.1M (11%)
- CalWORKs Child Care $15.7M (3%)
- SF Benefits Net $70.1M (12%)
- SFBN Operations $18M (3%)
- Family and Children’s Services $145.9M (24%)
- Care Not Cash Savings Transfer $18.9M (3%)
HSA/DBFS FY20-21 FTEs by Program
1,959 FTEs

- County Adult Assistance Program: 178 FTEs
- Workforce Development: 150 FTEs
- CalWORKs: 218 FTEs
- SF Benefits Net Operations: 151 FTEs
- SF Benefits Net: 492 FTEs
- Program Support: 366 FTEs
- Family and Children’s Services: 404 FTEs

Total: 1,959 FTEs
HSA/DBFS FY20-21 Original Budget by Source

$604.4M

- Federal $270.3M (45%)
- General Fund - Operating $78.9M (13%)
- General Fund - Aid $44.6M (7%)
- Care Not Cash Savings Transfer $18.9M (3%)
- 1991 Realignment $50.8M (9%)
- Work Order Recovery $1.8M (0%)
- 2011 Realignment $38.6M (6%)
- 2011 Realignment AB 85/Aid $29.5M (5%)
- Dedicated Gifts, Grants and Fees $1.6M (0%)
- 1991 Realignment AB $50.8M (9%)
- 2011 Realignment $38.6M (6%)
- 1991 Realignment AB $50.8M (9%)
- Work Order Recovery $1.8M (0%)

- State $69.4M (12%)
- 2011 Realignment $50.8M (9%)
- 2011 Realignment AB 85/Aid $29.5M (5%)
- Dedicated Gifts, Grants and Fees $1.6M (0%)
- 1991 Realignment $50.8M (9%)
- Work Order Recovery $1.8M (0%)
- 2011 Realignment $38.6M (6%)

Total $604.4M
HSA/DBFS FY20-21 Original Budget by Category
$604.4M

- Salaries $181.4M (30%)
- Professional Services $39.5M (6%)
- Fringe Benefits $97.7M (16%)
- Aid Assistance $34.4M (6%)
- Aid Payments $127.5M (21%)
- CBO Grants $41.2M (7%)
- Other Support & Care $0.3M (0%)
- Work Order Services $59.8M (10%)
- Programmatic Projects $0.7M (0%)
- Materials & Supplies $3.3M (1%)
- Operating Transfer In $18.9M (3%)
DBFS Caseloads
Actuals through Nov 2020; projections after
# Mayor’s FY21-22 & FY22-23 Budget Projections

<table>
<thead>
<tr>
<th>Citywide Projected Shortfall (in Millions)</th>
<th>FY21-22</th>
<th>FY22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Increase</td>
<td>(117.6)</td>
<td>268.5</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Benefits:</td>
<td>(293.6)</td>
<td>(510.6)</td>
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<tr>
<td>Baselines &amp; Reserves:</td>
<td>(150.8)</td>
<td>(233.4)</td>
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<tr>
<td>Departmental Costs:</td>
<td>(54.4)</td>
<td>(157.7)</td>
</tr>
<tr>
<td>Citywide Uses*:</td>
<td>(67.0)</td>
<td>(111.2)</td>
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<tr>
<td></td>
<td>(21.4)</td>
<td>(8.2)</td>
</tr>
<tr>
<td><strong>Cumulative Shortfall</strong></td>
<td>(411.1)</td>
<td>(242.1)</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

• Slow revenue growth in FY21-22; accelerating growth in subsequent years
  o Transfer, hotel, sales, and business taxes most negatively impacted
  o Does not include impacts of December 2020 or subsequent Federal stimulus/relief measures
  o Propositions I (Real Estate Transfer Tax) and L (Overpaid Executives Tax) sources of new future revenue

• Salary and Benefits – assumes MOU and CPI-based wage increases in future years

• Citywide Costs
  o COVID-19 response (Shelter-in-Place hotels and feeding services)
  o Debt & capital, inflation on non-personnel

• Reliance on one-time sources in short-term driving up deficit in out-years
Mayor’s Budget Instructions

- Departments to reduce ongoing General Fund budgets by 7.5% in both FY21-22 and FY22-23
- For HSA, this translates into reductions of:
  - $7,328,543 in FY21-22
  - $7,328,543 in FY22-23
- Departments should not grow FTE counts
- Prioritize core services and programs, and present clear tradeoffs
- Emphasize Mayoral priorities of recovery and equity
Federal And State Budget Context

- State revenues better in FY20-21 than forecasted
  - Robust income tax from high-wage earners
  - Strong stock market
- Aid caseload growth slower in FY20-21 than expected
  - CARES Act stimulus and unemployment benefits increase helped
  - December stimulus bill may continue effects of CARES Act
- Many funding allocations higher than expected in FY20-21 due to prioritization of safety net services
  - Medi-Cal, CalFresh, CalWORKs
  - Based on Governor’s Budget, allocation levels should improve in FY21-22
COVID-19 Response Effort

- HSA DSWs deployed to COVID Command Center (CCC)
- Collaborating with HSH and DPH to operate non-congregate shelters:
  - Shelter-in-Place (SIP) sites for individuals at high risk of illness
  - Isolation and Quarantine (I&Q) sites for individuals who have tested positive for COVID-19
  - 2,851 hotel rooms and RVs, and 200 new shelter beds opened as of December 2020
- Expanded feeding programs to deliver meals and groceries to vulnerable populations
  - Tens of thousands of households supplied/fed
- Collaborating with City’s Cost Recovery team to maximize reimbursements
HSA Highlights

Program Support

- Building DEIB team to implement equity improvements within HSA
- New HSA brand rollout; department name change
- IT conversion of HSA staff to telecommuting
- Transition to CalSAWS client benefits portal
- 170 Otis move-out, and future office space planning
DBFS Highlights

San Francisco Benefits Net

- Steady caseload rise in Medi-Cal and CalFresh
  - Need spurred by pandemic and economic recession
  - Continued suspension of CalFresh ABAWD work requirement
- Technological adjustments to operations
  - Mostly telecommuting staff
  - Implementing telephonic signature
  - Federal grant for projects to enhance online delivery and receipt of CalFresh benefits
- SFBN staff presence at Shelter-in-Place (SIP) hotels for benefits enrollment
DBFS Highlights

Homeless Benefits Linkages

- Transitioned outreach staff to SIP hotels for benefits enrollment of homeless clients. Applications submitted year-to-date:
  - 648 CalFresh
  - 268 CAAP
  - 357 Medi-Cal
- Tipping Point pilot program for SSI advocacy
  - 69 successful SSI awards, and 110 pending cases
- Homeless Disability Advocacy Program (HDAP)
  - State funding has supported SIP hotel efforts, and additional SSI advocacy
DBFS Highlights

County Adult Assistance Program (CAAP)

• Steady caseload decline since July likely due to state and federal stimulus
• Suspension of CAAP workfare requirement for duration of pandemic
• Technological alternatives to daily operations
  o Mostly telecommuting staff
  o Now receiving applications through online portal
  o Implemented phone intake process for first time
  o Technological resources available on-site for clients without phones/computers
• Quality Assurance (QA) improvements to improve staff and customer experience
DBFS Highlights

CalWORKs

- Relaxed welfare-to-work requirements via good cause; counties held harmless for WPR
- Not counting COVID months towards lifetime benefits clock
- Expansion of Housing Support Program to re-house more CalWORKs families
- Planned service expansion for families with mixed immigration status

Workforce Development

- Wage Subsidy program expanded to serve broader array of job seekers and employers
- Administered other economic recovery programs:
  - COVID Sick Leave for small businesses; Working Families Tax Credit; Jobs hotlines
- New Digital Services Program to help workforce program clients bridge the digital divide
DBFS Highlights

Family and Children’s Services

• Funding transition period between Title IV-E Waiver and Family First Prevention Services Act (FFPSA)
  o IV-E Waiver provided higher revenue than FFPSA funding
  o Identified cost reductions across programs
  o Receiving funding assistance via FFPSA Transition Revenue
  o Exploring modification of programs to qualify them for FFPSA reimbursement

• Operations changes due to pandemic
  o Tech equipment to staff and clients for virtual meetings
  o Personal Protective Equipment (PPE) for in-person visits
  o Cross-division coverage of cases to avoid service interruption
HSA/DBFS FY21-22 & FY22-23 Budget Timeline

- Dec 17  Mayor’s Budget Instructions Released
- Jan 28  DBFS Commission – First Meeting
- Feb 11  DBFS Commission – Second Meeting
- Feb 22  Agency Proposed Budget due to Mayor
- June 1  Mayor submits budget to Board of Supervisors
- June  Board of Supervisors Budget Committee Hearings
- July   Budget Considered at Board of Supervisors