



SAN FRANCISCO
HUMAN SERVICES AGENCY

HSA/DBFS FY24-25 & FY25-26 Budgets

Human Services Agency

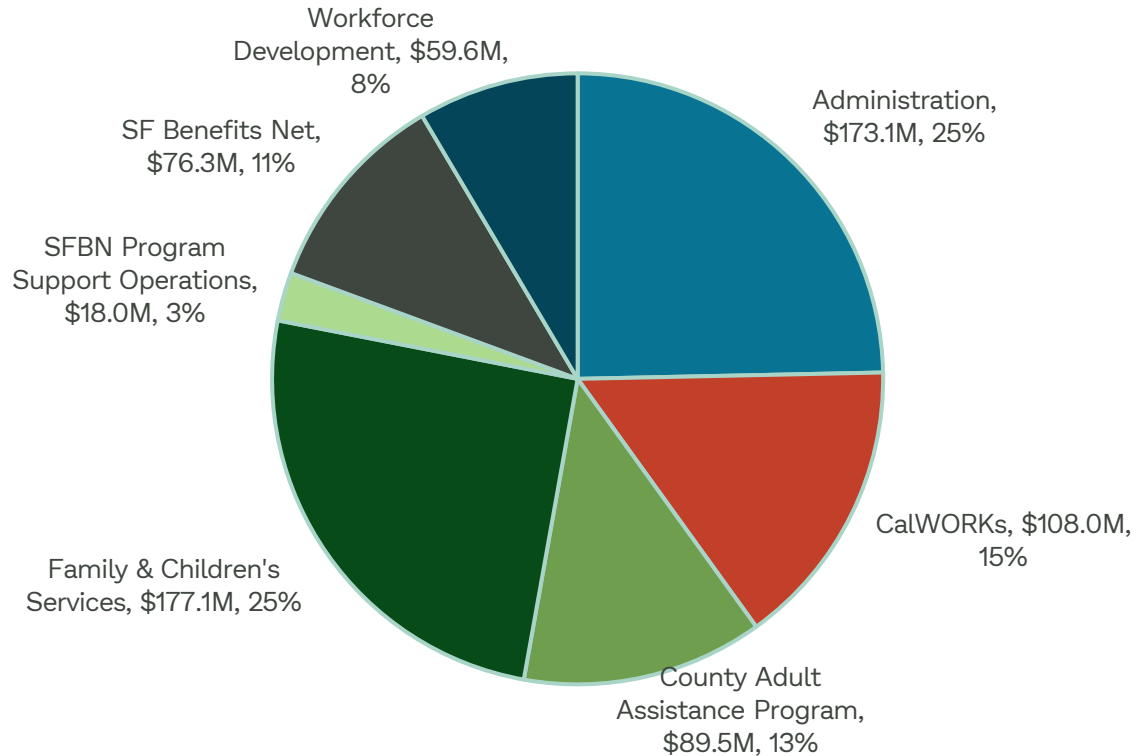
Department of Benefits and Family Support

Presentation to Human Services Commission

January 25, 2024

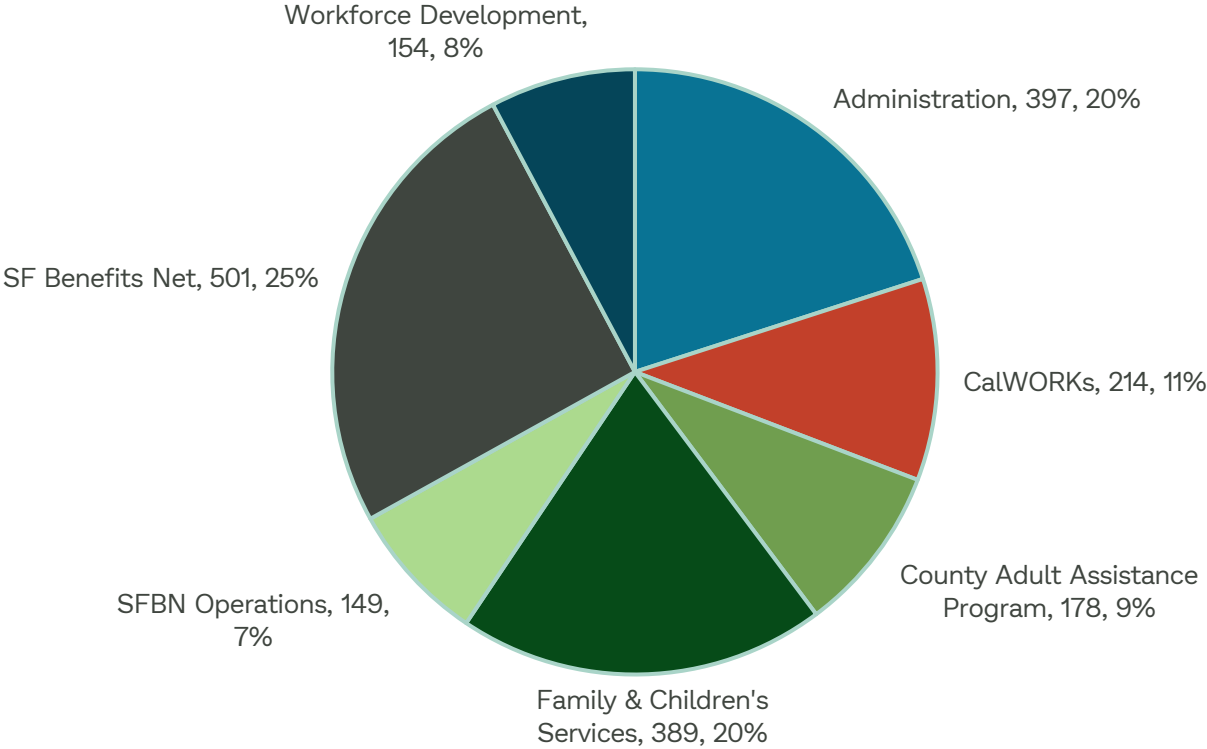


HSA/DBFS FY23-24 Original Budget by Program \$701.6M

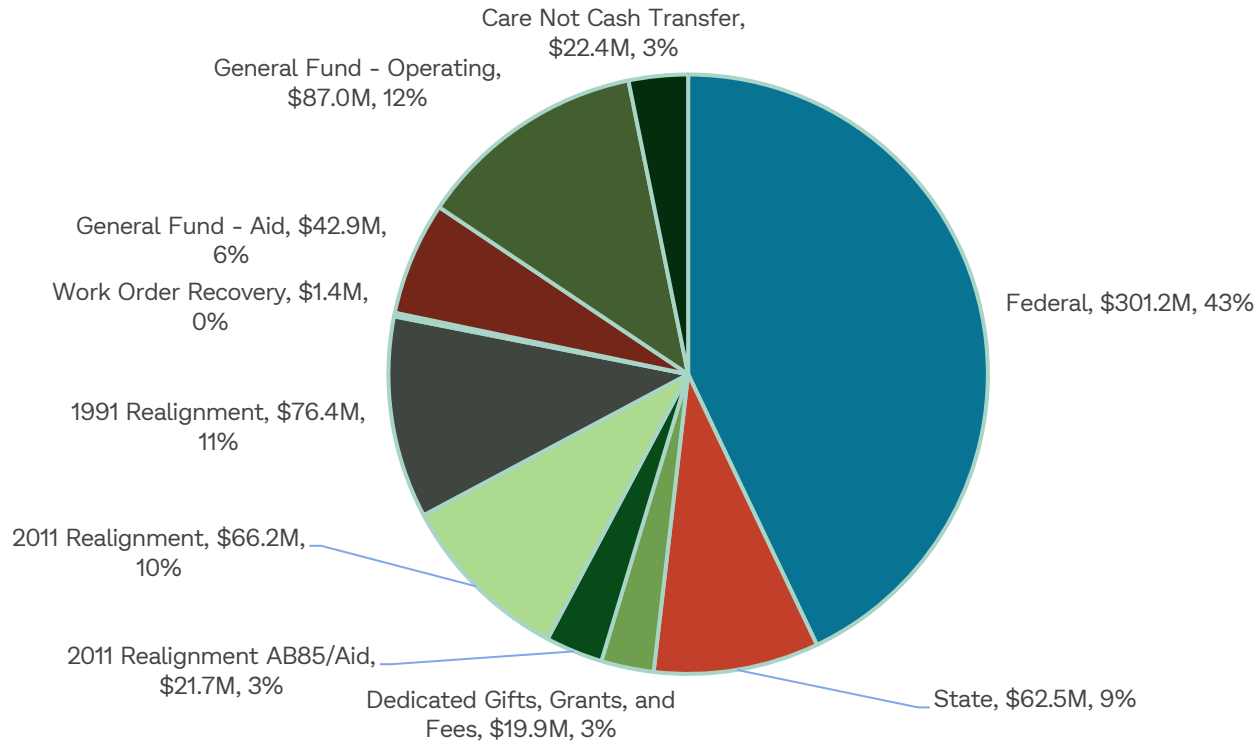


HSA/DBFS FY23-24 FTEs by Program

1,981 FTEs

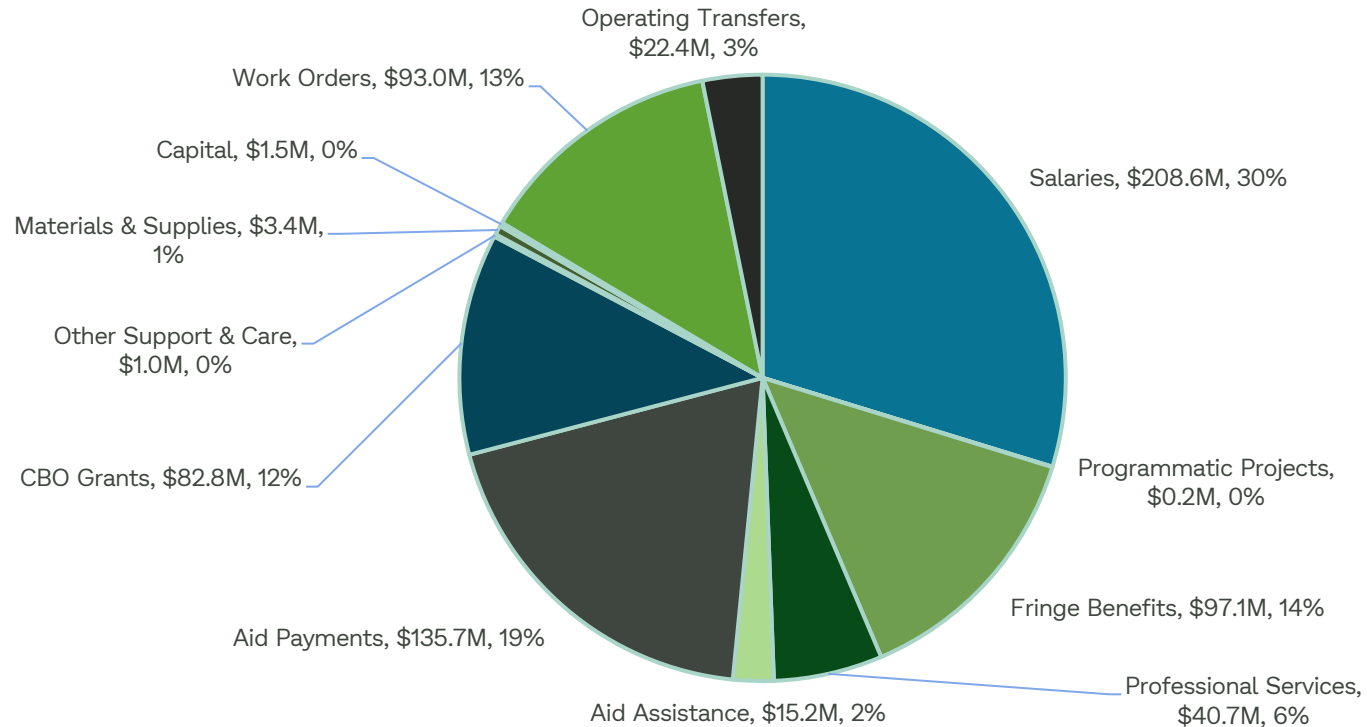


HSA/DBFS FY23-24 Original Budget by Source \$701.6M



HSA/DBFS FY23-24 Original Budget by Category

\$701.6M



Mayor's FY24-25 & FY25-26 Budget Projections

Citywide Projected Shortfall (in Millions)	FY24-25	FY25-26
Total Revenue - Increase / (Decrease)	(9.6)	181.0
Baselines & Reserves:	(13.3)	(78.3)
Salary & Benefits:	(163.3)	(336.2)
Citywide Operating Budget Costs*:	(95.2)	(301.7)
Departmental Costs:	<u>36.8</u>	<u>(19.3)</u>
Total Expenditures – Decrease / (Increase)	(235.1)	(735.5)
Total Deficit	(244.7)	(554.5)
Two-Year Deficit	(799.2)	
*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service)		



Mayor's Budget Drivers

- City projects \$799M budget deficit over the next two fiscal years
 - Slowed revenue growth & significant expenditure increases anticipated
 - Revenue drops in City's largest tax bases – property, business & transfer taxes
 - High office vacancies; slower hospitality sector rebound; greater risk in business taxes due to disputes/potential litigation
 - Salaries & benefits forecast to grow by nearly \$500M in the biennium
 - Citywide operating costs – real estate, capital, debt service, etc. – all rising
 - Assumes fully funding 10-year capital plan
 - Some costs become local due to expiration of state and federal stimulus



Mayor's Budget Instructions

- Departments asked to reduce General Fund budgets by 10% in FY 24-25 and in FY 25-26; for HSA this translates into:
 - \$6.48 million in FY 24-25 & \$6.48 million in FY 25-26
- Departments also asked to:
 - Propose additional 5% contingency reductions
 - Not add any new FTEs & only fill essential FTEs in order to achieve budget savings
 - Focus on core operations/services; eliminate costs supporting non-essential, discretionary or redundant activities



Mayor's Budget Instructions

- Budgets should reflect the Mayor's priorities, which include:
 - Improving public safety and street conditions
 - Citywide economic vitality
 - Reducing homelessness & transforming mental health service delivery
 - Demonstrating accountability and equity in City spending



State Budget

- State budget picture also worsened over the past year
 - \$38 billion shortfall projected by the Governor in FY 24-25, largely resulting from lower capital gains taxes, and lower than anticipated income tax collection
 - CalWORKs funding allocations to be rescinded in the current year (FY23-24; \$11.8M combined impact across CalWORKs Single, ESE, and Family Stabilization)
 - Major reductions coming to CalWORKs funding allocations in FY24-25:
 - Single Allocation reduced 13% statewide, estimated loss to HSA \$4.9M
 - Expanded Subsidized Employment (\$7.9M) and Family Stabilization (\$2.6M) funding eliminated
 - Proposes funding delays to some CDSS Housing Programs (Bringing Families Home, Housing & Disability Advocacy, and Home Safe) putting at risk as much as \$6.9M originally planned for FY25



State Budget

- Reductions to housing navigation support for emancipating and former foster youth, and rescinds a housing supplement for foster youth in supervised independent living placements, previously scheduled for FY24-25
- Elimination of Family Urgent Response System funding
- Will continue to monitor State Budget proposals during the coming months and revise estimates as more information becomes available



Budget Reductions – Local & State Combined (in millions)

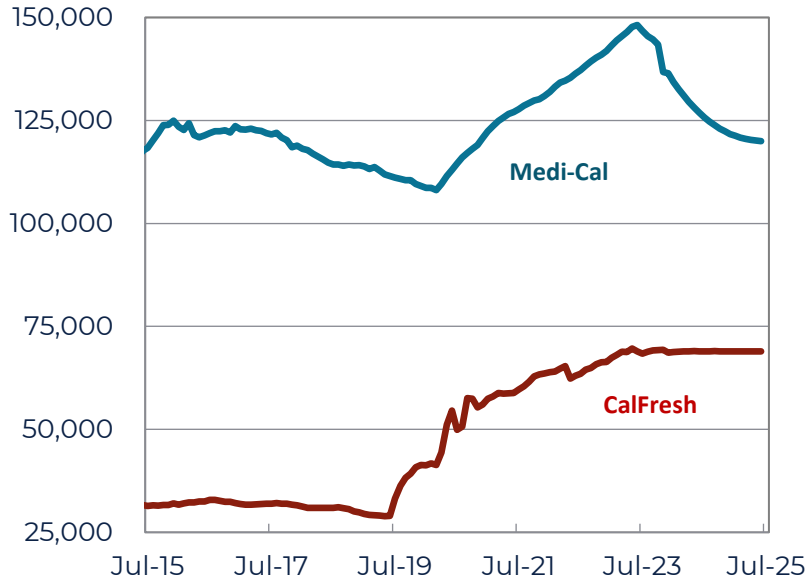
Budget Reduction	FY23-24	FY24-25	FY25-26
MBO Reduction Targets			
10% Budget Reduction Target		-6.5	-6.5
5% Contingency Reduction Target		-3.2	-3.2
Governor’s Budget Proposed Reversions & Reductions			
CalWORKs Allocations – Single, Family Stabilization, & Expanded Subsidized Employment	-12.0	-16.8	-16.8
CDSS Housing Allocation Delays – Bringing Families Home, Housing & Disability Advocacy and Home Safe		-6.9	
Family Urgent Response System		-0.5	-0.5
Housing Navigation for emancipating & former foster youth		-0.3	-0.3
Total Estimated Local and State Reductions	-12.0	-34.2	-27.3



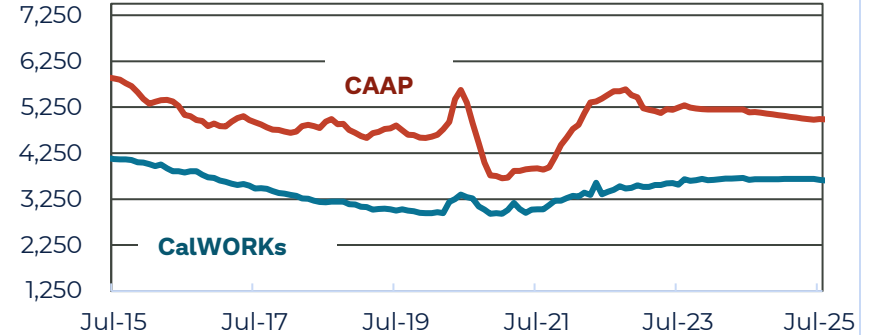
DBFS Caseloads

Actuals through Nov 2023; projections after

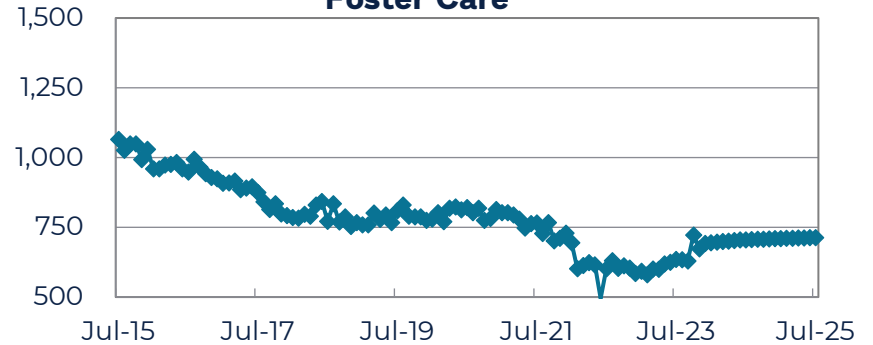
Medi-Cal and CalFresh Caseloads



CAAP and CalWORKs Caseloads



Foster Care



DBFS Highlights

San Francisco Benefits Net

- Substantial caseload rise in Medi-Cal (+26% since Jan 2020, or 28K cases) and CalFresh (+68% or 28K cases)
- Medi-Cal:
 - Expansion to undocumented immigrants aged 26-49 began in January 2024
 - Asset limit test eliminated in January 2024
 - Re-determination started in June 2023 (unwinding of Public Health Emergency)
 - Total cases have dropped 8% or by 10K cases since June
- Cal-Fresh
 - Interview requirement waiver ending in March 2024
 - Summer EBT to become permanent in California
- CalSAWS transition completed in October 2023 – staff working through implementation



DBFS Highlights

Homeless Benefits Linkages

- Housing and Disability Advocacy Program (HDAP)
 - \$6.6 million total resources in FY 23/24
 - \$5.8M is one-time; allocation reverted to \$764K annually in FY 23/24
 - Annual allocation of \$764K is ~\$400K lower than initial expectations
 - 298 clients placed in permanent supportive housing and 168 clients awarded SSI
- Multidisciplinary Team (MDT) launched in April 2022
 - 864 clients seen by Coordinated Entry
 - Helped 138 clients submit applications for benefits
 - 114 clients enrolled in HDAP
 - 45 clients enrolled in HomeSafe



DBFS Highlights

County Adult Assistance Program (CAAP)

- Significant decline in the homeless CAAP caseload over the past year
 - Previous growth largely due to pausing Care Not Cash due to the lack of shelter beds during the pandemic.
 - Homeless CAAP caseload has declined due to resumption of Care Not Cash
 - Historical homeless CAAP caseload count:

January 2020	August 2022	November 2023*
604	1,568	852

- On October 1, 2023, the maximum CAAP grant increased from \$556 to \$576 for GA clients and \$687 to \$712 for PAES / SSIP / CALM clients
 - SF CAAP grant amount mirrors all COLA increases that CalWORKs grant amount receives

*projected



DBFS Highlights

CalWORKs

- Reduced State funding for Housing Support Program (HSP):
 - Annual allocation reverted to \$5.6M, compared with \$11M in previous two FYs
 - Identifying strategies to minimize reduction of services
- Refugee caseload has increased significantly with Ukrainian arrivals
 - Grew from 20 cases in May 2022 to 223 in April 2023; now at 102 cases
 - Implementing two new grant-funded programs totaling \$1.9M for Ukrainian refugees that provide:
 - Rental assistance
 - Case management and linkages to services



DBFS Highlights

Workforce Development

- Participation in JobsNow services at higher levels than in any year during the pandemic
- Stationing staff at off-site locations including the EDD office, public assistance buildings, and providers to maximize services outreach
- Conducting outreach and providing services to individuals with limited English proficiency, as well as helping the undocumented population obtain right to work documents
 - Over 140 people and 12 employers and providers attended the most recent resource and employment fair – 16 people were hired on the spot plus others secured interviews



DBFS Highlights

Family and Children's Services (FCS)

- Continue to transition from Title IV-E Waiver to Families First Prevention Services Act (FFPSA)
 - Families First Transition revenue, along with one-time agency contributions, will help FCS maintain current level of programming through FY24-25
 - FCS exploring ways to modify programs to maximize FFPSA revenues
- Addressing needs of Non-Minor Dependents (NMDs)
 - Utilizing State Transitional Housing and Housing Navigation funding to provide housing assistance
 - Participating in Guaranteed Income Pilot
 - 150 youths to receive \$1,200/month for 18 months
 - Pilot period covers date range of July 2023 through June 2028.



DBFS Highlights

Family and Children's Services (FCS)

- FCS is addressing the need to support the small percentage of foster youth that have extremely complex needs, including those stemming from significant maltreatment and trauma.
 - Utilizing State-issued Complex Care funds to help strengthen the continuum of care in the child welfare system for this population
 - Received \$8.5M Children's Crisis Continuum Pilot Grant from State to augment the availability of these high-needs placements
 - Strategy guided by core workgroup comprised of program directors from City departments and contracted partners
 - Pilot will bring on ten more intensive care beds/homes for high-needs youth
 - Can transition youth to higher or lower needed levels of care without disruption



HSA Highlights

Program Support

- Planning, Communications, Budget, Contracts, Finance, Human Resources (HR), Information Technology (IT), Facilities/Operations, Investigations, Disaster Preparedness
- Information Technology
 - Led HSA's multi-year transition from CalWIN to CalSAWS client benefits portal
 - CalSAWS used to administer CalFresh, Medi-Cal, CalWORKs, Foster Care, CAAP, and other programs
- Human Resources:
 - Increased resources dedicated to recruitment and outreach
 - Has reduced HSA's vacancy rate from 15% to 11.6% over the past twelve months
 - Trained over 1,400 HSA staff on using CalSAWS



HSA Highlights

Program Support (continued)

- Diversity, Equity, Inclusion, and Belonging (DEIB)
 - Received over 1,500 staff responses to Racial Equity Survey
 - Will inform phase 2 of strategic plan to better serve HSA's diverse populations
 - Returned to in-person programming for celebrating heritage months and events
 - Mentorship program to expand participants' skillsets and readiness for future leadership positions
- Facilities and Operations
 - Developing plans on moving HSA staff out of 170 Otis
 - Identifying new offices in Southeast region and Civic Center



HSA Highlights

Program Support (continued)

- Employee Safety Initiatives:
 - Promoting safe and welcoming HSA office environments by:
 - Contracting with Urban Alchemy to provide street monitoring services at 1235 Mission
 - Prohibiting vending on sidewalks in front of HSA offices
 - Prohibiting parking in front of 1235 Mission
 - Increasing frequency of communication with HSA staff about strategies for staying safe



HSA Highlights

Food Access Program

- Continues to invest in community food pantries, grocery vouchers, meals, and markets to combat hunger and bridge the gap left by state and federal food programs
 - Budget slated to drop from \$20M in FY23-24 to \$10M in FY24-25
- Reached roughly 100,000 San Franciscans with 1.3 million grocery bags, 220,000 meals, and 145,000 grocery vouchers last year
- Demand likely to increase due to the reduction in CalFresh benefits caused by the elimination of the Emergency Allotments



HSA/DBFS FY23-24 & FY24-25 Budget Timeline

- Dec 13 Mayor's Budget Instructions Released
- Jan 25 HSA/DBFS Commission – First Meeting
- Feb 15 HSA/DBFS Commission – Second Meeting
- Feb 21 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

