

SAN FRANCISCO HUMAN SERVICES COMMISSION

MINUTES

February 11, 2025 Special Meeting

The special meeting of the Human Services Commission was held on Tuesday, February 11, 2025 at 1pm in person in the Born auditorium at 170 Otis Street and remotely via Webex and telephone for disability accommodations.

MEMBERS PRESENT IN PERSON SCOTT KAHN, President
SALLY COGHLAN MCDONALD

MEMBERS PRESENT REMOTELY VIA WEBEX DARSHAN SINGH

MEMBERS ABSENT (EXCUSED) JAMES MCCRAY, JR., Vice President

OTHERS PRESENT IN PERSON Trent Rhorer, Executive Director, SFHSA
Elizabeth LaBarre, Commission Secretary
Dan Kaplan, Deputy Director – Finance & Administration
Anna Pineda, Deputy Director – Economic Support & Self-Sufficiency (ESSS)
Susie Smith, Deputy Director – Policy, Planning & Public Affairs
Joan Miller, Deputy Director – Family & Children’s Services (FCS)

CALL MEETING TO ORDER President Kahn called the meeting to order at 1:07pm.

ROLL CALL Commission Secretary Elizabeth LaBarre took roll and noted the presence of Commissioners Kahn and Coghlan McDonald in person in the Born auditorium. Commissioner Singh was present remotely via Webex from his home and his wife, Olivia Singh, was sitting next to him to assist him with Webex. Vice President McCray had an excused absence. There was a quorum.

AGENDA President Kahn’s call for public comment related to the meeting’s agenda yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission adopted the agenda as posted.

JANUARY 23, 2025 REGULAR MEETING MINUTES President Kahn’s call for public comment related to the January 23, 2025 regular meeting minutes yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission approved the adoption of the January 23, 2025 regular meeting minutes.

CONSENT CALENDAR President Kahn’s call for public comment related to the consent calendar yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission approved the consent calendar, comprising actions taken by the Executive Director since the January 23, 2025 Regular Meeting in accordance with Commission authorization of February 11, 2025:

1. Submission of request to encumber funds in the total amount of \$1,338,167 for purchase of services or supplies and contingency amounts.
2. Submission of 0 temporary positions for possible use in order to fill positions on a temporary basis made during the period 1/18/25 to 2/7/25.
3. Submission of 12 temporary appointments for possible use in order to fill positions on a temporary basis made during the period 1/18/25 to 2/7/25.

COMMISSION BUSINESS – ACTION ITEMS

DEPARTMENT OF
BENEFITS AND
FAMILY SUPPORT
AND HUMAN
SERVICES AGENCY
FISCAL YEAR 2025-
2026 & 2026-2027
BUDGET PROPOSAL

Dan Kaplan, Deputy Director of Finance & Administration, presented the DEPARTMENT OF BENEFITS AND FAMILY SUPPORT AND HUMAN SERVICES AGENCY FISCAL YEAR 2025-2026 & 2026-2027 BUDGET PROPOSAL, asking that the commissioners support a budget generally aligned with his presentation (which they ultimately did).

Deputy Director Kaplan referenced the projected PowerPoint, entitled *HSA/BFS FY 2025-26 & FY 2026-27 Budgets: Human Services Agency, Department of Benefits and Family Support Presentation to the Human Services Commission, February 11, 2025*, throughout his presentation. He began with a summary of his first budget presentation to the Commission, which occurred during last month's meeting, where he shared the financial situation of the City, based on the November 2024 forecast projecting an \$876 million biennial deficit (\$253 million in the budget year (FY 2025-26) and \$623 million in the budget year plus one (FY 2026-27). Slower revenue growth than projected is to blame, the causes of which were discussed in detail during the first budget presentation and were not reiterated today. In the budget year plus one, most of the deficit is due to the growth of salary and fringe benefit costs. The Mayor directed all departments to reduce their use of discretionary general funds by 15%, which for SFHSA is an \$8.2 million reduction target.

Today, Deputy Director Kaplan and the budget team are at the point in the process where they have identified budget strategies and where budget reductions will occur. Deputy Director Kaplan noted that the team is still fine-tuning specifics but that the budget submission to the Mayor, if the Commission approves today's proposal, will be within the parameters described herein.

Deputy Director Kaplan noted that the local budget is influenced by state and federal finances. At the state level, the SFHSA budget team is basing

their strategies and calculations on Governor Newsom’s January budget proposal, which is, “pretty much a status quo budget.” Revenues have caught up enough to cover costs. There is very little within the budget proposal that significantly changes any funding within the human services area. In fact, there are some very minor improvements in revenue. The federal budget landscape is unknown at this time. There is the possibility that the Trump administration will propose changes in funding for some of the Agency’s major programs and for Congress to act on them. It is not known if there will be an elimination or reduction of federal funding in the SFHSA budget. Executive Director Rhorer and Deputy Director Kaplan are monitoring federal activities closely and will report updates to the Commission at future meetings.

Deputy Director Kaplan explained that the \$8.2 million reduction in the Agency’s general fund budget for FY 2025-26 is a reduction from the second year of the biennial budget that was approved in July 2024. \$2 million of reductions will come from the Department of Disability and Aging Services (DAS) community based organizations (CBO) grants spending managed by the DAS Office of Community Partnerships, though the specific amounts from specific contracts have yet to be determined. Continued analysis of the contracts by the SFHSA budget team is needed along with further discussions with the Mayor’s Office, all occurring over the next month. Another \$2.2 million in reductions will come from new state revenues within the CalFresh and Medi-Cal programs as there is no plan for growth in the budget year; current year allocations exceeded current year budget. Finally, \$4 million in reductions comprises duplicative and surplus services and program redesign, the specifics of which are in process and will be shared with the Commission over the next months. The reductions under the Human Services Commission’s purview (i.e., \$4.2 million) were summarized in this chart:

Item	Approximate General Fund Reduction Amount	Service Impact
Alignment of various service budgets with current spending levels	-\$1M	No impact to current levels of delivered service, as this action aligns budget with actual usage
Program redesign, reduction or elimination	-\$3M	Strengthened relationship between investments/services and program objectives; redirection of funds from programs that no longer serve their original purpose; elimination of programs/services that are no longer necessary.
Maximize new State revenue	-\$2.2M	No service impact. This revenue will reduce the Agency's reliance on City General Fund moving forward.

*Remaining solutions used to reach \$8.2M target are derived from DAS Programs

Deputy Director Kaplan moved on to a slide comparing FY 2024-25 budget-by-program with FY 2025-26 budget-by-program. FY 2024-25 budget for all programs was \$721.9 million with FY 2025-26 at \$731.1 million. The overall budget growth of 1.3%, i.e., \$9.2 million, from one budget year to the next is largely due to an increase in salary and benefits costs (e.g., new labor agreements, healthcare costs).

The following slide compared the fiscal year 2024-25 FTEs by program, comprising 1,981 FTEs, with FY 2025-26. There is no change in the overall

number of FTEs from one year to the next. However, FTEs are shifted, particularly within ESSS, where positions from Program Support Operations and Workforce Development are shifted to SFBN in FY 2025-26.

The slide showing changes in the budget by category from FY 2024-25 to FY 2025-26 predominantly reflects the growth in salary and fringe costs. Built back into the budget is \$2.8 million for personnel. Recent robust hiring efforts have filled any headcount loss from the pandemic. One-time money in fiscal year 2024-25 of \$3.5 million for professional services represents moving costs, including 600+ staff from 170 Otis Street and 500 staff from 1235 Mission Street to 1440 Harrison Street and 1455 Market Street along with other moves of programs/teams from one building or floor to another at other buildings. The decrease in aid payments from FY2024-25 to FY 2025-26 is largely due to lower than anticipated caseloads in FCS.

In the slide comparing fiscal year 2024-25 budget by source (i.e., by type of revenue) with FY 2025-26, federal revenue increases by ~2% and state revenue by ~1.6%, then a slight offsetting decrease in local revenue, with total growth from year to year at 1.3% or \$9.2 million.

Deputy Director Kaplan closed his presentation with an overview of the local budget process timeline: the Agency proposed budget is due to the Mayor on February 21, then the Mayor submits his budget to the Board of Supervisors (BOS) on June 1. A month of BOS Budget Committee hearings follows and then the budget is considered at the BOS in July.

President Kahn's call for public comment yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission approved the DEPARTMENT OF BENEFITS AND FAMILY SUPPORT AND HUMAN SERVICES AGENCY FISCAL YEAR 2025-2026 & 2026-2027 BUDGET PROPOSAL.

HOMELESS
PRENATAL
PROGRAM

Vladlena Gulchin, Program Support Analyst with FCS, presented the request to modify the existing grant agreement with HOMELESS PRENATAL PROGRAM.

President Kahn's call for public comment yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission approved the request to modify the existing grant agreement with HOMELESS PRENATAL PROGRAM for the provision of the Bringing Families Home Program; during the period of February 1, 2025 through June 30, 2027; in the additional amount of \$2,107,784, plus a 10% contingency, for a revised total grant amount not to exceed \$8,870,749.

REFUGEE SERVICES
PLAN UPDATE

Andy Beetley-Hagler, Immigrant & Refugee Services Coordinator, presented the request for approval of the County's REFUGEE SERVICES PLAN UPDATE.

President Kahn's call for public comment yielded no responses.

On motion of Commissioner Coghlan McDonald, seconded and unanimously carried, the Commission approved the County's REFUGEE SERVICES PLAN UPDATE for the period of October 1, 2024 through September 30, 2025.

GENERAL PUBLIC
COMMENT

President Kahn's call for general public comment yielded no response.

ADJOURNMENT

President Kahn adjourned the meeting at 1:42pm.



Elizabeth LaBarre
Commission Secretary
Human Services Commission

Posted: 2/25/25