



MEMORANDUM

TO: Aging and Adult Services Commission Finance Committee
 THROUGH: Shireen McSpadden, DAAS Executive Director
 FROM: Daniel Kaplan, Deputy Director of Administration,
 Human Services Agency (HSA)
 DATE: January 17, 2018
 SUBJECT: Department of Aging and Adult Services Budget
 for FY 2018-19 & FY 2019-20

While the City’s budget projections show a strong economy, slowing revenue growth and increasing expenditures are resulting in a citywide deficit of \$88.2 million for FY 18-19 and \$173.4 million (cumulative) for FY 19-20. The Mayor’s Office has asked for all City departments to reduce their General Fund budgets by 2.5% in each budget year. For the Human Services Agency, this results in an ongoing budget reduction target in each fiscal year:

	FY 2018-19 (2.5% GF)	FY2019-20 (5.0% GF)
Ongoing Reduction	1,302,839	2,605,678

In addition, because employee costs are largest driver of deficits, the Mayor’s Office has also asked that departments not grow their overall staffing levels.

HSA Budget Strategies

HSA is using the following principles in building its proposed budget:

- Maintain client services
- Maximize revenue opportunities in existing programs
- Look for opportunities to repurpose existing position vacancies and funds to meet new needs

HSA held a community budget meeting on January 8th. We will continue to reach out to and work with our community partners to ensure that input from the community is received and incorporated into the development of the budget.

In prior years, HSA was able to leverage State and Federal revenues to meet budget reduction targets and grow programs. This year, many of these revenues are declining or will remain flat in the coming year. We continue to work through state organizations, including the County Welfare Directors’ Association, to support improvement of administrative funding in major program areas.

DAAS Program Highlights and Initiatives

Direct Services Division

In-Home Supportive Services (IHSS)

DAAS continues to work through the financial implications of the revised Maintenance of Effort funding arrangement for IHSS. Since the adoption of the FY 17-18 budget, the State has provided additional information on the impact of the revised Maintenance of Effort cost share, including increases to the City's share of costs for (1) wage increases for IHSS providers, (2) services provided through the IHSS contract with HomeBridge, and (3) a cap on administrative expenditures. HSA estimates that total increase to the City in FY 17-18 for implementing the new provisions of the IHSS Maintenance of Effort will be \$19.9 million, an increase of \$8.8 million above the original budget for FY17-18. The Board of Supervisors recently passed supplemental budget legislation introduced by the Mayor to address these additional needs in the DAAS budget by tapping into a state budget reserve.

IHSS Liabilities in FY17-18	Projected Cost
FY 2017-18 Increase in Maintenance of Effort Cost Share	\$10,000,000
Local Share of Increase in Minimum Wage from \$13/hr to \$14/hr	3,700,000
Local Share of Increased Contract Mode Rate	2,500,000
Local Share of Administrative Cap Reductions	3,700,000
TOTAL Revised Increased Costs above FY 2017-18 base	19,900,000
FY 2017-18 Budgeted Increase	(11,100,000)
TOTAL Supplemental Need	\$ 8,800,000

HSA anticipates additional increases in the City's Maintenance of Effort cost share in FY 18-19 due to the State's 5 percent inflation factor in calculating the Maintenance of Effort cost share, a reduction in State General Fund allocation available to offset the impacts, and the increase in the City's minimum wage from \$14/hr. to \$15/hr. The Mayor's citywide budget projections accounted for these increased costs in FY 18-19 and beyond as part of deficit projections noted above.

Homebridge provides contract mode IHSS services to some of the city's most vulnerable IHSS consumers including those who are unable to supervise their own care due to significant mental health issues or cognitive impairment. Since the city's voter approved minimum wage ordinance went into effect in May 2015, Homebridge's home care attendants have been paid the minimum wage. As a result, it has been much harder for Homebridge to maintain its workforce, significantly impacting the CBO's ability to provide care to over 1,000 older adults and adults with disabilities. In fact, Homebridge has been reporting an annual staff turnover rate of 60-70%. In an effort to improve recruitment and retention efforts, with the Mayor's support, Homebridge will transform its home care pay structure from a single minimum wage to a multi-tiered wage structure, providing enhanced wages based on the complexity of client needs and skill development. This tiered wage will range from \$2 to \$3 an hour above minimum wage. DAAS leadership and Homebridge believe that the enhanced wages will allow Homebridge to provide consistent, high-quality, and critically-needed home care services, reducing the risk of hospitalizations, evictions, and other crisis situations for clients.

Adult Protective Services

Last year, Adult Protective Services successfully launched a High Risk Self-Neglect and Eviction Prevention Unit made up of Licensed Clinical Social Workers with enhanced training to support cases

involving high risk self-neglect, hoarding and cluttering conditions, substance abuse, and risk for eviction or loss of housing. In the current year, APS will establish program-based specialists to handle complex cases of financial abuse and protection. In FY 16-17, DAAS received over 1,700 reports of suspected financial abuse. It is difficult for prosecutors to obtain substantive evidence and procure convictions in these cases. This specialized APS team aims to enhance criminal justice investigations and support prosecutions in financial abuse situations that target vulnerable adults and seniors. The team will establish collaborative casework processes and work closely with SFPD's Special Victims Unit, the Elder Abuse Forensic Center, the District Attorney's Office, and the Family Violence Council's Elder Justice Subcommittee.

Public Conservator

As part of a collaboration with the Department of Public Health and the Department of Homelessness and Supportive Housing, DAAS is working to improve the city's response to gravely disabled, acutely mentally ill individuals. This approach includes implementation of a community-based conservatorship program, a service model that transfers some conservatees directly from an acute care setting to a community setting where they will receive mental health treatment, intensive case management, access to stable housing, and court-authorized involuntary medication authorizations with court oversight. Additionally, DAAS is working to expand its existing Community Independence Participation Project (CIPP), which provides public conservatorship support for persons who voluntarily consent to participate in a collaborative court model and can safely reside in the community (as opposed to a locked psychiatric facility). In total, the CIPP has served 47 clients since inception in 2011; 18 clients are currently active in the program.

Public Guardian

The Office of the Public Guardian is improving the new client referral process for the benefit of the community and providers. In collaboration with HSA's Innovation Office and in response to feedback gathered through a hospital-based survey, DAAS is developing a streamlined referral packet that will be accessible through an online portal. These enhancements are intended to improve the efficiency and transparency of the referral process.

Mobile Work

DAAS is implementing Mobile Work for field staff who provide direct social services in the community. After completing a one year pilot, the Adult Protective Services has fully adopted Mobile Work; the IHSS program has initiated a pilot, and the Offices of the Public Conservator and Public Guardian are in the early stages of development. Mobile Work promotes cost-savings and also allows for increased efficiencies. By reducing travel time to and from the office, workers are able to complete more work in the field; with Mobile Work participants able to share work spaces, administrative costs are contained. Anecdotally, staff members who have elected to participate in Mobile Work tend to express high satisfaction – the policy has reduced commute time and associated costs and has been cited as supporting positive morale.

Community Services Division

Dignity Fund

In the current fiscal year – the first year under the Dignity Fund charter amendment – DAAS received \$6 million in new funding for services that support older adults and people with disabilities to live in the community. Working with the Dignity Fund Oversight and Advisory Committee, DAAS developed an allocation plan to expand existing services and issued seven Requests for Proposals for new programming. The new programs include innovative community services, caregiver respite, LGBT legal/life planning, nutrition services, technology at home, veterans services, and consultant support to facilitate planning for a disability cultural center.

As part of the Dignity Fund legislation requirements, DAAS is conducting a comprehensive Community Needs Assessment (CNA) that will be completed by the end of the fiscal year. To date, the CNA process has included community forums, a community survey, and focus groups. The process will include an evidence-based equity analysis and gaps analysis to assess current allocation of funding and unmet needs. The CNA will help inform service allocation for the four year period beginning with FY 19-20. The FY18-19 budget will include an additional \$3 million in new Dignity Fund appropriation.

Office on Aging (OOA)

In FY 17-18, OOA received \$4.8 million in enhancements and addbacks from the Mayor and Board of Supervisors. Half of this new funding (\$2.4 million) was dedicated to the expansion of nutrition services, including \$500,000 from the Mayor's Office. The largest single enhancement was a one-time Board addback of \$1.5 million for rental subsidies. OOA is preparing to put out Requests for Proposals for community services and case management programs in the current year.

County Veterans Service Office

The County Veterans Service Office (CVSO) assists veterans and their dependents to obtain U. S. Department of Veterans Affairs' benefits and entitlements. CVSO represents veterans, their dependents and survivors during the benefits claims process. In FY 16-17, CVSO served approximately 2,800 unduplicated individuals. During that year, CVSO veterans were awarded \$3.68 million in retroactive benefits and approved for ongoing benefits totaling \$341,000 per month (average monthly benefit: \$435).

Long-Term Care Operations

In FY 16-17, DAAS launched the Support at Home pilot, which subsidizes home care costs for older adults and adults with disabilities that have both financial and functional need for home care but are unable to fully afford private pay home care and are ineligible for other subsidized home care programs (e.g., In-Home Supportive Services, the Community Living Fund). Administered by the Institute on Aging, the program will serve 175 to 250 clients annually and requires clients to contribute towards their home care costs on a sliding scale. This pilot originated from a community workgroup facilitated by former Supervisor Eric Mar and is funded for two years. DAAS has contracted with researchers from University of California-San Francisco to conduct a program evaluation.

Age- and Disability-Friendly San Francisco Task Force

In 2014, Mayor Lee petitioned the World Health Organization to accept San Francisco as part of its "Global Age-Friendly Cities Project," notably including adults with disabilities as part of the project focus. The local effort began with a Long-Term Care Coordinating Council workgroup that transitioned to an Age- and Disability-Friendly (ADFSF) Task Force in 2017. Meeting monthly, the ADFSF Task Force assessed local assets and gaps that impact the ability of older adults and people with disabilities to live engaged and fulfilling lives in San Francisco. Co-chaired by the Mayor's Senior Health Policy Advisor and the Executive Director of the IHSS Public Authority and staffed by DAAS, the ADFSF Task Force consisted of consumers and representatives from city departments, community-based organizations, academia, and business. The ADFSF is moving into the next phase of the project with the creation of an ADFSF Implementation Workgroup charged with monitoring the progress of the 24 recommendations developed by the Task Force.

HSA Program and Administrative Support

HSA's Program Support functions are comprised of the following divisions, Planning, Administration (Budget, Contracts, Finance, Human Resources, Information Technology, Facilities/Operations, and

Investigations), and Central Management. Program Support will be looking to maintain cost-effective, efficient services in support of DAAS in the year ahead.

Next Steps

At the next meeting of the Department of Aging and Adult Services Commission, we will present you with a full proposal of the DAAS budget for FY 2018-19 and FY 2019-20, for your review and final approval.