



**SAN FRANCISCO
HUMAN SERVICES AGENCY**

Department of Benefits
and Family Support

Department of Disability
and Aging Services

Office of Early Care
and Education

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MEMORANDUM

| | |
|----------|--|
| TO: | Benefits and Family Support Commission |
| THROUGH: | Trent Rhorer, Executive Director |
| FROM: | Daniel Kaplan, Deputy Director of Administration, Human Services Agency (HSA) |
| DATE: | January 28, 2021 |
| SUBJECT: | Human Services Agency and Department of Benefits and Family Support Budget for FY 2021-22 & FY 2022-23 |

The City’s budget projections forecast continued weakness in local revenues and increasing expenditures, largely stemming from the COVID-19 pandemic and ensuing economic recession. These events will lead to a projected citywide deficit of \$411.1 million in FY 21-22 and \$242.1 million FY 22-23. The Mayor’s Office has asked for all City departments to reduce their discretionary General Fund budgets by 7.5% in FY 2021-22 and FY 2022-23. They have also asked for a 2.5% contingency reduction that would be available to implement if conditions worsen. For the Human Services Agency, including all three of its departments and its administrative division, this results in an ongoing budget reduction target in each fiscal year:



London Breed
Mayor

Trent Rhorer
Executive Director

| | FY 2021-22 | FY 2022-23 |
|--|-------------------|-------------------|
| Ongoing Reduction (7.5%) | \$7,328,543 | \$7,328,543 |
| Contingency (2.5%) if fiscal conditions worsen | \$2,442,848 | \$2,442,848 |



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The Mayor's Office has also asked that departments not grow their overall staffing levels. The Mayor has made clear her intention to prioritize efforts that support the City's economic recovery, COVID response, homelessness services, and initiatives that advance racial equity.

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 will work to leverage State and Federal revenues to meet budget reduction targets in the coming year. As a safety net agency, many of our revenues are tied to our caseloads, and our caseloads rise during economic downturns. The relative health of the State's budget, as well as the passage of several substantial federal relief measures, has led to higher than anticipated revenues in the current year. We anticipate that those will continue in the budget year, and may allow us to offset some local funding while maintaining service levels.

Program Highlights and Initiatives

COVID-19 Response Effort

In 2020, HSA collaborated with the Departments of Public Health (DPH), Emergency Management (DEM), Homelessness and Supportive Housing (HSH) and Disaster Services Workers (DSWs) from across the City who were deployed to the COVID Command Center (CCC) to stand up and operate a COVID-19 sheltering and feeding operation.

Shelter

The COVID-19 shelter operation is comprised of both non-congregate shelter, including hotel rooms and RVs, and congregate shelter. The



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COVID-19 shelter response provides two types of non-congregate shelter:

- Shelter-in-Place (SIP) sites: These rooms are occupied by individuals at high risk of severe illness, such as those age 60 or older and/or who have a chronic health condition and who cannot shelter in place because they are experiencing homelessness, which places them at greater risk for exposure to COVID-19.
- Isolation and Quarantine (I&Q) sites: These rooms are occupied by individuals who have tested positive for COVID-19, have been exposed to COVID-19 and are waiting for test results, or are showing symptoms and cannot safely isolate at home. Clients receive appropriate medical monitoring and support, freeing up hospital capacity.

As of December 2020, San Francisco had opened 2,851 non-congregate hotel rooms or RVs. Of these, 2,592 are reserved for SIP clients and 259 for I/Q clients. For clients in SIP sites, the average length of stay as of December was 115 days. For I/Q clients, the average length of stay was 9 days. San Francisco has also opened 200 new congregate shelter beds available to any individual experiencing homelessness regardless of age or COVID-19 risk.

At full capacity, the COVID-19 shelter operation (including SIP, I/Q, and congregate shelter) costs the City approximately \$25M per month. While the budgets for the shelter operation were not originally housed at HSA, approximately 58% of expenditures for hotel lease, food, and security costs flow through HSA. In order to keep up with these expenditures, HSA has received budget from HSH and DPH.

Feeding

This year, the Human Services Agency has taken a lead role in the City's emergency response to the Covid-19 public health emergency. In addition to the Agency's critical work on sheltering San Franciscans during the crisis, the Department of Disability and Aging Services (DAS) has been the lead department in addressing the City's dramatic spike in food insecurity. The outbreak of Covid-19 both exacerbated existing food insecurity and created new food needs among many San Francisco residents. Individuals with heightened risk of infection—due to factors such as age, health status, living conditions, and/or systemic inequities—have faced particular challenges in safely obtaining the



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food they need. As part of the City's response to this pandemic-driven increase in demand for food resources, \$46.7 million was added to the DAS budget in the current fiscal year. Deployment of this budget follows a generally program-based, Citywide approach, and has positively impacted many thousands of residents since the pandemic's outset.

The City's partnership with the San Francisco-Marin Food Bank represents its primary mass food support strategy, providing groceries to anyone in need of food assistance. The program has distributed just shy of 500,000 bags of groceries through December, and serves roughly 20,000 households per week. Great Plates Delivered—a State/Federal/Local partnership—provides three home-delivered restaurant meals per day to eligible seniors, while also supporting small businesses; Great Plates has delivered almost 1,500,000 meals since its launch in May, and currently has over 2,600 enrollees. The Isolation and Quarantine Helpline delivers meals and/or groceries to food insecure households with a positive or suspected Covid-19 case, allowing recipients to shelter in place and minimize spread of the virus; utilization is closely tied to Citywide transmission rates so demand has fluctuated, but to date the program has provided food assistance to over 15,000 residents. Funding has also been directed to the established DAS nutrition network of meal and grocery providers, most of whom have been overserving—some dramatically—their original budgetary allocations for the current fiscal year. Financial support through the City's food budget has also targeted specific communities, areas and populations. The City has delivered Latinx-focused services primarily in the Mission, meals in place at homeless encampments, and to low-income residents in Single Room Occupancy (SRO) hotels throughout the City, to name just a few of these diverse efforts.

Lastly, HSA is working in collaboration with the City's Cost Recovery team to ensure that all eligible costs associated with the shelter and feeding operations are claimed to FEMA, and other revenue sources are allocated appropriately.

SF Benefits Net — Medi-Cal & CalFresh

SF Benefits Net (SFBN) has seen a steady rise of monthly active Medi-Cal and CalFresh cases throughout the pandemic primarily resulting from the City's economic shutdown and from emergency state and



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federal policy changes made to ease enrollment. SFBN has suspended several policies that might otherwise have discontinued clients from their benefits. These include the Able-Bodied Adults Without Dependents (ABAWDs) work mandate, as well as ongoing benefits renewal and recertification deadlines. While these policy suspensions have helped to keep clients enrolled in benefits, they will eventually be lifted which will result in a backlog of work for SFBN's eligibility and operations staff. SFBN also saw a substantial increase in requests for Expedited Services CalFresh, which are emergency applications that must be determined within 3 days.

In the interests of keeping staff and clients safe, SFBN utilized telecommuting and other digital alternatives to in-person interactions. HSA applied for and received a USDA grant for Process and Technology Improvement aimed at developing a virtual service counter for CalFresh applications. The service counter will be particularly helpful to clients with limited English proficiency, and will further train CalFresh staff to work in a telecommuting environment. The project is in its early stages, but is expected to become a permanent fixture in CalFresh's future operations.

SFBN has also stationed staff at Shelter-in-Place sites, where they serve as the initial intake for potentially eligible benefits recipients.

Homeless Benefits Linkages (HBL)

In 2019, HSA created the Homeless Benefits Linkages program to implement innovations in assisting people experiencing homelessness to apply for CAAP, Medi-Cal, and CalFresh benefits, meeting clients where they are instead of requiring them to come to a government office. HSA Eligibility Workers (EWs) maintained a steady presence in homeless shelters, Navigation Centers, and Coordinated Entry Access Points through a partnership with the Homeless Outreach Team (HOT), CBO providers, and staff from Episcopal Community Services, who complete online benefits applications which are then processed onsite by outstationed Eligibility Workers. At the start of the pandemic, HSA transitioned staff to conducting outreach at Shelter-in-Place hotels. Since mid-September, the outreach workers have submitted 648 CalFresh applications, 268 CAAP applications, and 357 Med-Cal applications at the Shelter-in-Place hotels.



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In 2018, HSA began working with Tipping Point as part of its Chronic Homeless Initiative, which is funding SSI Advocacy through an attorney-based model in order to expand access to SSI advocacy for specific populations. These include CAAP SSI applicants who are dually diagnosed with co-occurring mental health and substance use conditions or at an SSI appeal level, people staying in shelters and Navigation Centers, transition age youth 18-24, and people attending Project Homeless Connect and street outreach health fairs. To date, 231 clients have been accepted for legal representation, and 69 have been awarded SSI. HBL has been tracking program metrics, and is finalizing its assessment of this pilot program's effectiveness in order to inform future decisions around designing and investing in City-sponsored SSI advocacy services when the budget situation improves.

HSA has also continued to operate the Housing and Disability Advocacy Program (HDAP), through which HSA collaborates with HSH to use the funds to provide permanent housing for program participants. This funding builds on CAAP's existing SSI Advocacy Program by enhancing the housing resources available to homeless clients. In the 2020-21 fiscal year, HSA expanded its use of HDAP funds to support an additional 28 homeless clients residing at Shelter-in-Place hotels. To date, 58 clients have been placed in permanent supportive housing through the program, and 29 HDAP clients have been awarded SSI. A greater number of clients have received SSI advocacy services.

County Adult Assistance Programs (CAAP)

CAAP responded to the COVID pandemic with multiple technological advancements that have enabled clients to enroll in and maintain their benefits from home to the greatest extent possible. CAAP expanded its use of an online application portal, trained its eligibility workers to perform more phone interviews, and expanded its texting capabilities to send clients text reminders one week before upcoming appointments. CAAP has successfully replaced all in-person interviews with digital alternatives, with the exception of medical assessments which require in-person examinations.

CAAP has also connected with potentially eligible CAAP clients residing in the City's Shelter-in-Place hotels via Medi-Cal and CalFresh



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outreach workers. These outreach staff perform initial assessment of the clients' eligibility for multiple HSA benefits programs, including CAAP.

For most of the 2020-21 fiscal year, CAAP suspended its workfare requirements for CAAP recipients, allowing clients to receive their monthly cash grant without having to meet a minimum number of work hours. This policy decision sought to align with the City's directive for residents to remain at home. Other CAAP aid renewal and recertification deadlines were suspended as well for some months, but will be resumed once pandemic conditions improve.

Lastly, CAAP is building a Quality Assurance (QA) program to better understand client discontinuances, and facilitate improved task workflows between different CAAP divisions. So far, the QA program has already provided insight into staff training needs and necessary interventions that reduce client churn.

CalWORKs and Workforce Development

In light of the COVID-19 pandemic, CalWORKs relaxed its requirement of welfare-to-work hours as a condition of receiving benefits, by issuing more good cause exemptions. CalWORKs also halted counting COVID months towards clients' lifetime benefits clock, and raised the Income Reporting Threshold (IRT) to enable families on slightly higher incomes to still access CalWORKs support services.

The CalWORKs Housing Support Program (HSP) has seen further increased demand among clients. Having historically faced challenges finding affordable housing in San Francisco for families, HSA partnered with the State and other Bay Area counties to deliver regional approaches to HSP service delivery that help participants access and maintain housing and services more easily as they move across counties. HSA received an additional \$1.5 million of base allocation in FY 2020-21 to raise its annual housed CalWORKs families target from 146 to 165. The additional funds have also enabled HSP to offer temporary rooms, including hotel rooms in the City's shelter-in-place inventory, for families awaiting transition to housing.



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HSA's Workforce Development division expanded its Wage Subsidy program, as well as other JobsNow employment services, in an effort to combat the detrimental effects of the pandemic on jobs and businesses. HSA expanded its pool of eligible participants to include individuals receiving Unemployment Insurance Benefits (UIB), and increased its maximum wage subsidy to businesses willing to bring HSA clients into their staff.

Workforce Development also administered other programs in 2020 aimed at general economic recovery, including the City's COVID paid sick leave reimbursement to small businesses, and the Working Families Tax Credit following the end of the 2019 tax year season.

Family & Children's Services (FCS)

FCS continues to navigate several evolving landscapes, notably the end of the Title IV-E Waiver and entry into the Family First Prevention Services Act (FFPSA).

The Title IV-E Waiver provided a higher level of revenue that allowed FCS to make multiple program and staffing investments to strengthen its child welfare programs. When the waiver ended in September 2019, it created a significant revenue shortfall in the FCS budget. The additional costs of staffing and programs under the waiver were then added on top of their existing budget. Since then, FCS has been working to gradually implement cost reductions to its programs. As part of this process, FCS had identified roughly \$1.5M of savings in its contracts and work orders and has begun work to identify and prioritize core staffing and services. FCS has also initiated efforts to reallocate staffing resources to further bring costs in line with revenues.

Some one-time revenues have helped to reduce the revenue shortfall and ease the transition, including the Families First Preventative Services Act Transition Revenue which provides \$7M in FY20-21 and \$1M in FY21-22. Going forward, the Families First Preventative Services Act (FFPSA) will allow states and counties to draw down Federal match on certain certified and approved preventive services expenses. FCS is currently exploring ways to access these funds by modifying existing programs.



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FCS has maintained excellent service delivery to families, while keeping both staff and clients safe in the pandemic environment. Staff and clients have been issued technological equipment to enable digital communication wherever possible. Staff who perform in-person interactions are issued Personal Protective Equipment (PPE), and FCS has organized cross-division support to ensure uninterrupted case coverage in the event that workers fall ill.

Program Support

HSA's Program Support functions include Planning, Communications, Innovation Office, Budget, Contracts, Finance, Human Resources, Information Technology, Facilities/Operations, Investigations, and Disaster Preparedness. These groups provide support to the Department of Benefits and Family Support, Department of Disability and Aging Services, and Office of Early Care and Education.

In FY 2019-20, the Agency established an Office of Diversity, Equity, Inclusion, and Belonging (DEIB) led by a newly hired DEIB manager. Since its creation, the Office of DEIB has worked to increase staff's understanding and awareness of racial equity issues, meet the Agency's legislative mandate to complete a Racial Equity Action Plan in accordance with the citywide racial equity framework established by the citywide Office of Racial Equity, and operationalize the recommendations from the report completed in FY 2018-19 entitled, "Advancing Racial Equity at the SFHSA: Opportunities in Hiring, Promotion, and Organizational Culture". HSA continues to participate in Government Alliance on Race and Equity (GARE), a national network of local and regional governments, for technical assistance, interregional and interregional collaboration of its racial equity work, and conformity with best practices in the racial equity sector. The Office of DEIB reconvened a new diverse cohort of 27 staff from a variety of different job classifications to participate in a Racial Equity Work Group (REWG) during FY2020-21. Staff in the REWG are receiving advanced racial equity training and development to take a leadership role in advancing racial equity at HSA. They provide input on the implementation of efforts to increase equity and fairness in hiring and workforce development, create opportunities for broad staff engagement in racial equity work, and participate in citywide racial equity initiatives.



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The Information Technology (IT) division was central to converting HSA to widespread telecommute work, procuring the requisite hardware and software as well as assisting HSA staff throughout the conversion. The IT Division also continued its transition to a new statewide automated welfare system that will come into effect in 2023. Over the next two years, HSA's CalWIN client benefits portal will be consolidated with two other California benefits systems into a single Statewide Automated Welfare System (CalSAWS).

HSA unveiled a new brand that reaffirms our three City Departments' unified purpose to serve San Francisco by establishing a visual identity and updated mission and vision that speaks to the agency's strategic direction and actions. HSA's new cohesive brand identity reflects its values and makes its services more recognizable and accessible to the communities it proudly serves. HSA is incorporating the brand visuals and core messages into its materials, signs, and publications.

In July 2018, DPW completed a seismic evaluation of 170 Otis Street, which was determined to have a seismic hazard rating of SHR4. A permanent relocation of all staff – including major programs such as Family and Children's Services and CalWORKs, as well as HSA's Facilities/Operations Program and its Executive Offices – from 170 Otis Street are currently being explored. The pandemic has also spurred HSA to consider the long-term role of telecommuting in its future office space planning.

Next Steps

HSA will review and finalize its new program initiatives for FY2021-22, over the coming two weeks. HSA will factor the Mayor's policy directives, budget feasibility, and racial equity criteria into its decisions. These decisions will be presented to you at the next Benefits and Family Support commission meeting, where you may review and approve the full proposal of HSA's budget for FY 2021-22 and FY 2022-23.