



MEMORANDUM

TO:	Human Services Commission
THROUGH:	Trent Rhorer, Executive Director
FROM:	Daniel Kaplan, Deputy Director of Administration, Human Services Agency (HSA)
DATE:	January 23, 2020
SUBJECT:	Department of Human Services Budget for FY 2020-21 & FY 2021-22

While the City’s budget projections show a strong economy, slowing revenue growth and increasing expenditures are resulting in a citywide deficit of \$195.4 million for FY 20-21 and \$224.1 million for FY 21-22. The Mayor’s Office has asked for all City departments to reduce their discretionary General Fund budgets by 3.5% in FY 2020-21, and 7% in FY 2021-22. For the Human Services Agency, this results in an ongoing budget reduction target in each fiscal year:

	FY 2020-21 (3.5% GF)	FY 2021-22 (7% GF)
Ongoing Reduction	\$2,200,219	\$4,400,439

Furthermore, due to employee costs being the largest driver of deficits, the Mayor’s Office has asked that departments not grow their overall staffing levels. To the extent that the financial picture improves, or one-time revenues become available, the Mayor has made clear she will target new investments towards homelessness, mental health and clean streets.

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 attempt to leverage State and Federal revenues to meet budget reduction targets in the coming year. It will continue to work through state organizations, including the County Welfare Directors’ Association, to support improvement of administrative funding in major program areas. With the State economy’s strength, HSA anticipates modest revenue growth in its State allocations.

Program Highlights and Initiatives

SF Benefits Net — Medi-Cal & CalFresh

SF Benefits Net (SFBN) began enrolling SSI recipients who became newly eligible for CalFresh in June 2019. Under state law, since 1974, Supplemental Security Income (SSI) recipients in California had been ineligible for CalFresh and instead received an additional \$10 in their SSI grant. The State Legislature changed this policy as part of its FY 2018-19 budget process. Based on statewide analyses, HSA had estimated that 12,600 SSI recipients would become newly eligible for CalFresh, and an additional 4,200 existing CalFresh households containing an SSI recipient would experience a change in their benefit amount. As of December 2019, 54% of all potentially eligible recipients have applied for CalFresh, and 20,425 SSI recipients are now receiving CalFresh. SFBN has opened new outstations located in or near zip codes with high volumes of SSI recipients, and is looking to add an additional two outstations. SFBN is also running a second call campaign to contact SSI recipients who have not yet applied, and planning several enrollment events at housing sites.

SFBN has also improved CalFresh outreach through the Women, Infants, and Children (WIC) Program, partnering with the Department of Public Health (DPH) to staff a WIC employee at 1440 Harrison, and establishing CalFresh outreach at WIC outstations.

In late 2019, the California Department of Health Care Services (DHCS) awarded HSA a two-year \$1 million grant for the Medi-Cal Outreach Navigators Project. This project contains three initiatives, performed in collaboration with City partners:

1. DPH/Behavioral Health Services (DPH/BHS) – Partnering with DPH/BHS to build capacity within behavioral health clinics for Medi-Cal application and retention assistance to clients with mental health/substance abuse disorders.
2. DPH/UCSF Pregnancy Village (PV) – Incorporate Medi-Cal application assistance into a mobile outreach strategy targeting low-income pregnant women in the Bayview/Hunters Point, with the goal of reducing pre-term births and other negative birth outcomes.
3. Building Medi-Cal outreach and application assistance capacity in the new, proposed Navigation Centers set to open in 2020.

San Francisco continues to operate under the Able-Bodied Adults Without Dependents (ABAWDs) regulations. CalFresh clients who are working-age (18 to 49) and not exempted under the regulations are required to work or participate in other work-like activities in order to maintain CalFresh for more than three months over the course of three years. SFBN has identified 11,120 ABAWDs in San Francisco, of which 9,094 are categorically exempt. SFBN continues operating its specialized eligibility unit to specifically track the ABAWD caseload, apply exemptions, and outreach to affected clients to assist with work activity compliance. In 2019, the State regulations allowed San Francisco to continue applying discretionary exemptions to all non-compliant ABAWD clients, preventing their benefits from being discontinued. However, a recent federal rule change will significantly reduce the number of clients who can receive discretionary exemptions beginning as soon as June 2020.

CalWORKs and Workforce Development

In FY 2019-20, the CalWORKs program expanded its Families Rising Home Visiting Program (HVP), which promotes healthy child development and family economic stability. CalWORKs has trained its HVP case managers in the evidence-based Parents as Teachers home visiting model, and secured two dedicated Public Health clinicians to provide behavioral health support to families in the clients' homes.

The CalWORKs Housing Support Program (HSP) remains in high-demand among clients, and is now part of the new citywide coordinated entry system for family homeless services. The program has faced challenges finding affordable housing for families, even with subsidies, in San Francisco and around the Bay Area. As a result, HSA has partnered with the State and other Bay Area counties to explore regional approaches to HSP service delivery that will help participants access and maintain housing and services more easily as they move across counties. HSA received an additional \$1.6 million of base allocation in FY 2019-20 to raise its annual housed CalWORKs families target from 110 to 146. The additional funds have also enabled HSP to offer temporary rooms for families awaiting transition to housing, and cover moving and rent expenses for HSP-eligible families.

The CalWORKs Outcomes and Accountability Review (Cal-OAR) emerged from State Bill 89 in 2017-18, setting a new framework for performance measurement and continuous improvement in county CalWORKs programs. Cal-OAR directs County departments to collect data, design and test strategies for program improvement, and disseminate best practices in service delivery. HSA received a special allocation for Cal-OAR purposes, and is currently laying the administrative infrastructure to implement this new performance measurement system.

HSA's JobsNow program expanded its Career Pathways capacity from 30 to 50 slots, strengthening the opportunity for more Public Service Trainees (PSTs) to find permanent employment with the City. Career Pathways affords an additional three years of temporary employment with HSA or other City departments, and earns its participants automatic minimum qualification for permanent positions in their classification.

County Adult Assistance Programs (CAAP)

The CAAP grant has increased twice in the past year in line with CalWORKs grant increases, which are tied to CAAP grants by local ordinance. The CAAP grant increased by 10 percent in April 2019, and an additional 13 percent in October 2019. The top monthly grant amount grew from \$473 to \$588 following these two increases.

CAAP has continued to implement innovations over the past year. CAAP, along with CalFresh/Medi-Cal intake outreach workers, has had a steady presence providing intake services in homeless shelters and Navigation Centers. In FY 2019-20, CAAP has hired 3 additional outreach workers to staff new Navigation Centers. CAAP has also added an additional clinician through its contract with Richmond Area Multi-Services (RAMS) to provide mobile clinical work-readiness assessments. This mobile clinician reduces unnecessary extra client visits to the main CAAP office. RAMS is also training Navigation Center case managers to be able to perform clinical assessments on their own. CAAP also partnered with the Department of Homelessness and Supportive Housing on an "assessment blitz," which resulted in hundreds of homeless CAAP clients being enrolled in the Coordinated Entry System.

CAAP changed work requirements for clients in November 2018, and broadened its offerings of educational opportunities as an alternative to work – a change in practice that can affect over 300 CAAP clients pursuing educational goals. CAAP clients now have a direct link to educational opportunities through HSA's partnership with City College. CAAP allows clients to pursue up to a 24-month vocational training as an alternative to workfare. In addition, to align with new CalFresh workfare rules for ABAWD clients,

clients are on average required to work fewer hours and permitted greater flexibility. These strategies reduce the chance of clients becoming discontinued for failure to comply with the requirements.

CAAP has expanded its Quality Assurance (QA) program to better track why clients discontinue, are denied, or attend fair hearings. The expanded QA program has provided insight into staff training needs and necessary interventions that reduce client churn.

Finally, CAAP has embarked on several technological advancements in its operations. It expanded its use of an online application portal, enabling the general public to apply online. CAAP workers also now perform more phone interviews, which helps clients avoid multiple long visits to the CAAP office. The online portal has been active since July 2019, and monthly online applications have doubled since its launch. CAAP has also expanded its texting capabilities to send clients text reminders one week before upcoming appointments.

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 over the past year, meeting clients where they are instead of requiring them to come to a government office. HSA Eligibility Workers (EWs) have maintained a steady presence in homeless shelters and Navigation Centers through a partnership with the Homeless Outreach Team (HOT) and staff from Episcopal Community Services, who complete online benefits applications which are then processed onsite by outstationed EWs. In early 2020, these services will be expanded to the Department of Homelessness & Supportive Housing (HSH) Coordinated Entry Access Points, which is the unified portal through which people experiencing homelessness are assessed for housing opportunities.

In 2018, HBL 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, 210 clients have been accepted for legal representation, and 31 have been awarded SSI. HBL has been tracking program metrics, and will assess in 2020 the effectiveness of this pilot program in order to decide whether the City should procure these services in the future.

HSA has also implemented the Housing and Disability Advocacy Program (HDAP) for which it received a \$2.4 million State grant from July 1, 2017 through June 30, 2020. HSA is collaborating with HSH to use the funds primarily to provide permanent housing for program participants. The allocation builds on CAAP's existing SSI Advocacy Program by enhancing the housing resources available to homeless clients. To date, 32 clients have been permanently housed through the program, and 13 HDAP clients have been awarded SSI. A greater number of clients have received SSI advocacy services. The State approved \$25 million in annual ongoing funding to continue the program; HSA will apply for these funds in 2020.

Family & Children's Services (FCS)

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

The implementation of CCR has seen increased efforts in recruiting foster families/homes, transitioning from group homes to Short Term Residential Treatment Programs (STRTPs), the expansion of Child and Family Teams (CFTs), and the closure of the Child Protection Center (CPC). To address the closure of the CPC, FCS worked with the Department of Public Health's Child, Youth, and Family System of Care team to develop plans for an emergency placement and support system. This pilot program began in FY19-20, and the CPC was successfully closed in November 2019. The first component of the plan was granted to Alternative Family Services which now maintains a system of emergency foster homes and placements for children. The second component, now referred to as the "HUB," was granted to Seneca Family of Agencies and addresses the placement of high-needs youth (e.g., those with mental health issues including violence, chronic runaway youth, or involvement with sex trafficking). Under the new system, youth receive immediate assessments and treatment at a licensed facility that utilizes an intensive, family-based services model to stabilize youth for long-term placement. Seneca also offers mobile response services to parents and caregivers requesting crisis intervention, thereby reducing entries into care and improving placement stability. FCS has identified funding for the pilot phase in FY 2019-20 and FY 2020-21, but will be evaluating ongoing needs as part of the FY 2020-21 and FY 2021-22 budget planning process.

In September 2019, the Title IV-E Waiver, which allowed FCS and its partners in the Juvenile Probation Department to accept a capped allocation of federal funds in exchange for flexibility to move funds from placement costs to other areas, ended. FCS made multiple program and staffing investments while under the waiver. Funding under the waiver was roughly \$4.7 M greater per year than it will be under the upcoming uncapped system. Going forward, the FFPSA will allow states and counties to draw down Federal match on certain preventive services expenses. California, however, is not expected to implement FFPSA until FY 2021-22. To mitigate the funding gap between the IV-E Waiver and FFPSA, the Families First Transition Act was signed as part of the federal budget in late December. The law will ensure that waiver jurisdictions receive at least 90% of their funding under the waiver in federal fiscal year 2019-20, and 75% of their funding in federal fiscal year 2020-21. It also provided additional, one-time transition funds for all jurisdictions. HSA is still evaluating the impact of this revenue on its plans for addressing the end of the IV-E waiver.

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 Human Services, Department of Aging and Adult Services, and Office of Early Care and Education.

In FY 2018-19, the Planning and Human Resources divisions coordinated HSA's work with the Government Alliance on Race and Equity (GARE), a national network of local and regional governments. HSA is one of 16 City agencies who partner with GARE to ensure that San Francisco is a diverse, equitable, and inclusive city. HSA took its first major step toward advancing and institutionalizing racial equity at the Agency by convening a Racial Equity Work Group made up of HSA staff representing a diverse cross-section of personal and professional backgrounds, as well as varied roles. This work group researched and developed recommendations for a strategic Racial Equity Action Plan, and subsequently published these findings in a report addressing internal operations at the Agency. The report offers policy recommendations related to hiring, professional advancement and leadership development, organizational culture, and data collection and evaluation. HSA has begun implementing these recommendations in FY 2019-20, with the help of a newly hired Diversity, Equity, and Inclusion (DEI) manager.

HSA's Information Technology Division has begun transitioning to a new statewide automated welfare system that will come into effect in 2023. Since 2005, HSA has used the CalWORKs Information Network (CalWIN) as its central eligibility system. Over the next three years, CalWIN will be consolidated with two other California benefits systems into a single Statewide Automated Welfare System (CalSAWS). This consolidation will facilitate client data integration and streamline service delivery, while also costing the State less for system maintenance. HSA is involved in Statewide conversations about the migration to the new system. This multi-year effort will represent a major change to HSA's practice, since CalWIN is at the core of eligibility determination and benefits issuance.

Next Steps

At the next meeting of the Human Services Commission, we will present you with a full proposal of the HSA budget for FY 2020-21 and FY 2021-22, for your review and final approval.