# City and County of San Francisco

# Human Services Agency

Department of Human Services
Trent Rhorer, Executive Director

**MEMORANDUM**

TO: Human Services Commission
THROUGH: Trent Rhorer, Executive Director
FROM: Daniel Kaplan, Deputy Director of Administration, Human Services Agency (HSA)
DATE: January 23, 2018
SUBJECT: Department of Human 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. It will continue to reach out to and work with its community partners to ensure that input from the community is received and incorporated into the development of the budget.

Unlike in prior years, where HSA was able to leverage State and Federal revenues to meet budget reduction targets and grow programs, many of these revenues are declining or 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

## Program Highlights and Initiatives

### Planning for the End of ABAWDs Exemption in CalFresh

CalFresh clients who are working-age (18 to 49), able-bodied adults without dependents (known as ABAWDs) are required to work or participate in other work-like activities in order maintain benefits. Due to high unemployment levels, California has been under a waiver from this requirement for many years. Beginning September 1, 2018, the waiver will end for San Francisco and ABAWDs who do not meet the requirements will only be eligible for three months of benefits in three years unless exempt. Over 11,000 of San Francisco's CalFresh clients are ABAWDs, and the County must develop capacity to evaluate and track those who are exempt (common exemption criteria include disability, homelessness, school attendance, or pregnancy) or are working and meet CalFresh requirements. An estimated 4,200 of San Francisco's ABAWDs clients will be at risk of losing benefits because they are neither exempt nor meeting the work requirements.

Our Workforce Development Division is working to develop workfare, jobs and training opportunities for ABAWDs clients so that they can maintain aid or successfully transition to a stable, paid job. We are currently examining the existing capacity of our programs to serve this new population and to formulate plans for a response in the FY 18-19 budget. In addition, implementation of the policy in FY 18-19 will require eligibility workers to screen for exemptions, track the work participation of non-exempt ABAWDs, and communicate more frequently with non-exempt clients. SF Benefits Net is planning for this workload as a part of its FY 18-19 budget development.

### SF Benefits Net — Medi-Cal & CalFresh

The SF Benefits Net team continues to focus on using training, technology, quality assurance and workflow redesign to improve the customer service experience, increase processing efficiency, and reduce errors in benefits determination. Alongside these operational efforts, HSA has also continued targeted outreach to underserved neighborhoods and populations, including seniors and homeless adults.

HSA has also developed a plan to reorganize the management structure of SF Benefits Net (SFBN), which will be part of its FY18-19 budget proposal. The Medi-Cal and CalFresh programs were integrated under the umbrella of SFBN in 2013, but have maintained both a Medi-Cal Program Director and a CalFresh Program Director (both 0932 Managers) since that time. With the retirement of our long-time CalFresh Program Director in fall 2017, we propose to create a single, SFBN Program Director role (sub 1-0932 Manager IV position to 1-0941 Manager VI). HSA also plans to establish building managers at SFBN's 1235 Mission and 1440 Harrison sites which will report to the Program Director (2-0931 Manager IIIs, one from 1-0932 Manager IV and one from 1-0923 Manager II). This will unify the management team and allow it to continue to push forward on efforts to integrate the culture and practice of the two programs.

### CalWORKs, Workforce Development and Project 500

As it prepares for the institution of work requirements for CalFresh ABAWDs, HSA is restructuring the Workforce Development Division and reallocating existing resources in order to expand and streamline the delivery of employment services to the single adult population.

In 2018, the CalWORKs program will implement "CalWORKs 2.0," a statewide strategic initiative to improve outcomes for low-income families by shifting from a compliance-oriented to a goal-achievement oriented service delivery model. HSA also continues to grow and refine Project 500, a two-generation initiative that seeks to break the cycle of intergenerational poverty by weaving together several evidenced-based and promising practices, including nurse home visiting, quality early care and education, subsidized employment and coaching to achieve personal goals.

The CalWORKs Housing Support Program (HSP) will continue operating at full capacity and in 2018 the program model will be revisited in order to align to the new citywide coordinated entry system for family homeless services. HSA is also partnering 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.

**CAAP**

Having implemented major reforms to the CAAP Program in FY 2016-17, CAAP is now focused on its use of training, technology, quality assurance and workflow redesign to improve its customer service and efficiency. It also has several initiatives in progress to improve and expand services to CAAP, especially those dealing with homelessness, disability and substance abuse.

The 2017-18 California State Budget appropriated funds over a three year period, from July 1, 2017 through June 30, 2020 for a new Housing and Disability Advocacy Program (HDAP). HDAP will assist disabled individuals who are experiencing homelessness to apply for disability benefit programs while also providing housing assistance. The program requires that counties offer outreach, case management, advocacy, and housing assistance to all program participants. HSA is partnering with the Department of Homelessness & Supportive Housing (DHSH) to implement the program, building on CAAP's existing SSI Advocacy Program by enhancing the housing resources available to homeless clients. HSA has applied for and received confirmation of $2.1 M in funds for the program, to be spent starting in the spring of 2018. Further funding may be available depending on other counties' levels of participation.

HSA is also in the process of hiring a project-based homeless benefits linkages manager (0923 Manager II) to oversee HDAP and to work across departments and service delivery systems to help homeless people access and maintain public benefits, including HSA administered programs such as CAAP, Medi-Cal and CalFresh, as well as state and federal disability benefits. This role will be partly funded by the new HDAP funding and by Whole Person Care funds from the Department of Public Health.

As a result of the expansion of Medi-Cal to single adults under the Affordable Care Act, CAAP now has new opportunities to coordinate benefits and services for its population. HSA is now working on a drug Medi-Cal pilot that will leverage state funding to offer onsite substance abuse treatment services to CAAP clients.

**Family & Children's Services (FCS)**

FCS plans to continue the implementation of Continuum of Care Reform (AB 403), the most significant child welfare reform of the past decade focusing on increased reliance on family-based care settings (rather than congregate care). Efforts will focus on additional recruitment for foster families/homes and streamlining of licensing process for all caregivers, transitioning group homes to Short Term Residential Treatment Programs (STRTP), and full implementation of child and family teams.

FCS also proposes to continue to expand services and infrastructure to support Title IV-E Waiver activities, including expanded support for implementation of statewide strategies on child welfare practice, including

California Core Practice Model. Efforts will focus on enhancing implementation and evaluation of child/family visitation and deepening key strategies to improve engagement of families and assessment, via Safety Organized Practice and a common case consultation framework.

**Program Support and Disaster Preparedness & Response**

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. This division also includes a small but growing effort to both plan and oversee HSA's role in providing shelter in response to disasters.

As part of its budget planning, HSA is evaluating the need for additional resources to support the growing emergency housing assistance and disaster planning function. In addition to planning the City's shelter response in the event of natural disaster, HSA also provides emergency rental assistance to individuals who have been displaced due to either fire or an administrative order to vacate due to substandard, unsafe housing. Both of these emergency response programs are expected to grow in the upcoming years due to recent legislative changes by the Board of Supervisors. In 2017, the Board expanded the eligibility period for fire victims from two to potentially four years while they await the right to return to their housing. Under a recently passed ordinance, HSA was also designated as the lead agency to assist individuals ordered to vacate for up to two years while their housing situation is remediated or they find a longer-term arrangement. Both programs require participants to have been residence for greater than 32 days, have assets less than $60,000 and be at or below the 100% average median income level in the area.

Over the past year, HSA's emergency rental response has substantially increased. In December 2016, there were 19 households that received rental subsidies due to fires. In December 2017, 56 households received subsidies - a 195% change in the caseload. Currently, HSA is providing assistance to 112 fire victims and an additional 35 individuals from order-to-vacate households. At the current service level, it is expected that HSA will spend $767,000 on housing assistance for fire victims and $237,000 on assistance for order to vacate households by the end of this fiscal year, June 2018.

**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 2018-19 and FY 2019-20, for your review and final approval.