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MEMORANDUM

TO: Department of Disability and Aging Services (DAS)
 Commission

THROUGH: Kelly Dearman, DAS Executive Director

FROM: Daniel Kaplan, Deputy Director for Administration
 and Finance, Human Services Agency (HSA)

DATE: February 1, 2023

SUBJECT: Disability and Aging Services Budget
 for FY 2023-24 & FY 2024-25

Budget projections for the next two fiscal years forecast significant declines in local revenue, coupled with increasing expenditures, as the City’s recovery from the Covid-19 pandemic continues to prove challenging. A combined shortfall of approximately \$728 million is expected, with a \$201 million deficit in FY 2023-24 and a \$527 million deficit in FY 2024-25. Slowed or declining revenues in some of the City’s largest tax sources, such as property, business and transfer taxes are accompanied by the loss of temporary Federal pandemic-relief funding. Lower revenues are exacerbated by higher expenses in pension and health care costs, planned salary increases, and capital expenditures, among others.



London Breed
 Mayor

Kelly Dearman
 Executive Director

As a result, the Mayor’s Office has asked for all City departments to reduce their discretionary General Fund budgets by 5% in FY 2023-24 and by 8% in FY 2024-25, as well as to be prepared for the possibility of revised instructions should economic conditions worsen. For the Human Services Agency, including both departments and its administrative division, this results in an ongoing budget reduction target in each fiscal year as follows:

	FY 2023-24	FY 2024-25
Ongoing Reduction (5% and 8%)	\$2,004,435	\$3,207,096



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The Mayor's Office recognizes that the City is experiencing significant and widespread vacancy levels, but asks that departments focus on filling positions in core services and explore opportunities to reclassify/redirect/hold-vacant existing positions to achieve savings wherever possible. The Mayor's overall budget priorities continue to be centered on revitalizing San Francisco through emphasis on the following:

- Improving public safety and street conditions;
- Continuing investments in homelessness and mental health programs;
- Supporting the City's economic recovery, particularly in the downtown financial district;
- Delivering on accountability and equity in City spending.

HSA Budget Strategies

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

- Maintain client services;
- Maximize revenue opportunities with our State and Federal partners;
- Look for opportunities to repurpose existing position vacancies and funds to meet new needs.

At the State level, the overall economic and revenue picture has changed substantially over the past year, which is expected to result in lower than anticipated revenues and an estimated budget deficit of \$22.5 billion in FY 2023-24. At this stage, we anticipate that the less robust State budget and withdrawal of Federal relief funding will present a more challenging budget climate compared to prior years; however, the Governor's initial proposal suggests a commitment to maintaining, and in some instances increasing modestly, core funding in the human services area.

Uncertainty exists with regard to a possible worsening economy and the State's commitment to restore critical multi-year housing allocations after they expire. Fortunately, the state has accumulated a healthy reserve, which could serve as a buffer to maintain core services should the economy fall into a recession. Over the next several months, we will continue to monitor the State budget process for impacts and will keep you updated as we learn more details.



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DAS Program Highlights:

As DAS prepares its budget submission, it is looking at community needs and key organizational issues across the department. Below are highlights of those current-year developments and accomplishments that will shape the budget-planning process.

Direct Services Division

In-Home Supportive Services (IHSS)

San Francisco's IHSS program continues to grow as anticipated due to a general aging of the City's population and the State's recent Medi-Cal expansion efforts. Since last fiscal year, the total caseload grew by approximately four percent, and today just under 28,000 individuals are enrolled in IHSS.

Within that group of enrollees, there are approximately 2,600 clients who are not connected to a provider and hence not effectively utilizing IHSS services, which are a State entitlement benefit. While the percentage of clients in this circumstance has remained stable over the past year, connecting some individuals to caregivers remains a challenge. Ensuring that all clients are linked to caregivers, and can make full use of IHSS, remains a priority for City staff and community partners alike.

Shortage of Home Care Workers

America's shortage of home care workers is a crisis that has impacted San Francisco no less than the rest of the state and country. The effects are especially consequential for those consumers who do not have a reliable support system, as well as for persons who may be unable to direct their own care due to cognitive impairment or serious mental illness.

In collaboration with the San Francisco IHSS Public Authority (PA), IHSS program staff have been implementing a range of strategies with the goal of addressing this critical workforce issue.

Over the past fiscal year, DAS provided funding to the PA to allow the organization to significantly enhance recruitment and outreach efforts. The PA's Recruitment and Engagement Team is in the process of implementing several strategies focused on reaching and enrolling new



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IHSS independent providers, as well as connecting current IHSS providers with consumers who are searching for a caregiver. The PA's new outreach activities include:

- **Recruitment Workshops:** Offering in-person and virtual workshops for providers, to increase accessibility and awareness of IHSS and the PA's various caregiving opportunities, including the emergency on-call program, which provides back-up home care to IHSS consumers on an urgent basis.
- **Targeted Text Messaging:** Utilizing IHSS data to identify providers who are enrolled, but not currently connected to an IHSS client, or not working full-time; these providers are receiving targeted text messages, inviting them to connect with the PA and engage with new IHSS consumers.
- **Provider Reengagement:** By conducting outreach to over 1,000 providers who were previously active with the IHSS provider registry, but who have not had recent contact with the PA, the goal is to reengage these individuals with the IHSS program. In order to motivate such providers, the PA is launching a referral incentive program and conducting focused outreach.
- **One-Stop Resource Center:** A central hub was created to offer a range of support services to providers, including access to computers and technology support, referral to community and social services, as well as training related to obtaining employment and career development as an IHSS caregiver.

Contract Mode IHSS

San Francisco continues to be the only county in the state that operates a contract mode service option for the benefit of IHSS consumers who cannot direct their own care. Specifically, the City's IHSS program reserves contract mode services for individuals with complex needs, such as serious mental illness, substance use disorder, and/or cognitive impairment. During the pandemic, the demand for contract mode services grew in response to the City's accelerated efforts to house vulnerable adults experiencing homelessness. Additionally, the IHSS program continues to provide enhanced enrollment services to residents of permanent supportive housing (PSH) units, many of whom will benefit from contract mode IHSS.

Homebridge, San Francisco's contract mode provider, is actively working to hire more home care providers to meet the increasing need



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for services, although this is extremely difficult given the current labor market. Homebridge caregivers work with behaviorally-complex clients and frequently in the most challenging work environments. Given the steep competition for hourly-wage labor in San Francisco, Homebridge is struggling more than ever to attract and retain a workforce capable of meeting the City's expanding needs.

Homebridge has invested heavily in both professional staffing efforts, and program enhancements focused on retaining existing home care providers. Specifically, Homebridge offers their caregivers a range of information and referral services, high-quality training, extensive on-the-job support, plus tangible assistance like transit stipends, all with the goal of reducing barriers to steady employment as a home care provider. These efforts build on the organization's existing strategies, including a tiered skills training plan, with a concurrent wage-growth pathway, and an in-house Certified Nursing Assistant program, which offers participants potential advancement to careers in the healthcare industry.

Recently, Homebridge launched an artificial intelligence-based digital campaign to refine messaging about its employment opportunities and to increase the targeting, reach and efficacy of these messages. In November and December 2022, these new efforts have begun to show promise in improving the pipeline of new hires, as the agency looks to build the much-needed capacity necessary to provide effective contract mode IHSS services to all San Franciscans in need.

Local Maintenance of Effort Costs and IP Wage Increases

The current labor agreement between the City – through the IHSS Public Authority – and IHSS independent providers (IPs) – through Service Employees International Union (SEIU) Local 2015 – ends on June 30, 2023. Negotiations around a new Memorandum of Understanding (MOU) between the parties, which would commence on July 1, 2023, are currently underway.

The State's Maintenance of Effort (MOE) framework – the mechanism by which counties pay for the local share of IHSS program costs – is primarily driven by three factors: a) locally-negotiated increases to IP wages and benefits, b) increases to the hourly rate paid for contract mode IHSS services, and c) a mandated four-percent inflation factor applied to the MOE base each year. While inflation accounts for the



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largest share of expansion in the City's MOE obligation each year, increases to IP wages and benefits are by no means insignificant. Therefore, a new MOU between the PA and SEIU Local 2015 will have an outsize effect on the City's share of cost in the IHSS program over the coming years because it will likely stipulate a schedule of IP wage increases.

On July 1, 2022, the IP wage increased from \$18.00 to \$18.75 as per the current labor agreement, with an additional \$0.50 increase implemented on January 1, 2023, concurrent with the increase in the state minimum wage. Per the terms of the MOE legislation, this \$0.50 increase in the IP wage on January 1 entailed no additional MOE cost to California counties. The City's MOE obligation for FY 2022-23 is projected to be \$167.8 million. Future IP wage levels will be determined through the bargaining process and codified in a new MOU, which in turn shall inform the City's future MOE projections.

Adult Protective Services

This year, Adult Protective Services (APS), which receives and responds to reports of suspected abuse, neglect, self-neglect and financial exploitation of older adults and adults with disabilities residing in the community – that is, outside licensed facilities – continues to field a growing number of referrals. The division had been receiving approximately 7,000 reports per fiscal year, but during FY 2021-22, that number jumped to 7,952 reports. This was a result of California Assembly Bill 135, which expanded the APS program to provide services to at-risk adults earlier in their lives, and before reaching a crisis point. The new law expanded the definition of “older adult” for APS program eligibility from 65 to 60, effective January 1, 2022. The law also requires APS programs across the state to provide longer-term case management for those with complex needs, and encourages the development of multidisciplinary teams to increase systems-level collaboration.

High-Risk Self-Neglect Multi-Disciplinary Team

Now in its second year of operation, this partnership with the Department of Homelessness and Supportive Housing (HSH), the San Francisco Fire Department (SFFD), the Department of Public Health (DPH), the University of California San Francisco (UCSF), and



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community-based partner, Institute on Aging (IOA), continues its focus on coordinating care and bringing a holistic approach to assisting individuals with complex needs. The combination of proficiencies brought by the agencies participating has helped to diminish silo effects and fostered advantageous information exchange such that team stakeholders engaged in the same, or related, work are more thoroughly aware of the array of options available throughout the City. IOA's Elder Abuse Prevention program team is coordinating and facilitating this multi-disciplinary effort and monitoring intervention outcomes.

Home Safe

In July 2021, the California Department of Social Services expanded the APS Home Safe program as part of the State's larger investment to address homelessness. The current program expansion has allowed San Francisco's APS program to leverage an additional \$3.4 million, for a total of \$6.8 million in State funding through 2025, with no county match requirement. San Francisco was one of 25 counties that originally launched a Home Safe program in 2019. APS carried out the initial program in collaboration and co-design with the Institute on Aging (IOA), by providing eviction prevention and intensive case management services. The now-extended program has augmented those effective strategies, and added housing transition services to the model, thus bringing a bifocal approach.

The eviction prevention services are targeted to assist low-income older adults, and adults with disabilities, who are at imminent risk of homelessness due to self-neglect. By adding housing transition services, San Francisco's model now relies on the provision of intensive case management activities that target eviction prevention, assessment in congregate homeless shelters and permanent supportive housing (PSH) units, and tailored housing-transition plans that meet the client's functional and safety needs. These activities are coupled with purchase of service dollars that can be utilized to pay for critical services such as a monthly financial patch to support a vulnerable adult's stay in a Residential Care Facility for the Elderly (RCFE) when deemed appropriate.

Since its inception, the Home Safe program has enrolled 215 clients, and enabled 127 older adults and/or adults with disabilities to remain



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housed and safe by enhancing their ability for self-care and self-protection. Fourteen Home Safe clients have received financial support enabling them to reside in Residential Care Facilities for the Elderly (RCFE), and APS, IOA and partner departments – most notably HSH – continue to cultivate Home Safe as a critical component in the City’s multifaceted approach to homelessness.

Public Administrator, Public Conservator, Public Guardian and Representative Payee

The authority conferred on the Public Administrator (PA), Public Conservator (PC), and Public Guardian (PG) divisions is codified in State law. These DAS units operate either fully, or in part, under the supervision of the San Francisco Probate Superior Court, with the DAS legal division serving as in-house counsel for the Public Administrator and Public Guardian offices. The Representative Payee (RP) program serves as a substitute payee, as designated by the Social Security Administration, for individuals who have difficulty managing money or their financial affairs, many of whom are also conserved by the Public Conservator. Collectively, these divisions serve around 2,000 vulnerable individuals who have health, mental health, and/or financial difficulties, as well as administer the estates of over 440 deceased San Franciscans.

Preparing for CARE Court Impacts

The Community Assistance, Recovery, and Empowerment (CARE) Court Program is a new initiative (Senate Bill 1338) approved by the Governor in September 2022, with a target launch date of October 2023. In brief, CARE Court is a newly established legal framework to assist people with certain untreated mental health and/or substance use disorders in obtaining necessary support and services through a court-ordered Care Plan. DAS anticipates that CARE Court will drive an increase in referrals to the offices of the PG, PC, and RP. In particular, it is anticipated that the CARE Court, along with DPH behavioral health services, will identify individuals whose needs are more aligned with programs provided through the PG, PC, and RP than through a court-ordered Care Plan. These DAS divisions are evaluating and preparing for anticipated program impacts, including staffing needs.



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Streamlining Representative Payee

By collecting their income and paying their bills, the services of the RP ensure that clients' benefit and entitlement eligibility are maintained. This, in turn, ensures that basic needs are met, leading to community stability. In FY 2021-22, the RP made significant gains in streamlining processes to ensure quality services for clients. In an effort to better understand the unmet money management needs of San Francisco residents, the RP is currently working with the Controller's Office on a needs assessment project. The report – with its findings on estimated demand and current supply of available money management programming – as well as its recommendations, is anticipated to be released during the current fiscal year.

Public Guardian/Public Conservator Cross Consultations with Adult Protective Services

APS serves vulnerable individuals, many of whom have serious mental illness and/or major neurocognitive disorders. APS may identify that in order to effectively address protection issues, staff need assistance in navigating the various legal remedies available, and identifying the least-restrictive yet viable option. To that end, a new process involving cross-consultations between APS, the PG and PC is underway this fiscal year. In addition, PG and PC staff continue to actively participate in the aforementioned High-Risk Self-Neglect Multidisciplinary Team program led by APS with IOA.

Community Services Division

Benefits and Resource Hub

The DAS Benefits and Resources Hub (BRH) – comprised of the Integrated Intake and Eligibility units, plus the County Veterans Service Office (CVSO) – continues to provide in-person, telephone, and online assistance to all consumers seeking services for older adults, adults with disabilities, veterans, and caregivers.

Integrated Intake works with community partners to provide consumers a seamless transition to services through a centralized intake helpline. This helpline is operated by social workers who conduct whole-person assessments with potential consumers, as well as advise caregivers and professionals seeking services for DAS clientele. The Integrated Intake unit was recognized by the California



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Department of Aging (CDA) this year for its no-wrong-door, person-centered practices.

Integrated Intake also participated in the Upstream Social Interaction Risk Screener (U-SIRS) project to test a new survey tool designed to assess consumers' level of isolation and service needs. The project was in partnership with the Social Engagement Workgroup of the Long-Term Care Coordinating Council (LTCCC) to help address social isolation and loneliness in San Francisco's older adult and disabled populations. Integrated Intake's findings constitute part of the tool's proof-of-concept phase and will assist in refining the tool for potential adoption in the future.

The Eligibility unit, in alignment with HSA's San Francisco Benefits Network (SFBN) division, continues to participate in the planning and implementation of CalSAWS (California Statewide Automated Welfare System), which will be replacing the legacy CalWIN system in October 2023. CalSAWS will be the unified case management system for county eligibility staff and will support CalWORKs, CalFresh, Medi-Cal, Foster Care, Refugee Assistance, County Medical Services Program, and General Assistance/General Relief to children, families, and individuals in all 58 California counties. It will encompass eligibility determination, benefits calculation, benefits issuance, and information management.

The CVSO – now under the leadership of a new County Veterans Service Officer – continues to work on identifying opportunities for satellite in-person services in order to expand its reach to veterans in all parts of San Francisco. Placing Veterans Services Representatives at locations where veterans assemble continues to be a priority for the division and key strategy in its mission to better serve veterans and their families.

BRH leadership continues to develop the strategic outreach plan that was formulated in partnership with ZS Associates through the Civic Bridge Innovation Project. The BRH is currently implementing the recommendations from the plan, including a messaging framework and a more coordinated outreach strategy to engage communities of color in San Francisco.

Additionally, DAS has contracted with Unite Us as a vendor for its Online Resource Directory (ORD) to provide a dynamic and searchable repository of resources. The ORD will launch in early 2023 and offer



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another channel to connect older adults and adults with disabilities in San Francisco to the myriad DAS programs and programming provided by DAS-funded community partners. Integrated Intake, along with Office of Community Partnerships staff and community-based partners will play a key role in launching the ORD.

Office of Community Partnerships

Community-based services continue to navigate the lingering effects of the Covid-19 pandemic, but are increasing in-person offerings and encouraging a return to programming in physical spaces. In-person service levels remain below pre-pandemic levels, however, the growth in online opportunities for engagement in services, coupled with the launch of new and expanded programs, led DAS-funded, community-based services in FY 2021-22 to eclipse pre-pandemic levels in multiple service-deliverable metrics including overall clients served.

Emergency Declarations Ending

Office of Community Partnerships (OCP) staff are monitoring the planned conclusion this spring to State and Federal emergency declarations. The ending of these declarations will result in reduced flexibility both in the deployment of Federal and State funding, as well as in some of the parameters around service delivery. The greatest impact is likely to be seen in nutrition services, as Federal and State guidelines around to-go meals are expected to be tightened and narrowed. To-go meals have been a very popular alternative throughout the pandemic, and while OCP does not believe guidelines will return entirely to pre-pandemic rules – i.e., to-go meals only allowable in very limited circumstances – current flexibilities are liable to be curtailed. Advocacy at the State level to maintain meal program flexibility is currently underway and OCP staff at the local level are working to ensure continued access to meals even after the emergency declarations are rescinded.

New State Funding for Nutrition and Technology Programs

Significant new funding from the State arrived in FY 2022-23 in support of multiple program areas. The California Department of Aging (CDA) has provided over \$1 million in one-time funding for infrastructure expenses for nutrition providers. Additionally, the CDA allocated \$1 million and over 1,000 tablet computers to San Francisco for the expansion of programs designed to address the digital divide



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faced by older adults and adults with disabilities. Further, State investments in fall prevention, legal services, and family caregiver programs have been critical in helping meet the growing need in these areas, while also supporting the launch of pilot programs designed to reach underserved populations.

Online Resource Directory

As noted above, DAS continues to prepare its Online Resource Directory (ORD), scheduled for an early 2023 launch. The ORD will be a resource and tool for DAS staff, community-based organizations, and the general public to obtain information about services available in the City. An initial cohort of DAS-funded organizations utilizing the directory will include OCP's Aging and Disability Resource Centers (ADRC) and the Family Caregiver Support Program (FCSP). ADRC and FCSP staff will be trained to use the ORD and given access to provide in-system referrals on behalf of clients.

Intergenerational Programming

DAS began funding community-based intergenerational programs in February 2019. Intergenerational programs bring together older adults and/or adults with disabilities with a generation other than their own, with the goal being to foster interactions and relationships which are mutually-beneficial through regularly-planned activities and engagement. These programs have been popular from the start. Adults participating in intergenerational programs report experiencing reduced feelings of loneliness, increased social connection, and a sense that they are valued members of the community. DAS currently funds six community-based organizations to provide this programming, with initial contracts from February 2019 set to expire in June 2023. This year, OCP and HSA Contracts staff are engaged in a new procurement which will continue and maintain intergenerational programming at existing levels, while also exploring possibilities for new or expanded intergenerational program options throughout the City.

Dignity Fund Service and Allocation Planning

Following the publication of the Dignity Fund Community Needs Assessment (CNA) in March 2022, OCP and HSA Planning staff are working on the development and release of the Dignity Fund Service and Allocation Plan (SAP). The SAP serves as a roadmap for the next four years of Dignity Fund program and funding allocations, as



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described in the Dignity Fund legislation. The plan incorporates feedback and concerns identified in the CNA and details how Dignity Fund activities over the next four years will address those findings. Report development includes opportunities for review and feedback from both the Dignity Fund Oversight and Advisory Committee, as well as the Dignity Fund Service Providers Work Group. The committee consists of 11 appointed members; work group membership is not restricted and encourages participation from all interested community-based organizations and stakeholders. The 2024-2028 Dignity Fund SAP is scheduled for completion and publication in early 2023.

DAS and HSA Planning staff also continue work on an updated Dignity Fund Data and Evaluation report. The data and evaluation report provides an in-depth look into service deliverables and outcomes across the many programs funded through the Dignity Fund. This report is a means to ensure the Dignity Fund is being administered in a transparent manner and to understand whether funding is achieving the intended impact and making best use of available resources. The new Data and Evaluation report, covering fiscal years 2020-21 and 2021-22, is expected in Spring 2023.

Disability Community Cultural Center

Work on San Francisco's Disability Community Cultural Center (DCCC) continues. Construction at the physical site, which is located on the corner of Grove Street and Van Ness Avenue in the Civic Center district, is now underway. When completed, the site will have 112 housing units, with approximately 25 percent of those reserved for people with disabilities who use Home and Community-Based Services (HCBS). A dedicated space in the building will be reserved specifically for the DCCC. Completion of construction and move-ins are projected to take place in 2024. A procurement process is currently underway to identify a community-based provider to serve as the lead for continued development of the DCCC. The launch of a virtual DCCC in advance of the brick-and-mortar location is still planned.

Next Steps

At a special meeting of the Department of Disability and Aging Services Commission on February 16, we will present you with a full proposal of the DAS budget for FY 2023-24 and FY 2024-25, for your review and final approval.