



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:	Human Services Commission
THROUGH:	Trent Rhorer, Executive Director
FROM:	Daniel Kaplan, Deputy Director of Administration, Human Services Agency (HSA)
DATE:	January 27, 2022
SUBJECT:	Human Services Agency and Department of Benefits and Family Support Budget  for FY 2022-23 & FY 2023-24

The City’s budget projections forecast significant improvements in revenues, including the benefit of excellent returns in the pension funds, as the City continue to recover from the Covid-19 pandemic and ensuing economic recession. This good news – combined with financial restraint over the last several years – means the City has a projected \$108.1 M *surplus* across FY 2022-23 and FY 2023-24. In addition, the City’s long-term, structural deficit is much improved. New revenue sources – including voter-approved new taxes<sup>1</sup> and federal relief funding – have helped to improve the picture and put the City on steadier footing than it has been in many years.

As a result, City departments are not being asked to make any proposed cuts, but instead to deliver a proposal that does not add any new General Fund costs. HSA, working with the Mayor’s Office, will aim to reprioritize existing funding and leverage new revenues towards programs and services that will deliver results and meet the top priorities of the City. These priorities include continuing the historic recent investments in homelessness, mental health, and anti-poverty programs, as well as:



**London Breed**  
Mayor

**Trent Rhorer**  
Executive Director

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<sup>1</sup> Projections include a host of measures approved in November 2020 including an increase to transfer tax rates (Prop I), overhaul of business taxes (Prop F), and establishment of a new tax on executive compensation (Prop L).



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- Restoring the vibrancy of the City, including improving public safety and street conditions;
- Focusing on economic recovery;
- 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.

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 the positive State budget will allow for continued investment in the budget year and that the Agency's budget will reflect additional State investments in initiatives that provide housing to HSA's clients.

### **Program Highlights and Initiatives**

#### **COVID-19 Response Effort**

In FY20-21, 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 food support operation. In FY21-22, the CCC effort has wound down, but HSA continues to lead food support efforts and to administratively support ongoing sheltering efforts.

The COVID-19 shelter operation continues to provide non-congregate shelter, including hotel rooms and RVs, through the Shelter-in-Place (SIP) sites for homeless individuals at high risk of severe illness, such as those age 60 or older and/or who have a chronic health condition,



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and the Isolation and Quarantine (I&Q) sites for individuals who have tested positive for COVID-19 or have been exposed to COVID-19 and cannot safely isolate at home. HSA continues to partner with HSH and DPH on sheltering efforts by supporting the contracting, oversight, and payment of hotel, food, security, and janitorial vendors that serve sites. HSA has also supported demobilization efforts, as the City has begun to wind-down response efforts and has moved guests into housing. San Francisco has committed to ensuring that clients sheltered as part of the COVID-19 response will receive appropriate housing, shelter, and/or problem-solving intervention, depending on their specific needs. The City wound down seven sites this fall. From mid-December 2021 through mid-January 2022, San Francisco sheltered 1,430 individuals in SIP sites and 208 individuals in I&Q sites.

HSA has operated the City's \$47 million Covid-19 Food support program. 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 food they need. Wide-scale unemployment, rent debt, and increased food costs have further undermined San Franciscans ability to afford enough to feed their families.

- The program partnered with the San Francisco-Marin Food Bank (SFMFB) to provide groceries to anyone in need of food assistance. SFMFB distributed 415,000 bags of groceries from July through November 2021 and serves roughly 20,000 households per week.
- The Isolation and Quarantine Helpline, in partnership with Meals on Wheels, 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 the program has provided food assistance to about 4,000 residents this fiscal year.
- The program has also provided more targeted support to 20,000 residents. For example, it partnered with CBOs to provide:



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- Latinx-focused efforts primarily in the Mission,
- Hot meal pick-up for families with young children and SRO residents, and grocery distribution for food insecure residents of Bayview/Hunters Point.

As of January 2022, the HSA's Citywide Food Coordination Group (CFCG) is currently in contract with 22 community-based organizations across the City, which includes the continuance of the ongoing partnerships with Meals on Wheels and the San Francisco Marin Food Bank. In addition, these 22 CBOs are currently engaged with a total of 24 subcontractors to reach diverse sub-populations with appropriate resources. An additional ten community-based providers in the DAS nutrition network have also had their allocations bolstered with \$5.5 M in funds from the food support budget in the current year. Two RFPs remain to be completed: \$1 M for the Food Sovereignty initiative which closes at the end of February; and \$5 M for Food Empowerment Markets which will be released by the end of January.

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

The COVID-19 pandemic has led to overall caseload growth in HSA's Medi-Cal and CalFresh programs. Overall, the CalFresh caseload has increased by 38% since the beginning of 2020, from just over 48,000 cases to more than 66,000 households in December 2021. Medi-Cal has seen an increase, from 111,000 cases to 124,000 over the same time frame. Some of this growth is attributable to Federal and State policy changes that have expanded eligibility, or made it easier for clients to retain their benefits during the pandemic. Other policy changes slated for future months will likely further this caseload growth, including the elimination of the Medi-Cal asset limit test and the expansion of full Medi-Cal coverage to undocumented older immigrants. In the current fiscal year, CalFresh has seen an increased workload due to the lifted suspension of benefits re-certifications and continuing work. Medi-Cal has been operating under the suspended re-certification requirement, and so has taken no negative action on cases since prior to the pandemic. They will be required to resume that process, however, later in 2022, depending on the length of public health emergency. SFBN also continues to see increased requests for Expedited Services CalFresh, which are emergency applications that must be determined within 3 days.



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In the interests of keeping staff and clients safe, SFBN utilizes telecommuting and other digital alternatives to in-person interactions. With the help of a USDA grant for Process and Technology Improvement, HSA is promoting the use of MyBenefitsCalWIN (MyBCW) online, creating a CalFresh handbook, as well as an online chat feature between clients and HSA staff.

For the first time in many years, recipients in CalFresh saw a noticeable jump in food benefits, coming just as pandemic-related assistance starts to wind down for many families. Starting October 1, payments for CalFresh increased about 22% compared to pre-pandemic levels. For a family of four receiving the maximum benefit, the difference was an extra \$155 per month compared to the pre-pandemic level and \$53 more than the temporary pandemic increase. The ongoing increases put in place by the Biden Administration will help families address cost pressures and stimulate the local economy.

### **Homeless Benefits Linkages (HBL) Initiative**

In 2019, HSA created the Homeless Benefits Linkages Initiative to implement innovations in assisting people experiencing homelessness to apply for CAAP, Medi-Cal, CalFresh, and SSI 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 benefits outreach at the City’s Shelter-in-Place (SIP) hotels. The outreach Eligibility Workers have expanded their efforts to include congregate shelter and Safe Sleep sites, and are currently working on targeting SIP clients who would be eligible for permanent supportive housing if they enroll in CAAP. Since September 2020, the outreach workers have submitted 1,901 CalFresh applications (93% approved), 1,155 CAAP applications (24% approved), and 1,343 Medi-Cal applications (88% approved) at the Shelter-in-Place hotels. HSA assessing why there wasn’t a higher CAAP acceptance rate and improving its business processes accordingly.

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As part of our Homeless Benefits Linkages Initiative, in 2018, HSA began partnering with the Tipping Point Community's (TPC) Chronic Homeless Initiative: in consultation with HSA, TPC funded SSI advocacy services for people experiencing homelessness (and other target groups with complex cases) through an "on the street" attorney- and social work-based model. Target groups included: people staying in shelters and Navigation Centers, transition age youth experiencing homelessness, people attending Project Homeless Connect and street outreach health fairs, and CAAP SSI applicants who are dually diagnosed with co-occurring mental health and substance use conditions or at an SSI appeal level. HBL finalized its assessment of this pilot program's effectiveness in order to inform future decisions around designing and investing in City-sponsored SSI advocacy services and found that overall this model, while expensive, is effective in engaging hard-to-serve clients and successfully submitting SSI applications on their behalf. Based on this evaluation, HSA funded the final year of the initial pilot (FY 21-22) to allow contracted attorneys complete work with the clients they had submitted applications for given the pandemic-related delays in approvals, and going forward is sustaining the program through the State's Housing and Disability Advocacy Program (HDAP). To date, 254 clients have been accepted for legal representation and 96 have been awarded SSI.

Finally, through our Homeless Benefits Linkages Initiative, HSA has continued to operate HDAP, a state program which funds outreach, case management, SSI Advocacy services and housing for people experiencing homelessness with a disability. HSA collaborates with HSH to use state funds to provide permanent supportive housing for program participants. The HDAP funds also enable HSA to continue the Tipping Point Community's "on the street" SSI advocacy model. This funding builds on CAAP's existing SSI Advocacy Program by enhancing the housing resources available to homeless clients. Due to the changing pandemic environment and needs, HSA expanded its use of HDAP funds to support homeless clients residing at the largest Shelter-in-Place hotel and at an SRO Navigation Center. To date, 76 clients have been placed in permanent supportive housing through the program, and 51 HDAP clients have been awarded SSI. HSA has received a significant increase in the State HDAP funding through FY 23-24, and in coordination with HSH is developing plans to expand program services to shelters and Navigation Centers to serve the most vulnerable people experiencing homelessness as defined by HSH Coordinated Entry.



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### **County Adult Assistance Programs (CAAP)**

In response to the COVID-19 pandemic, CAAP has implemented multiple technological advancements that have enabled clients to enroll in and maintain their benefits from home to the greatest extent possible. These advancements include CAAP's telephonic application process, online application portal, and texting capabilities to remind clients about upcoming appointments. CAAP staff are trained to perform interviews by phone, which are allowed for all interviews except medical assessments which require in-person examinations.

CAAP continues to connect with potentially eligible CAAP clients residing in the City's Shelter-in-Place hotels via Medi-Cal and CalFresh outreach workers. These outreach staff perform initial assessment of the clients' eligibility for multiple HSA benefits programs, including CAAP.

The CAAP caseload has seen growth of 19% from August through November, likely resulting from the September 2021 expiration of Federal Pandemic Unemployment Assistance (PUA). This growth follows a 12-month period during which CAAP saw historically low monthly caseloads, which was also likely influenced by the availability of PUA as a monthly income alternative.

Lastly, CAAP has built a Quality Assurance (QA) program to better understand client discontinuances, and facilitate improved task workflows between different CAAP divisions. The QA program provides insight into staff training needs and necessary interventions that reduce client churn.

### **CalWORKs and Workforce Development**

CalWORKs has continued its efforts to mitigate negative impacts of the COVID-19 pandemic on its clients. These efforts include issuing good cause exemptions to meeting work hour requirements as a condition of receiving benefits, not counting COVID months towards clients' lifetime benefits clock, and raising the Income Reporting Threshold (IRT) to enable families on slightly higher incomes to still access CalWORKs support services. As the City emerges from the pandemic, however, CalWORKs will resume its normal operations and



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re-engage CalWORKs clients into activities that promote future self-sufficiency.

In the latter half of FY21-22, CalWORKs plans to roll out a greatly expanded Housing Support Program (HSP), backed entirely by increased State funding available through FY23-24. This expansion will enable CalWORKs to house an additional 76 homeless CalWORKs families, and deliver back rent assistance to 50 CalWORKs families who are at risk of losing their housing. HSP has long seen heavy demand, and this funding will help to more quickly serve families on the program's waiting list.

HSA's Workforce Development division (WDD) has been maintaining expanded eligibility for its JobsNow! employment programs. HSA anticipates that demand for employment services will grow in future months, as the City's business activity returns to normal.

Workforce Development also added 30 additional Career Pathways opportunities in the current fiscal year. These positions provide three-year employment opportunities to HSA clients at HSA and other City department worksites, with the goal of transitioning clients to permanent City employment, thanks to the training and work experience it affords.

Workforce Development also continues to administer one-time economic recovery initiatives, aimed at the goals of bridging the digital divide for HSA clients, removing other hardship barriers, and serving undocumented individuals who are ineligible for most public assistance.

### **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



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also added on top of their existing budget. Since then, FCS has been working to gradually implement cost reductions to its programs and prioritize core staffing and services.

Despite the loss in ongoing revenue, one-time sources have helped ease the transition. These sources include the Families First Preventative Services Act Transition revenue, State allocations for program-specific purposes, as well as one-time agency-wide savings that have been redirected towards FCS. These one-time sources, in addition to the cost reductions that have been implemented over the last several years, allow FCS to sustain its current level of programming through FY23-24.

In the meantime, FCS has begun the process of implementing FFPSA and has hired a consultant to provide technical assistance and guidance on best practices in service and in maximizing FFPSA revenues. The expected outcome is the development and implementation of an integrated citywide prevention plan that increases economic stability, reduces child maltreatment and improves child welfare permanency outcomes through coordinated prevention programs for children, youth and families in the City and County of San Francisco. Additional funding for FFPSA programming will be provided by repurposing existing funds within the FCS budget and from new, federal FFPSA revenues.

Through the transition, FCS has continued to maintain service delivery to families during the pandemic and has actively responded to changing needs. One area in particular that required additional efforts has been related to the housing of a large cohort of exiting Non-Minor Dependents (NMDs). Due to the pandemic emergency, NMD eligibility had been extended and clients who turned 21 after March 2020 did not age out of the system until the end of December 2021, creating a wave of clients who would need immediate housing assistance. FCS applied for Transitional Housing and Housing Navigation grant funding from the State to augment supports for youth exiting care including housing vouchers and rent subsidies. Additional contributions were also provided by HSA to further support this transition. FCS continues to partner closely with Juvenile Probation, which has a similarly eligible population, and with HSH and the San Francisco Housing Authority to identify appropriate housing resources to support the NMD group.

Another area of change to FCS programming is with the Bringing Families Home (BFH) program. BFH is a state-funded, locally



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administered program that provides support to eligible families experiencing homeless in the child welfare system by offering financial assistance and housing-related wraparound services. In San Francisco, most participating families have ultimately connected with a Family Unification Program (FUP) Housing voucher through the San Francisco Housing Authority (SFHA), which is a Section 8-like voucher that provides a long term subsidy to families involved in the child welfare system to provide stability to their housing. The State has significantly expanded funding for housing programs such as BFH and HSA has estimated that \$4.5M could be available for the County to expand its BFH program. However, the increased funding is time-limited and San Francisco's BFH program is heavily reliant on the use of vouchers as long-term housing solutions and FCS is currently projecting that they will only have access to housing vouchers to house families through March of 2022. In order to continue providing services, the program would then have to switch over to a time-limited deep subsidy program in lieu of the housing vouchers, with the aim of covering the full cost of a housing subsidy until a long-term voucher or subsidized unit could be identified. FCS is currently exploring different models to implement a deep subsidy program and identify long-term options for families to transition once BFH funding runs out.

### **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). Since its creation, the Office of DEIB has worked to increase staff's understanding and awareness of racial equity issues, and establish and begin implementation of a Racial Equity Action Plan. In 2021, DEIB launched a Quarterly Racial Equity Newsletter and Racial Equity Lunch and Learn series. DEIB is increasing diversity and racial equity in hiring through input into the interview process, collaborating with SFDHR in the citywide Diversity Recruitment Work Group, and advertising job openings in over 130 sources. DEIB will start work on Phase 2 of the Racial Equity Action



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Plan in 2022 and release the Annual Progress Report on Phase 1 of the plan on March 1, 2022.

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. IT has been working with many programs on the October 2023 transition from use of the CalWIN eligibility system to a new California Statewide Automated Welfare System (CalSAWS), now in use in 40 California counties. Major activities in this effort include data clean-up and conversion, business processes redesign, user acceptance testing, training, and implementation readiness.

At the end of 2020, 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. Throughout 2021, HSA continued this work by developing new templates and materials to further enhance its agency brand, identity and storytelling. This included enhancements on its website, social media channels, employee newsletters, press releases, and digital/print materials. Going into 2022, HSA will be focused on promoting the agency's "no wrong door approach" to the public and its community partners through multiple communication channels, as well as creating building signage at its multiple locations with the agency's new logo.

### **Next Steps**

HSA will finalize its proposed budget and program initiatives for FY2022-23 over the coming two weeks. This proposal will be presented to you at a special meeting of the Human Services Commission meeting on February 14th, where you may review and approve the full proposal of HSA's budget for FY 2022-23 and FY 2023-24.