City and County of San Francisco **Human Services Agency**

London Breed, Mayor

Department of Human Services
Trent Rhorer, Executive Director

MEMORANDUM

TO:	Human Services Commission
THROUGH:	Trent Rhorer, Executive Director
FROM:	Dan Kaplan, Deputy Director of Administration, Human Services Agency (HSA)
DATE:	February 13, 2019
SUBJECT:	Department of Human Services and Human Services Agency Administration Proposed Budgets for FY 2019-20 and FY 2020-21

Through this memo, we present to you for review and approval the FY 2019-20 and FY 2020-21 budgets for the Department of Human Services (DHS) and the Human Services Agency (HSA) Administration. In developing this budget, HSA used as guidance the budgeting principles established by both the Human Services Commission and the Aging and Adult Services Commission, as well as overarching budget goals set by the Mayor to address fiscal sustainability and equitable outcomes.

As was described at the Human Services Commission meeting on January 24, the budget outlook this year is similar to last year. While we are not yet being asked to make reductions that would impact our service levels, slowing revenue growth and increasing expenditures are resulting in a citywide deficit that requires corrective action.

HSA worked diligently to maintain critical client aid and services. Overall, the budget proposal prioritizes core functions, minimizes service impacts and addresses critical needs.

Reduction Plan

The Mayor's Office has requested budget reductions of 2% and 4% for FY 2019-20 and FY 2020-21, respectively. HSA's two-year budget submission must include reductions in discretionary General Fund support of $0.77 million in FY 2019-20, and $1.53 million in FY 2020-21. HSA also projects declines in its CalFresh (-$1.3 million) and CalWORKs (-$0.9 million) revenues. These declines are offset by increases in its Medi-Cal (+$1.3 million) and IHSS Administration (+$0.7 million) funds. HSA also plans to advocate for a change in state policy with the new administration that would allow HSA to seek additional federal revenue for its Medi-Cal administrative costs when it spends beyond its state allocation. HSA plans to meet the balance of the revenue shortfall and its reduction target with these revenues.

DHS and HSA Administration Budget for FY 2019-20 and FY 2020-21

The following describes the major developments across DHS and HSA Administration in the coming year.

HSA's proposed FY 2019-20 budget for DHS and HSA Administration of $553.6 million is $22.9 million or 4.3% more than the FY 2018-19 budget of $530.8 million. HSA's revenues of $428.3 million in FY 2019-20, are $5.5 million or 1.3% more than FY 2018-19 revenues of $423.8 million. General Fund support for DHS and HSA Administration of $125.3 million in FY 2019-20 is $18.4 million or 17% more than the $106.9 million in FY 2018-19. These increases are primarily due to the increased costs of CAAP aid as well as increasing salary, benefit, and contract costs in line with cost-of-living adjustments. The proposed FY 2020-21 budget is the same as the proposed FY 2019-20 budget with the exception that adjustments were made for the costs associated with mandated growth in salaries, fringe benefits, and aid costs.

The documents that follow the memo provide additional information about proposed substitutions, program details, and charts and graphs detailing the DHS and HSA Administration budget.

Major Budget Proposals and Changes

Workforce Development and CalWORKs:

Expand the Career Pathways Program to Connect Public Assistance Clients to Civil Service Jobs

Few outcomes hold greater promise of self-sufficiency for HSA's clients than permanent employment. The Career Pathways program is HSA's most involved approach towards helping clients move from public assistance into civil service jobs. HSA's Workforce Development Division manages a large Public Service Trainee (PST) program, which employs clients at HSA, RPD, DPW and other City agencies for up to one year. PST positions provide clients with valuable, paid work experience in the public sector; however, these positions often do not lead to permanent civil service jobs. The Career Pathways Program provides a way for clients who successfully graduate from the PST program to continue gaining work experience for up to an additional three years as well as receiving additional classroom training. Successful participants earn a Career Pathways certificate, which certifies that through their experience and training they now meet the minimum qualifications for entry-level City classifications. To date, 235 PSTs have received Career Pathways Certificates, of which 104 have since attained City employment.

HSA currently has just 30 Career Pathways slots available at a time, which are funded through salary savings from holding other clerical positions vacant. HSA is requesting to, with the support of the Mayor's Office, fund twenty additional Career Pathways slots corresponding to a 1402 Junior Clerk position. This will allow for expansion of the program across HSA and potentially to other city departments. In addition, HSA also requests a substitution of one 1202 Personnel Clerk to one 1244 Senior Human Resources Analyst in order to provide the necessary human resources support for this initiative, including helping to develop appropriate opportunities for using the 1402 classification.

Request	FY19-20 All Funds Amount	FY19-20 General	FY20-21 All Funds Amount	FY20-21 General

		Funds Amount		Funds Amount
20-1402 Junior Clerk Temporary Positions	$1,724,330	$1,724,330	$1,724,330	$1,724,330
1202 Personnel Clerk → 1244 Senior Personnel Analyst	$80,466	$61,959	$80,466	$61,959
Total	**$1,804,796**	**$1,786,289**	**$1,804,796**	**$1,786,289**

SF Benefits Net and SF Benefits Net Operations:

Benefits Connectors for Navigation Centers and Homeless Shelter Sites

HSA proposes to add five 2905 Eligibility Workers to connect clients at the Department of Homelessness and Supportive Housing's Navigation and SAFE (Shelter Access for Everyone) centers to Medi-Cal, CalFresh, and CAAP benefits.

Compared to people with housing, people experiencing homelessness have a harder time getting and keeping public benefits. According to DPH, 34% of homeless persons in San Francisco don't have Medi-Cal. Data from the 2017 homeless count shows that only 25% of the homeless respondents reported receiving CAAP, 20% reported receiving SSI, SSDI or non-veteran disability benefits, and only 35% reported receiving CalFresh. Many homeless individuals are in crisis, have a history of trauma, and have trouble negotiating complex, eligibility systems requiring attending multiple appointments and keeping track of paperwork. Benefits connectors will meet clients where they are, streamline business processes whenever possible, and provide personalized support to help them navigate application systems.

By the end of FY 2019-20, the City plans to add 600 new beds in the Navigation Centers and SAFE centers. Conducting benefits enrollment, approval, and maintenance for these clients is time-intensive, especially as staff will have to rotate among a larger number of sites. HSA proposes to add three of the five Eligibility Workers in SF Benefits Net, and two in CAAP. HSA anticipates that the three SF Benefits Net positions would draw 25 percent revenue, and the CAAP positions would draw 35 percent.

Request	FY19-20 All Funds Amount	FY19-20 General Funds Amount	FY20-21 All Funds Amount	FY20-21 General Funds Amount
5-2905 Eligibility Workers	$396,935	$193,310	$458,511	$235,356

New DPH / HSA Partnership to Support Infant Nutrition

Using existing funds in its budget, HSA proposes to collaborate with the Department of Public Health to fund a position to better integrate food security resources for low-income pregnant women and families with young children. The position will work both to enroll CalFresh and Medi-Cal clients visiting at HSA's 1440 Harrison location into the Women, Infants, and Children (WIC) food assistance program as well as be deployed at SF-DPH clinics to help WIC recipients submit CalFresh applications via the web portal. Reviews of HSA's and DPH's data show significant room for outreach. About 2,000 households who are currently enrolled in WIC are ostensibly eligible for CalFresh, but not enrolled. In addition, the Medi-Cal program at 1440 Harrison enrolls more than 200 newborns a month – a level not seen in either the CalFresh or WIC programs. Currently, low-income mothers can only enroll in WIC at SF-DPH's public health centers. Enrolling families on WIC, however, requires specialized training and by regulation needs to be provided by a health worker. This funding will address concerns about the city's high rates of pre-term birth and negative biological and developmental outcomes for children born into low-income families. DPH has existing positions for WIC enrollment; however, they are anticipating declines in their federal funding as a result of caseload declines. HSA proposes to backfill support for one of these positions using saving within its SF BenefitsNet outreach budget as well as federal CalFresh funding. The partnership with HSA is a way to sustain an existing position, and reconfigure it for shared goals.

Request	FY19-20 All Funds Amount	FY19-20 General Funds Amount	FY20-21 All Funds Amount	FY20-21 General Funds Amount
Funds to DPH for 1-2586 Health Worker	$106,965	$80,224	$110,292	$82,719

County Adult Assistance Programs (CAAP)

The budget proposal includes increases to the CAAP grant to mirror the increases to the CalWORKs grant in the Governor's budget. HSA has estimated the combined costs of increasing the CAAP grant by the same percentages -- 10 percent beginning in April 2019, and an additional 13 percent beginning in October 2019 – as $4.0 million in FY 2019-20 and $4.6 million in FY2020-21. These costs will also increase the City's Care Not Cash Transfer by $1.4 M in FY 2019-20.

As noted above, CAAP is requesting two additional staff as part of the Benefits Outreach initiative.

Family & Children's Services (FCS)

As we discussed at the last Commission meeting, under current law, authorization for Federal Title IV-E waivers ends September 30, 2019. With the end of the waiver, San Francisco expects to lose $3.5 million in Federal revenue in FY 2019-20, and $4.7 million in FY 2020-21. In addition, like all jurisdictions participating in the waiver, San Francisco has made "waiver investments" to strengthen its child welfare system and prevent unnecessary use of foster care. The investments are funded from the reduced cost of administration and assistance associated with out-of-home placement of federally-eligible dependents; under the waiver, savings from the federal, state, and county shares of these costs must be reinvested in services. Keeping these investments in place will cost $6.3 million in FY 2019-20 and $6.5 million in FY 2020-21.

Based on current projections, HSA and its partners at the Juvenile Probation Department (JPD) believe there will be sufficient savings through the end of FY 2018-19 to fund the revenue loss and the waiver investments in FY 2019-20. A portion of these savings might also be available to offset the FY 2020-21 loss. Then, in FY 2021-22, when California implements the new Families First Preventive Services Act (FFPSA), it is likely that this problem will be mitigated to some extent. FFPSA allows states and counties to draw down Federal match on certain preventive services expenses, provided that they meet certain evidence-based standards. Throughout the budget process this year, HSA will continue working with the Mayor's Office and JPD to develop a plan to address the shortfall in FY 2020-21.

With the support of the Mayor's Office, HSA has developed a plan to address the increased costs associated with closing the Child Protection Center and developing a new emergency placement system. We have identified current year contract savings to cover the initial start-up and first year of contracts while the system is in transition. We will then add additional funding for the $2.7M in ongoing, general fund costs of the new structure beginning in FY 2020-21.

Administration

Diversity, Equity, Inclusion Team to Address Racial Equity at HSA

Within its Administration division, HSA proposes to create a dedicated team that will constantly stay abreast of concerns related to Diversity, Equity, and Inclusion (DEI) amongst staff at all levels of the organization. Formally creating a team for this purpose will ensure that issues of inequities will always receive HSA's full attention, and never be sidelined in favor of competing demands. The DEI team will implement practices towards increasing diversity, rectifying inequities, and ensuring voice and belonging to HSA's diverse staff and clients. The main objective of the DEI team will be to assess the current work environment including its policies and practices and implement or update practices and policies that result in an Agency culture which embraces diversity, equity, and inclusion in all aspects of its work including decision-making and allocation of resources. Specifically, the DEI team will focus on:

- Developing DEI curricula that may include the following topics: how to apply tools that combat implicit bias; how to build inclusive teams; how to have diversity-related conversations within teams/units, bystander intervention training; how to promote a positive workplace culture; and fostering equity, and other privilege, gender, and race related topics. Ultimately, the outcomes of the curricula should 1) combat implicit biased; 2) equip participants to intervene when they see bias or harassment unfolding, 3) train staff on how to talk to others about organizational diversity, and 4) contribute to an environment that uses and embraces a racial equity lens in programs, policies, and practices.
- Providing safe spaces that enable frequent and consistent opportunities to discuss diversity, equity, and inclusion. These spaces might include brown bags, work groups, suggestion boxes, town halls, and workshops that encourage ongoing conversation on DEI topics.
- Collaboration with GARE workgroup members to strategically align efforts in identifying the core priorities for programmatic development and implementation of DEI processes. These may be in the areas of hiring/recruitment, leadership pathways/promotion, and organizational culture.
- Ensuring accountability and sustainability. This includes: instituting organizational change tools and practices that embed a racial equity lens in all of our work; identifying and cultivating racial equity champions throughout the Agency; compiling and analyzing diversity, equity, and inclusion statistics; preparing reports on Agency diversity and using these reports to recommend measures to increase effectiveness of the DEI program.

The three-member Diversity, Equity and Inclusion (DEI) Team within HSA's Human Resources Division will provide an agency of our size the proper resources to guide this work forward in a substantial and sustainable fashion. The 0923 DEI Manager will direct the creation, implementation, and sustaining of a comprehensive DEI program. They will apply the principles and practices of diversity and equity to efforts across HSA, working closely with HSA management, GARE participants, the Planning Unit, and HR division. The 1823 DEI Planner will conduct research and analysis of HSA procedures and policies, offering recommendations for improved DEI practices based on their findings. The planner will also organize workshops and community partnerships as part of the DEI programming. The 1244 Senior Personnel Analyst will oversee project teams and work groups, train staff across HSA, and monitor change outcomes to track the success of DEI interventions, with a focus on efforts to improve equity in HSA's hiring and promotional practices.

In addition to the creation of the DEI team, HSA also proposes to add a 1244 Senior Personnel Analyst to expand its Employee and Labor Relations team. This will allow HSA to be more transparent, fair, and consistently responsive in its handling of labor relations issues, including those arising from racial equity concerns. This will allow for more frequent and timely conversations with the Union, staff, supervisors, managers, and other stakeholders to ensure a common understanding and implementation of policies and practices that foster equity and an environment of voice and belonging. This will also allow the ability to mediate issues early between employees, managers, staff, and union representatives.

Request	FY19-20 All Funds Amount	FY19-20 General Funds Amount	FY20-21 All Funds Amount	FY20-21 General Funds Amount
0923 – Manager II	$169,821	$130,762	$220,547	$169,821
1823 – Senior Administrative Analyst	$136,341	$104,983	$177,066	$136,341
2-1244 – Senior Personnel Analyst	$284,978	$219,434	$370,102	$284,978
Total	**$591,140**	**$455,179**	**$767,715**	**$591,140**

Position Actions

In addition to the above proposals, there are a number of substitutions of existing positions within the Department of Human Services and Human Services Agency Administration. A majority of these substitutions are to bring the position in line with its current usage by the agency.

Required Action and Recommendation

With this memo, we request approval of the proposed FY 2019-20 and FY 2020-21 budgets for the Department of Human Services and the Human Services Agency.