



Edwin M. Lee, Mayor

Department of Aging and Adult Services
E. Anne Hinton, Executive Director

MEMORANDUM

TO:	Aging and Adult Services Commission
THROUGH:	Anne Hinton, Executive Director
FROM:	Derek Chu, Budget Director, Human Services Agency (HSA)
DATE:	January 29, 2013
SUBJECT:	Department of Aging and Adult Services (DAAS) Budget for FY 13-14 and FY 14-15

In December, Mayor Lee presented the latest deficit projections for the City's budget. It appears the revenue situation for San Francisco is much improved compared to past years. However, as of December 2012, the Mayor's Office was still projecting a citywide deficit for FY 13-14 and FY 14-15 and the Mayor's Office has informed departments they will need to meet individual budget reduction targets as part of their budget submissions in February 2013. As the City is now operating on a two-year budget cycle, there are separate budget reduction targets for both FY 13-14 and FY 14-15.

For the Human Services Agency as a whole, those ongoing budget reduction targets are as follows:

FY 13-14: \$1,351,073
FY 14-15: \$1,621,287

To meet this target, HSA leadership has used the budgeting principles developed by both the Human Services Commission and Aging and Adult Services Commission and adopted the following strategies: leverage agency-wide revenue, achieve administrative efficiencies, and hold the line on agency cost increases. Most importantly, we have identified reductions that will have the least impact on services to clients, particularly our most vulnerable families and individuals. Last month, HSA conducted outreach to community-based organizations to ensure that input from the community was received and incorporated into this reduction plan.

In the past, we have assigned the reduction to the Department of Human Services (DHS) and the Department of Aging and Adult Services (DAAS) based on their proportional share of the agency's budget (roughly two-thirds for DHS and one-third for DAAS). For the coming two years, as with last year, we instead project potential agency-wide solutions to meet these targets.

Based on the current understanding of the Governor's proposed budget for FY 13-14 (released January 10, 2013), we anticipate that HSA will be able to meet the full budget reduction target of \$1,351,073 with a combination of increased revenues from state and federal sources and savings found within the agency. We expect fairly large revenue increases in CalWORKs revenue based on reallocations received in the current year, and also increased Medi-Cal revenue related to the implementation of the Affordable Care Act and the expansion of Medi-Cal to new populations. Although these revenue increases are tied to specific programs, they are also designed to cover the agency's administrative costs. These revenues will offset the City's General Fund contribution and provide HSA with a means to reach the budget

reduction targets. Savings are also anticipated from ongoing efficiencies in staffing as well as budgeted contract underspending.

Human Services FY13-14 & 14-15	FY13-14 (General Fund)	FY14-15 (General Fund)
Mayor's Reduction Target - Agencywide	(1,351,071)	(1,621,287)
Reduction Plan		
CalWORKs Revenue Augmentation	(500,000)	(500,000)
Medi-Cal Revenue Augmentation	(500,000)	(500,000)
Projected Non-Salary Underspending	(351,071)	(621,287)
Total Revenue Increases / Reductions	(1,351,071)	(1,621,287)

As you can see above, the entire budget reduction target for the agency will be reached through agency-wide solutions.

New Budget Initiatives

DAAS has two initiatives that are now essential components of the department's delivery of long term services and supports. One initiative, the San Francisco Transitional Care Program, is already built into the FY 13-14 base budget. Currently, DAAS is in contract with the Centers for Medicare and Medicaid to provide transitional care services to patients exiting acute hospital settings; with this initiative, we plan to serve 5040 patients annually by 2014. This is a very important new project for the department and helps move the department toward greater coordination with health services and hospitals.

The second initiative, Broadband Technology Opportunities Program (BTOP), is not currently funded for all of FY 13-14. In 2010, the U.S. Department of Commerce awarded \$7.9 million to San Francisco for a competitive grant to increase access to technology. Of that \$7.9 million, more than \$3M was dedicated to increasing technology access for seniors and adults with disabilities. On September 30, 2013, San Francisco will lose the federal funding for this program, but DAAS is requesting General Fund support to continue this work on an ongoing basis. The BTOP program has been highly successful in training older adults and adults with disabilities on the many uses of computers and social media. With ongoing support, existing staff can ensure continued training, technical and volunteer support for centers, housing sites, and consumers. In particular, these two staff members are necessary to continue online support for graduates of the Chronic Disease Self-Management Program, which has just gotten off the ground. DAAS will be asking for \$608,509 in support for FY 13-14 and \$811,345 in General Support for FY 14-15. These funds will support two ongoing positions and training services for clients.

Position Changes

As part of the BTOP initiative described above, DAAS will be requesting General Fund support for two permanent positions (funding amounts below are based on partial-year costs).

New Position Requests				
Number of Positions	Job Class	Title	Cost (Salary and Fringe) of Position for FY 13-14 (.77 FTE)	Description and Proposed Funding
1	1822	Administrative Analyst	\$91,586	BTOP funding ending; asking for General Fund support
1	1823	Senior Administrative Analyst	\$106,798	BTOP funding ending; asking for General Fund support

In addition to the new positions above, DAAS will propose a series of position changes to reflect new job duties, changes in program responsibilities and increased liability related to new programs.

Proposed Position Changes					
Program	Old Job Class	Old Job Title	New Job Class	New Job Title	Cost of Position Change (Salary and Fringe)
APS	0923	Manager II	0931	Manager III	\$13,647
Office on the Aging	0922	Manager I	0923	Manager II	\$11,725
Public Guardian	0923	Manager II	0931	Manager III	\$13,647
Intake	0922	Manager I	0923	Manager II	\$11,725
Office on the Aging	9722	Specialist In Aging II	2917	Program Support Analyst	\$13,177
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Long Term Care	1823	Senior Administrative Analyst	0922	Manager I	\$22,281
IHSS	2913	Program Specialist	2917	Program Support Analyst	\$26,277

Note:

The above position changes will be funded through the deletion of two vacant positions, including:

Program	Position	Cost
IHSS - Vacant	2904	\$88,972
IHSS - Vacant	1426	\$83,920

Recommendation

With this memo, we respectfully request preliminary approval of the proposed reduction plan. At the next meeting of the Aging and Adult Services Commission, we will present you with a full proposal of the DAAS budget for FY 2013-14 and FY 2014-15, for your review and approval.