

City and County of San Francisco



Department of Aging and Adult Services

MEMORANDUM

TO:	AGING AND ADULT SERVICES COMMISSION FINANCE COMMITTEE
THROUGH:	ANNE HINTON, DIRECTOR
FROM:	PHIL ARNOLD, DEPUTY DIRECTOR FOR FINANCE AND ADMINISTRATION
DATE:	JUNE 4, 2010
SUBJECT:	ADDITIONAL DAAS FY 2010/11 BUDGET REDUCTIONS

INTRODUCTION

On February 3, 2010, staff presented the Commission with the Department of Aging and Adult Service's (DAAS) budget reduction plan and proposed budget for FY 10-11. In order to meet a Human Services Agency (HSA) total General Fund reduction target of \$28.4M, that plan combined savings in the current year along with one-time savings, on-going savings, and anticipated revenue increases in FY 10-11.

At that time, staff reported that the Mayor's Office might issue additional budget reduction targets to close the City's General Fund deficit. On April 1st the Mayor's Office instructed HSA to develop further reduction plans to reduce general fund support by \$12.6 million and to decrease certain management and administrative budgets by 10%. The Mayor's Office directed HSA to provide reductions in the current fiscal year, FY 09-10, as well as in the budget year, FY 10-11, in order to reach this target.

BACKGROUND

The Human Services Commission and the Aging and Adult Services Commission approved the following budget reductions as requested by the Mayor's Office.

FY 09-10 Mid-Year Cuts: \$3.7M

HSA was able to largely meet the mid-year target with contract savings, revenue increases, and reduced estimates of need for budgeted services.

FY 10-11 Reduction Target of 20% GF: \$18.9M

To meet the 20% target, HSA proposed a variety of reductions to program services. DAAS also contributed \$6.7M in savings from proposed wage changes in the IHSS program. Additional

revenue included \$9.5M in FMAP revenues as well as increased revenue for adoption services, foster care eligibility, and support for translation and IT services.

FY 10-11 Contingency Reduction Target 10% GF: \$9.47M

In meeting the 10% contingency target, HSA enacted staffing and contract reductions across the agency, including DAAS reductions to the Forensic Center contract, increasing revenues in the legal services program, increasing monthly employee share of health insurance for IHSS providers from \$10 to \$25, as well as contract savings. The IHSS provider increase in health insurance was subsequently taken off the table.

REDUCTIONS TO MEET \$12.6 MILLION TARGET

The following DAAS reductions totaling \$2.1 million in budget year cuts were approved by the Mayor's Office as a partial response to their request for an additional \$12.6 million in reductions.

- **Congregate Nutrition Program: \$515,000**

The nutrition program savings came from a combination of providers restructuring their operations to reduce costs (e.g., revise staffing, increase use donations, volunteers, fundraising, etc.) and revising the congregate weekend meal service model by providing a bag lunch to consumers. The reduction affects eleven of the nutrition contractors. The nutrition spending plan assumes that approximately \$135,000 of future One-Time Only Nutrition funding will be absorbed as a part of this reduction.

- **Forensic Center Funding: \$120,000**

The consumers served by the Forensic Center will lose access to specialists that assist in developing their cases. Also, 1,000 hours of community outreach and education will be cut. The Department is currently exploring the possibility of swapping \$50,000 of current year contract under-spending to shift to FY 10-11 in order to provide local match to the Archstone Grant.

- **Hoarders and Clutterers: \$100,000**

Reduce funding to the Mental Health Association contract by forty-one percent that currently supports group services directly related to hoarding and cluttering behaviors.

- **Housing Counseling and Advocacy : \$137,037**

Supports senior and disabled residents in SF with general housing advocacy efforts (tenant rights, eviction prevention, etc.) This cut will eliminate housing advocacy, educational sessions for residents and housing counseling for DAAS clients.

- **Respite Purchase of Services and Senior Companion funding: \$30,908**

Eliminate local funding to these programs, affecting respite care provision and the program support that provided volunteer service opportunities at the Adult Day Health centers.

- **Volunteer Recruitment Services: \$62,707**

This program will be incorporated into the Family Caregiver Support Program, where the caregivers for LGBT seniors will also be served.

- **Alzheimer's Day Care Resource Center (ADCRC) Program: \$243,750**
 This reduction would eliminate local funding to the ADCRC program affecting day care services for consumers, counseling services for family members and community education.
- **Naturalization Program Funding: \$200,000**
 Approximately 1,410 seniors will not receive services that assist them complete and file naturalization applications and/or to prepare them to pass required citizenship tests. Seniors are denied SSI benefits if they are not US born or naturalized citizens. The reduction has been distributed proportionately among the Naturalization providers.
- **Legal Services Funding: \$200,000**
 This reduction will eliminate the \$40K in funding for the Newsletter and will distribute the \$160K balance of the reduction proportionately among the Legal Services providers which generate a loss of approximately three FTEs and 510 fewer consumers being served. Based on current levels of service, 3,190 hours of legal service will be eliminated.
- **Community Services/Senior Centers and Activities Centers for Adults with Disabilities: \$294,489**
 This cut requires an approximately 10.2% reduction to all DAAS Community Services agencies.
- **Case Management Program Funding: \$300,000**
 The baseline funding for the Case Management program will be reduced by \$300,000 and processed through the new contract awards going out later this month. The case management program has only recently gone out for RFP and is in the process now of being evaluated.
- **Reduced Case Management Time Study Revenue: \$103,500**
 As presented in the FY 10/11 budget proposal, the Department has developed a process of implementing a new time-study process that draws down additional Federal revenue in the Community Services Block Grant funding. With the reduction in the case management program detailed in the preceding line, staff have reviewed and adjusted the anticipated additional revenue as a result of the cut. Fewer case managers who timestudy will result in decreased revenue.