

Community, Mayor, Department Budget Collaboration

Outcomes of FY11-12 Budget Engagement Process

Over the past four months, the Mayor, Department leadership and CBO leadership from across the City participated in budget “working sessions” involving the Health and Human Services policy area and the specific budget proposals of the Department of Public Health, the Department of Children, Youth and Their Families, and the Human Services Agency. These budget “working sessions” led to the following budget Policy Priorities and in turn, to concrete changes in the Mayor’s Fiscal Year 2011-12 Proposed Budget.

Budget Policy Priorities

1. Preserve programs and services that meet basic human needs: housing/shelter, food & nutrition, protection/safety, emergency assistance, and access to healthcare and income support.
2. Prioritize the most vulnerable, including those at the highest risk for negative consequences and/or with multiple issues and barriers.
3. Prioritize/Minimize reductions to services and programs that leverage outside revenues (for example: state, federal, private, donations, and client fees).
4. Prioritize services that directly benefit individuals and prevent higher costs to the City and/or higher service costs.
5. Prioritize services that will be lost and non-renewable (such as facilities) if they are eliminated.
6. Support the diverse expertise and experience of the system of care – which includes a variety of care: neighborhood based, population based, Family Resource Centers, and other programs that support families.
7. Prioritize the commitment to community-based care – for service delivery and outreach; and to prevent institutionalization, incarceration, and the utilization of high-end care.
8. Consider program effectiveness when making budget reductions in specific programs or initiatives.

Outcomes

While each Department will present in more detail on their changes, the following table summarizes the funding adjustments in the Mayor’s Proposed Budget:

| \$ millions | Proposed Reductions | Accepted Reductions | Change | % Change |
|-------------|---------------------|---------------------|---------|----------|
| DCYF | 5.6 | 2.8 | (2.80) | 50% |
| DPH | 12.1 | 5.5 | (6.60) | 55% |
| DHS | 3.3 | 1.8 | (1.50) | 46% |
| DAAS | 4.8 | 1.4 | (3.40) | 71% |
| Total | \$25.80 | \$11.50 | (14.30) | 57% |

DEPARTMENT OF CHILDREN, YOUTH & THEIR FAMILIES (DCYF)

To remain consistent with the department's Children's Services Allocation Plan (CSAP) and Request for Proposal (RFP) processes, the department initially proposed a percentage reduction to all FY10-11 one-time funds to reach their 10% General Fund reduction target. To reach its 10% contingency target, DCYF proposed eliminating all one-time funds from 10-11 in order to keep RFP recipients and other grantees fully funded according to their current contracts with DCYF.

KEY CHANGES

After the community engagement process with the Mayor, members of the Board and community leadership, several specific funding principles and concerns were identified, including the need to:

- Preserve Direct Services.
- Prioritize service access and funding for:
 - Early Child Care and Education (ECE);
 - Family Resource Centers (FRC); and
 - Youth Workforce Development (YWD).
- Prioritize service access and funding for special populations including immigrants, LGBTQQ, and Transitional Aged Youth.

In light of these principles, the Mayor's Proposed Budget re-prioritizes DCYF's funding to meet these criteria and only includes a 10% General Fund reduction, rather than the full 20% target.

| \$ millions | Proposed Reductions | Accepted Reductions | Change | % Change |
|-------------|---------------------|---------------------|----------|----------|
| DCYF | \$5.60 | \$2.80 | (\$2.80) | 50% |

REPRIORITIZED REDUCTIONS

In its re-prioritized reduction strategy, DCYF distributed reductions across each of the department's service areas. The following are the service areas reduction strategies:

- Early Child Education (ECE) Total Proposed Funding: \$13 million
 - Proposed reduction (\$150,000) – Eliminate non-Direct Services. Preserve all direct-services.
- Family Support Total Proposed Funding from DCYF: \$4.4 million
 - Proposed reduction (\$175,000) – Eliminate non-Direct Services and preserve Family Resource Centers.
- Out of School Time (OST) Total Proposed Funding: \$19.5 million
 - Proposed reduction (\$117,200) – Eliminate Technical Assistance and reduce remaining services by 45%.
 - Proposed reduction (\$457,400) – Reduce 35% of one-time funds. Preserve funded programs under \$75,000.
- Violence Prevention Initiative (VPI) Total Proposed Funding: \$6.1 million
 - Proposed reduction: VPI (\$1,042,314) – Extend one-time funded contracts for six-months with a 5% reduction. Issue a new RFP in September for any program wishing to

continue. New contracts to begin January 2012. DCYF has worked extensively with providers in VPI and have gained their support in this strategy.

- Youth Leadership (Y-Lead) Total Proposed Funding: \$18 million
 - Proposed reduction: Workforce (\$360,000) – Eliminate programs that did not apply to the FY10-13 RFP; Apply 15% reductions to all others.
 - Specialized Teen (\$341,201) – Reduce 35% of one-time dollars. Preserve all programs under \$75,000.
 - TAY(\$9,600) – 10% reduction
 - Health & Wellness (\$30,000) – 100% reduction of one-time dollars

DEPARTMENT OF PUBLIC HEALTH (DPH)

DPH is the largest City department, with a budget of \$1.5 billion including roughly \$348 million in General Fund. As a result, DPH was assigned the largest general fund reduction target of \$34.8 million and a contingency target of \$34.8 million. As the provider of last resort, DPH sought to maximize all revenue options and to maintain as many services as possible. In the majority of instances, General Fund dollars are used to leverage other revenues and/or fund the cost of services that revenues do not completely cover. For these reasons, DPH's initial budget proposal included two central strategies:

I. Maximize Revenue and Efficiencies to Maintain Services

DPH was able to project significant additional revenues from the new Medi-Cal Waiver for San Francisco General Hospital, one-time revenues from a change in prior year Short-Doyle Medi-Cal Reimbursements for mental health and from changes in payment rates to Laguna Honda Hospital. In addition, DPH sought efficiencies in the next fiscal year to reduce existing costs, including contracting out Sheriff security services at the hospitals without any resulting layoffs. This will result in \$2.0 million in savings at DPH alone. The Sheriff's department would also achieve additional overtime savings as Sheriff deputies are returned to posts at the jails.

II. Make Additional Reductions to Unmatched General Fund

Through revenues and efficiencies, DPH was able to meet \$57 million of the targeted reduction without cuts to services or support. To meet its remaining reduction target, the department, however, had to propose over \$10 million of service reduction. The proposals included:

- \$3.6 million in contract reductions to residential behavioral health programs;
- \$4.2 million in contract reductions to non-residential behavioral health programs;
- Elimination of 10 civil service staff positions in Behavioral Health, worth \$1.2 million; and
- \$1.1 million in savings in Housing and Urban Health by transferring 55 existing housing units and 70 stabilization beds into new supportive housing units

| \$ millions | Proposed Reductions | Accepted Reductions | Change | % Change |
|-------------|---------------------|---------------------|--------|----------|
| DPH | 12.1 | 5.5 | (6.60) | 55% |

After the community engagement process with the Mayor, the Mayor's Proposed Budget reflects several changes to DPHs' contingency plan, including:

- No reductions to residential behavioral health programs. The Mayor's Proposed Budget fully funds all residential treatment programs. Due to the collective decision to prioritize services for the most vulnerable, the Mayor did not accept any reductions in this service area. This decision maintained \$3.6 million for various programs across the City.
- \$1 million restoration of for non-residential contracts. With a cut proposal of \$4.2 million to non-residential treatment programs, the Mayor's Proposed Budget retains \$1 million in funding for these programs. Recognizing that agencies with smaller contracts have less flexibility to manage reductions, funding for 23 agencies with community behavioral health contract totaling less than \$1 million was prioritized.
- Retention of permanent housing units. As permanent housing is critical to keeping patients healthy, 55 housing units at the Star Hotel will be maintained.
- Retention of 10 civil services positions in behavior health clinics. The department also found additional one-time efficiencies to maintain these positions, which are critical for patient flow and efficient clinic operations.

Human Services Agency

As part of the department's reductions for the FY 2011-12 Budget, HSA submitted \$8.1 million in reduction that would have direct service impacts on health and human service clients. This includes \$3.3 million from the Department of Human Services (DHS) and \$4.8 million from the Department of Aging and Adult Services (DAAS).

| \$ millions | Proposed Reductions | Accepted Reductions | Change | % Change |
|-------------|---------------------|---------------------|--------|----------|
| DHS | \$3.3 | 1.8 | -1.5 | 46% |
| DAAS | 4.8 | 1.4 | -3.4 | 71% |
| Total | 8.1 | 3.2 | -4.9 | 61% |

Feedback provided by CBOs included a desire to preserve core services to the most vulnerable populations and maintain funds that leverage non-local support. Also, it was clear that contractors providing these core services have taken hard budget cuts over the past several years and, in some cases, are at a breaking point in their ability to continue operations. As a result of this input, the Mayor and the department determined that proposed reductions to the following program areas should be adjusted by the following amounts:

Human Services

1. Maintain current services at Drop-In Centers rather than RFP for shelter reservation services (\$898k);
2. Maintain 24-hour service at the Next Door Shelter rather than reduce to 15-hours (\$181k); and
3. Reduce cuts to CBOs operating and providing services at permanent supportive housing sites to single adults (\$270k) and to families (\$139k). While DHS's proposal for supportive housing continues to impact contracts, this funding reduction is consistent with the department's effort to standardize funding levels across programs for similar services without reducing the number of housing units available to low-income populations (\$409k total).

Aging and Adult Services

1. Reject increased health premium co-pays from \$10 to \$15 and elimination of dental benefits to IHSS Public Authority care providers (\$1.9M);
2. Full preservation of funding for vulnerable populations including Hoarders and Clutterers (\$100k), Alzheimer's Day Care Resource Centers (\$186k), Nutrition (\$600k), and Senior Companion (\$22k) services (\$908k total);
3. Reduce cuts to services that directly benefit vulnerable populations including:
 - a. Transitional Care Case Management with a focus consumers who are transitioning from acute hospitalizations back to the community (\$80k);
 - b. Case Management, with an effort to maintain an equitable distribution of case management programs across the city (\$108k);
 - c. Transportation Program Reduction, while the Taxi Voucher program will be eliminated, transportation to senior centers and grocery shopping trips will be retained (\$190k);
 - d. Senior Centers and Activity Centers for Adults with Disabilities, DAAS will work with providers to implement plans that result in doing the least harm to consumers (\$153k);
 - e. Legal Services Reduction to provide access to legal advice and resources to seniors and adults with disabilities (\$95k); and
 - f. Naturalization Program Reduction for services that aid in completing and filing of naturalization applications and/or assist in preparing seniors and adults with disabilities to pass citizenship tests (\$95k).