

Department of Human Services Budget Principles for FY 11-12

- Preserve programs and services that meet basic human needs:
 - housing/shelter, food and nutrition, protection/safety, and access to health care and income support.
- Minimize reductions to services and programs that leverage outside revenues.
- Maintain client services that are necessary to achieve mandated outcome objectives.
- Develop business process improvements and program efficiencies in order to reduce costs.
- Consider program effectiveness when making budget reductions in specific programs or initiatives.

Department of Children, Youth and Their Families

For FY 11-12, our Budget Priorities are:

- Focus funding on the department's priority goal of children & youth are ready to learn and succeeding in school.
- Maintain integrity and intent of the CSAP (our Three-Year Plan), Request for Proposal awards and joint funding efforts with other City departments.

2011-2013 CSAP Guiding Principles:

- Align investments with Public Partners
- Be targeted and purposeful with investments
- Improve current systems
- Serve all families citywide

Priority Populations:

- Prioritize children and families that are: system involved, under housed and experiencing obstacles or challenges putting them at risk of negative outcomes.
- Prioritize neighborhoods with children, youth and families in the greatest need.

Department of Public Health

The Health Commission directed the department to submit a budget that maintains a sustainable system of care that meets our financial obligations and reflects the Health Commission and DPH priorities to those most in need in San Francisco. In addition, the Health Commission approved the following principles to guide development of the budget for the Department:

Revenue

1. The Department shall develop a budget to include revenue increases to the maximum extent possible.
2. The Department shall ensure that fee-based programs will have fees set to recover costs.

Populations

3. In proposing cuts the Department will minimize the impact on vulnerable populations. We define vulnerable populations as low income persons. Given that almost all patients of the Department fall into this group, in prioritizing services for low income persons, we further prioritized services for persons fulfilling the following characteristics:

Lowest Income

Prioritize services for the very poor over services for the poor.

More Severe Illness

Prioritize services for those with serious illness over those with moderate illness.

Health Disparities

Prioritize services addressing populations with known disparities over programs serving the general population.

Non-English Speakers

Prioritize services for those whose first language is not English.

Homeless

Prioritize services for the homeless over the housed.

4. Given that most clients we serve fit at least one of these diagnoses, clients fitting multiple categories would be judged to be more vulnerable than other persons.

Services

5. The Commission and the Department have as a priority to develop and enhance relationships with partners who constitute our system of care for all San Franciscans.
6. The Department will move aggressively to develop measures and outcomes for all programs that it operates and funds.
7. The Department will identify to the Health Commission those programs that are financially self-sustaining and the services will be exempt from cuts (e.g., immunization clinic, outpatient dialysis), although cost reductions within them can be considered.
8. The Department and Health Commission will identify those services of the highest priority where no cuts will be recommended and those services of moderate priority where some cuts can be recommended.
9. The Department will continue to fulfill its legally mandated functions, although we may recommend cuts to fulfill this mandate at lower expenses.
10. The Department, when making service cuts, will try to mitigate them by substituting a less expensive level of service for the same population.
11. The Department will include funding to address increases in the cost of doing business for our community partners, and increases in salaries of Department employees mandated by labor agreements, even if that funding necessitates a reduction in services to finance the increased cost.
12. The Department will not propose budget reductions that would jeopardize licensure and accreditation of our hospitals.
13. Reductions will be guided by the revised DPH Strategic Plan that now incorporates the four priority Community Benefit Partnership goals into the plan.
14. Any reduction in the General Fund will be presented in the context of other revenues, including grants, for the identified services.
15. Staff will present tiers of reductions to address a range of possible cuts that may be required by the Mayor.

The Health Commission continues to review this set of principles in the context of the City-wide projected deficit and the level of reductions required from Public Health towards balancing the City budget.

API Budget Coalitions – Budget Policy Priorities

April 7, 2011

1. The city should prioritize programs that specialize in culturally competent and language accessible services and outreach.
2. The city should prioritize CBO's that develop and effectively utilize deep community ties for outreach and delivery of services.
3. The city and CBO's should work together to identify essential services that the city itself cannot provide at all or efficiently. These essential services should be prioritized publicly.
4. Budget cuts must be shared accountably across the "city family." The city should not protect departments or particular programs for purely political purposes.
5. City departments must operate on a principal of dual accountability. Just as departments seek to hold "non-performing" CBO's accountable, city departments must identify and hold non-performing divisions and staff accountable. City should consider working closely with CBO's to identify what is and is not working.
6. Cuts to non-performing CBO's should not result in an overall reduction in resources to the community. Funds cut from non-performing CBO's should flow back into other high performing organizations serving that community.
7. Budget cuts to community based services must be distributed accountably across the city based on need and vulnerability. No single vulnerable community should take cuts disproportionate to their need.
8. The city should avoid a global policy of "zeroing out" effective CBO programs for purely administrative reasons (i.e., cuts would make a grant too small to administer). Where department staff determine that "zeroing out" is desirable, the department should first consult with the CBO to reach a mutually agreeable resolution.
9. The city should create a centralized "resource bank" to support CBO's that are seeking federal, state, and foundation funding that will help supplement programs currently being funded by city dollars.
10. Elimination, merger, and restructuring discussions should be deferred until after the "budget season" when the atmosphere is less politicized.

SET OF BUDGET PRINCIPLES

(from Budget Justice, shared by Jennifer Friedenbach)

We are facing a crisis in San Francisco that threatens the health and well-being of the City's most vulnerable populations. Given this environment, we have laid out basic principles to assist policy makers in prioritizing how funds are spent. Decision-making around the budget in San Francisco should be based on the following criteria:

- The budget process should be transparent, timely and should include community at all levels of decision-making.
- When funding is limited, the most vulnerable populations should be prioritized.
- Alternatives to provide services and/or alternative funding sources should be established.
- Funding used to displace human beings from public space should be cut, as should funding used to violate human and civil rights.
- Wasteful spending, sweetheart deals and appointments should be identified and cut.
- Fund proactively services that directly benefit individuals to prevent higher costs down the line. For example: (1) community mental health care avoids psychiatric emergency costs, (2) spending money to sweep homeless people takes money away from housing which would avoid the need for sweeps in the first place, (3) supporting families living in poverty prevents expensive foster care costs.
- Revenue should be sought from those who can afford to pay.
- Maximize funding for programs that draw down outside funds. (ie. Federal matching money)
- Essential services should be defined as housing, food, income supports, homeless prevention, health care, education and other basic life necessities.
- Conduct and follow up on audits on a regular basis.
- Prioritize permanent solutions to poverty and homelessness for families.
- Budget decision should move the city towards social equality.
- Cap management salaries for all non-profits and city employees.
- Management bonuses for salary savings should be eliminated. Individual gains should not be made at the expense of poor people.

If all else fails, all possible revenue and savings have been garnered, and poor people's programs must still be cut, then:

A. Consider a more equitable sharing of the pain. For example: (1) families vs. single adults, (2) non-profit contractors vs. civil service, (3) only cut those who can bear the pain.

B. Save as much of any one program as possible.

Common Guiding Principles:
(shared by Sherilyn Adams, as an individual provider)

- Prioritize high need/most vulnerable (i.e. those with multiple issues/barriers/highest risk for negative consequences)
- Commitment to community based care/preventing institutionalization/incarceration/utilization of high end care
- Prioritize systems or services that can meet multiple needs and/or can effectively and efficiently address the comprehensive needs of the individual or family
- Core basic services such as food, shelter, housing, medical tx, behavioral health services, education and employment should be critical and should be prioritized
- Clients'/consumers/patients repeatedly tell us that navigating the "system" can be extremely challenging toward that end outreach and linkage programs that can demonstrate actual ability to connect folks and/or comprehensive service sites tend to be easier for folks to navigate
- Demonstrated program effectiveness or at least an ability to show ability to meet the minimum standards established for the service/sector etc



Suggested Lenses for Looking at Potential Budget Cuts to the Family Support System of Care

Please note: These are ranked in order of preference and recommended sequencing.

Prioritize for preservation:

1. Programs that target families which are the least resourced (socio economic, socially isolated, and populations with higher risk factors)
2. Ensure intensive and mandated services will be successful by a.) being adequately funded and b.) provided with other leveraged Family Support services within a Program.
3. The diverse expertise and experience of the system of care which includes a variety of services such as neighborhood-based, population-based, Family Resource Centers, and other programs that support families.
4. Training and Field Building, which are essential for effective direct service.
5. Programs that have a contractual match that leverages significant other dollars with the funding received
6. Direct services to families

Cut if necessary:

1. Programs with “red flags” related to performance, quality of service, use of resources, outcomes, and compliance - as determined by Program Officers/Contract Managers familiar with the contracts.
2. Programs that have been funded but not yet started.
3. Cut an equal percentage across the board from all programs based on the total current public department Family Support funding baseline*. Allow programs to negotiate what they will cut to meet that percentage.

** The current public department funding baseline is comprised of the Family Support funding of First 5 San Francisco, the Department of Children, Youth and Their Families, and the Human Services Agency, after any mid-year cuts have been subtracted from it.*

GUIDING PRINCIPLES OF BUDGET REDUCTION STRATEGIES

San Francisco Human Services Network

February 2, 2009

The San Francisco Human Services Network is an association of over 110 community-based health and human service nonprofits. We present these recommended principles as the City moves to address a projected \$576 million deficit for FY 2009-10, a shortfall so enormous that the resulting budget reductions are likely to force a far-reaching redesign of our service system. We suggest these principles to address our short-term crisis. At the same time, we call for a comprehensive and inclusive planning process to ensure the longterm capacity, sustainability and effectiveness of safety-net services to care for vulnerable San Franciscans.

- (1) Protect vulnerable populations
- (2) Use the lowest appropriate level of care; reduce reliance on more expensive
 - Where appropriate, prefer community to institutional and to out-of-county
- (3) Principles of recovery
 - Preserving programs that operate from a recovery and resilience model
- (4) Reduce services with the best ability to staff back up vs. closing facilities
- (5) Minimize cuts to leveraged services
 - MediCal, state and federal funds, private to some degree
- (6) Avoid cutting services whose closure will increase higher-end costs
 - Note: problem because cuts to one department increase costs in another, such as police
 - Need supporting documentation
- (7) Need a planning process with fundamental elements
 - Measurable criteria (e.g. how cutting will increase costs) (e.g. outcomes)
 - Comprehensive planning that considers costs, inputs and outcomes
- (8) Efficiencies / Service Disparities
 - Streamline to get the most we can out of reduced services
 - Other ways for service providers to coordinate functions
 - Deploy service capability based on the level of need, assuring access to appropriate, culturally competent services across neighborhoods and communities to address health disparities, while avoiding unnecessary overlap
- (9) Consolidation
 - Continuum of consolidation options; new models to share administrative functions while retaining service capability and autonomy
 - Use administrative savings to expand service capability
 - Creativity to keep organizations open and maintain continuity of care, especially if their services fill a special need
- (10) City and nonprofit equalization
 - Apply principles across the board to all providers, CBO and city, to provide the most cost-efficient and effective services to vulnerable populations
 - Need outcomes for all services, not just nonprofits
 - Fair competition for who provides a service, including whether it's CCSF or CBO