

LEGISLATIVE DIGEST

[Establishing a Department of Human Services Care Fund]

Ordinance amending the San Francisco Administrative Code by adding Section 10.100-77, to establish a Department of Human Services Care Fund, defining terms, identifying revenues, restricting permissible uses, providing for verification and adjustment of appropriations, and limiting expenditures in excess of the fund cap.

Existing Law

The City provides assistance to homeless persons, and other individuals suffering financial hardships, through the County Adult Assistance Program ("CAAP"). CAAP includes the City's General Assistance Program, the Personal Assisted Employment Services Program, the Cash Assistance Linked to Medi-Cal Program, and the Supplemental Security Income Pending Program.

Proposition N, the "Care Not Cash Initiative" adopted in November 2002, and other legislation adopted by the Board of Supervisors, would reduce direct cash assistance payments to homeless individuals in CAAP and instead provide in-kind benefits -- such as meals, housing, and other services -- directly.

There currently is no special fund or account used to pay for in-kind benefits for homeless CAAP participants whose cash payments have been reduced.

Amendments to Current Law

The proposal would create a Department of Human Services Care Fund. The Fund would consist of the amounts to be taken from direct cash assistance payments, and would be the specific source of funding for new services. The Fund would apply to expenditures to implement Proposition N, or any other legislation that provides in-kind benefits in lieu of a full cash assistance grant for homeless CAAP participants.

The proposal measures the amount of money to be placed in the Fund each year in two ways:¹ First, the Fund would receive the amount of money the City saved when the overall number of homeless individuals in each CAAP programs dropped. Second, the Fund would receive the amount of money the City saved when cash payments to homeless participants in each CAAP program were reduced because the participants were to receive in-kind benefits instead.

¹ The proposed legislation only establishes the Fund. It does not itself appropriate money to the Fund, nor does it compel the Board of Supervisors to appropriate money to the Fund in future years. The City would appropriate money to the Fund through its annual budget or a supplemental appropriation ordinance.

The Human Services Commission would estimate these savings as part of its budget each year. Then, each quarter, it would examine and report to the Board of Supervisors on the actual savings realized, and the Board could increase or decrease its appropriations to the Fund to reflect those findings.

The Department of Human Services would use the Fund to pay for in-kind benefits to homeless CAAP participants whose monthly cash payments had been reduced. The benefits would include, at a minimum: housing, utilities, and meals; drug and alcohol treatment; mental health care; and job training. (The Department would determine what services and programs qualified as appropriate in-kind benefits by referring back to the ordinance being implemented.)

The Department could only use the Fund to pay for new programs and services needed to implement Proposition N, or any other legislation that provides in-kind benefits in lieu of a full cash grant. But the Department could continue to use any other money it had to provide the same level of such services to homeless CAAP recipients as it already provided, without any reduction in cash assistance, before such legislation took effect.

To the extent that there was extra money in the Fund, the Department could also use it to pay for job training, SSI advocacy, rental/move-in assistance, and any other services the Department deems necessary or appropriate to help move CAAP recipients in the City's shelter system into permanent housing or self-sufficiency.

The Department could spend up to \$11.9 million from the Fund in any one year without further Board action. But if the amount of money in the Fund exceeded \$11.9 million for the year, the Department could only spend the additional money after the Board of Supervisors approved an expenditure plan and a supplemental appropriation.