

File No. 140121

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date March 19, 2014

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong Date March 14, 2014

Completed by: _____ Date _____

[Appropriation - General Fund Reserve - Homeless Outreach Services - \$1,387,500 - FY2013-2014]

Ordinance appropriating \$1,387,500 of General Fund Reserves to the Department of Public Health, to provide homeless outreach services in FY2013-2014.

Note: Additions are single-underline italics Times New Roman;
 deletions are ~~striketrough italics Times New Roman~~.
 Board amendment additions are double underlined.
 Board amendment deletions are ~~striketrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The sources of funding outlined below are herein appropriated to reflect the projected revenue for Fiscal Year 2013-2014.

SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF ACP	GENRESERVE	098GR	098GR	\$1,387,500
GF – Continuing				
Projects				
Total SOURCES Appropriation				<u>\$1,387,500</u>

Section 2. The uses of funding outlined below are herein appropriated to reflect the projected expenditures for Fiscal Year 2013-2014.

1 **Uses Appropriation**

2

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA	HMHSCCRES227	02700	CSAS Community	\$1,387,500
GF – Non Project			Ambulatory Care	
Controlled				
Total USES Appropriation				<u>\$1,387,500</u>

3

4

5

6

7

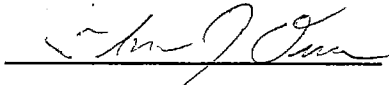
8

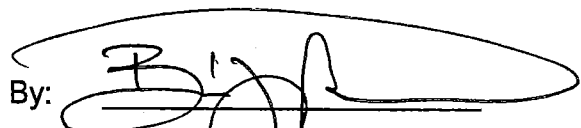
9 Section 3. The Controller is authorized to record transfers between funds and adjust
10 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
11 conform with Generally Accepted Accounting Principles.

12

13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

15
16 By: 
17 Deputy City Attorney

By: 
Date: February 11, 2014

Item 1
File 14-0121

Departments:
Department of Public Health

EXECUTIVE SUMMARY

Legislative Objective

- The proposed ordinance would appropriate \$1,387,500 of General Fund Reserve monies to the Department of Public Health (DPH), to provide homeless outreach services in FY 2013-2014.

Key Points

- In May 2004, the San Francisco Homeless Outreach Team (SFHOT) was established as part of the Mayor's Ten-Year Plan to Abolish Chronic Homelessness. SFHOT is DPH's main outreach and case management program, consisting of 7 City employees and approximately 50 non-profit contractors, (1) performing outreach to bring homeless persons with health, mental health, and substance abuse issues into DPH's Emergency Stabilization rooms and other transitional housing, and (2) case management to link them with appropriate treatment and housing opportunities. In addition to street engagements, SFHOT currently case-manages 480 clients and provides 292 units of emergency stabilization housing at an annual cost of \$7,478,571.
- The Budget and Legislative Analyst's July 26, 2013 report, "Homeless Services and Benefits Provided by the City and County of San Francisco", estimated a homeless population of 6,436 persons as of January 2013 (7,350 including 914 children and youth counted separately), and total expenditures of \$165,710,629 on homeless services in FY 2012-2013. Of this amount, \$14,646,525, or 8.8%, was expended on Outreach and Case Management, and \$9,925,013, or 6.0%, was spent on Transitional Housing.
- According to DPH, the proposed supplemental will allow for the enhancement and expansion of SFHOT, to accomplish three main goals: (1) strengthening program infrastructure and improving the configuration of existing SFHOT units; (2) increasing the number and skill-level of SFHOT staff to provide Affordable Care Act care coordination for homeless individuals; and (3) adding stabilization units for the temporary housing of additional engaged clients.

Fiscal Impact

- The proposed \$1,387,500 would be allocated from General Fund Reserves for FY 2013-14. If approved, the proposed supplemental appropriation would bring total SFHOT expenditures to \$8,866,071, representing an increase of 18.6% over the current approved budget of \$7,478,571.
- Finalized project scope, budget details, and implementation plans are still being determined by DPH. Funding beyond FY 2013-14 is also still to be determined.

Recommendations

- Amend the proposed ordinance to place all of the \$1,387,500 General Fund monies on Budget and Finance Committee reserve, pending submission to the Budget and Finance Committee of further details on the final project scope, budget details, and implementation plans.
- Approval of the proposed ordinance, as amended, is a policy decision for the Board of

Supervisors.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

In accordance with Charter Section 9.105, amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance, subject to the Controller certifying the availability of funds.

Background

San Francisco Homeless Outreach Team

In May 2004, the San Francisco Homeless Outreach Team (SFHOT) was established as part of the Mayor's Ten-Year Plan to Abolish Chronic Homelessness. SFHOT is the Department of Public Health's (DPH) main outreach and case management program, providing two main lines of service, the Engagement Specialist Team (EST) and Stabilization Care Management (STCM).

- **The Engagement Specialist Team** performs targeted outreach to homeless individuals and also responds to requests to bring high-risk homeless persons with health, mental health, and substance abuse issues into DPH's Emergency Stabilization Rooms and other institutional care settings.
- **Stabilization Care Management** provides short-term case management for 480 high-risk homeless individuals, assisting with placement into transitional and permanent housing, and securing appropriate medical treatment. STCM currently offers 292 units of emergency stabilization housing (classified as Transitional Housing¹), provided at an annual cost of \$2,628,000 (see Table 1 below).

At present, SFHOT consists of 7 City employees, including 5 social workers, one physician, and one nurse practitioner, and approximately 50 contracted positions, including administrative support, engagement specialists, dispatchers, and three teams of paraprofessional case managers. The contract is managed by Community Awareness & Treatment Services Inc. (CATS), a San Francisco non-profit that provides homeless care services. SFHOT had a FY 2013-2014 budget of \$7,478,571 (see Table 1 below for further details), of which \$2,992,754, or 40%, was devoted to the CATS contract.

¹ Transitional housing is classified as temporary housing provided for up to two years designed to help homeless persons stabilize prior to moving into permanent housing. It includes shorter-term arrangements including medical respite and emergency stabilization rooms.

Table 1: FY 2013-2014 SFHOT Budget and Service Categories

Service Category	Position	FTE	# Pos	Allocation
Administration	City Employees	0.85	1	\$279,056
	Contractor	4.00	4	307,489
	Total	4.85	5	586,545
Case Management	City Employees	5.00	5	806,174
	Contractor	25.00	25	1,560,539
	Total	30.00	30	2,366,713
Engagement Specialists	City Employees	1.00	1	138,280
	Contractor	20.42	21	1,124,726
	Total	21.42	22	1,263,006
<i>Subtotal</i>	City Employees	6.85	7	1,223,510
	Contractor	49.42	50	2,992,754
	Subtotal	56.27	57	4,216,264
Expenses				634,307
Housing	Stabilization Units		292	2,628,000
<i>Total Case Managed Clients</i>			480	
GRAND TOTAL				\$7,478,571

Source: Department of Public Health

Recent 2013 Report on Homeless Services in San Francisco

The Budget and Legislative Analyst’s July 26, 2013, report, “Homeless Services and Benefits Provided by the City and County of San Francisco”, estimated a homeless population of 6,436 persons as of January 2013. As shown in Table 2 below, in 2013 there were a total of 7,350 homeless persons, which includes 914 children and youth that were counted separately.

Table 2: 2013 Homeless Count by Sheltered Status and Family Status

Setting	Single Adults 25 Years +	Children and Youth Under 25	Persons in Families	Total	% of Homeless Population
Unsheltered	2,633	1,649	33	4,315	58.7%
Emergency Shelter	1,187	65	374	1,626	22.1%
Transitional Housing	262	186	272	720	9.8%
Resource Centers	112	0	0	112	1.5%
Stabilization Rooms	233	2	0	235	3.2%
Subtotal: HUD-defined Homeless Persons	4,427	1,902	679	7,008	95.3%
Rehabilitation Facilities	93	0	0	93	1.3%
Jails	126	0	0	126	1.7%
Hospitals	123	0	0	123	1.7%
Total	4,769	1,902	679	7,350	

Source: 2013 Applied Survey Research. San Francisco Homeless Count.

The report noted that the estimated homeless population is largely unchanged since 2005, when the homeless population was 6,455, despite the construction of an additional 3,071 new units of permanent supportive housing since FY 2004-05.

The City budgeted a total of \$165,710,629 on direct homeless services expenditures in FY 2012-13, the latest year for which comprehensive data is available. Of this amount, \$14,646,525, or 8.8%, was expended on Outreach and Case Management, and \$9,925,013, or 6.0%, was spent on Transitional Housing; these two service categories encompass the work provided by SFHOT. The remainder was spent on seven other service categories, including Permanent Supportive Housing, Emergency Shelters, and Primary Care. Table 3 below provides additional details for the \$165,710,629 expended for direct homeless services.

Table 3: FY 2012-13 Expenditures on Outreach Case Management, Transitional Housing, and Other Direct Homeless Services

Service Category	Local Funding	Federal/State Funding	All Funding Sources
Outreach and Case Management	\$8,503,527	\$6,142,998	\$14,646,525
Transitional Housing	7,975,866	1,949,147	9,925,013
Other Direct Homeless Services ²	106,702,194	34,436,897	141,139,091
GRAND TOTAL	\$123,181,587	\$42,529,042	\$165,710,629

Source: Budget and Legislative Analyst

According to data compiled from the Human Services Agency (HSA), DPH, and Department on the Status of Women, as of 2013 the City funded 341 total units of emergency stabilization housing, which represented 54% of the city's total 629 transitional housing units. The 292 units of emergency stabilization housing provided by SFHOT thus comprise 86% of the total emergency stabilization housing provided by the City, and 46% of the City's overall transitional housing units.

SFHOT Services FY 2005-06 to FY 2013-14

Table 4 below contains data from DPH detailing the services provided by SFHOT in assisting its homeless clients since its first full year of operation in FY 2005-06, including temporary housing, permanent housing, medical care, and financial aid.

² Including: Permanent Supportive Housing, Emergency Shelters, Resource Centers and Drop-in Clinics, Substance Abuse and Mental Health, Primary Care, Education and Employment Services, and Eviction Prevention / Rapid Rehousing.

Table 4: SFHOT Services Provided since FY 2005-06

Fiscal Year	Cases Managed	Secured Financial Entitlement*	Secured SSI Entitlement*	Connected to Primary Medical Care Provider	Connected to Behavioral Health Provider	Engaged in Temporary Housing	Secured in Permanent Housing
FY05-06	334	49	13	18	29	143	82
FY06-07	587	168	51	125	103	376	145
FY07-08	850	320	111	299	190	672	179
FY08-09	669	223	160	142	130	397	238
FY09-10	664	188	111	125	123	460	242
FY10-11	566	120	70	103	53	370	202
FY11-12	552	129	100	145	92	368	149
FY12-13	530	126	77	116	74	327	183
FY13-14 thru Dec 2013	357	52	28	38	24	168	70
Unduplicated Jul 1 2005 to Dec 31 2013	3,188	1,275	725	1,196	887	2,746	1,572
Percent of Cases	100.0%	40.0%	22.7%	37.5%	27.8%	86.1%	49.3%

Source: Department of Public Health.

*Entitlements include County Adult Assistance Programs (CAAP), Food Stamps, Supplemental Security Income (SSI), Veteran's Benefits, State Disability, etc.

As shown in Table 4 above, the annual number of individual cases managed by SFHOT decreased by 320 or 37.6%, from 850 in FY 2007-08 to 530 in FY 2012-13. According to Ms. Maria Martinez, Acting Director of SFHOT, the number of individual cases managed by SFHOT decreased because the number of permanent housing slots decreased between 2008 and 2013, causing longer stays in SFHOT's stabilization rooms and longer periods of case management for each client; as a result, SFHOT was not able to accept as many new clients .

Ms. Martinez says SFHOT's services to clients have also been impacted by (1) new requirements imposed by the Affordable Care Act, and (2) operational limitations with current resources, organization, and infrastructure.

First, the implementation of the Affordable Care Act has increased requirements for the "care coordination"³ of complex clients, in order to improve services and increase cost savings.

³ The U.S. Department of Health and Human Services defines care coordination as: "the deliberate organization of patient care activities between two or more participants (including the patient) involved in a patient's care to facilitate the appropriate delivery of health care services. Organizing care involves the marshalling of personnel
SAN FRANCISCO BOARD OF SUPERVISORS BUDGET AND LEGISLATIVE ANALYST

According to Ms. Martinez, this creates a need for increased expertise, clinical assessment, communication, documentation, supervision, resources, and quality assurance, from the on-site interactions of the outreach team with homeless clientele, to the care coordinators within service organizations, and for establishing priority for clients being served by SFHOT into permanent housing exits. According to Ms. Martinez, the current para-professional outreach and case management teams cannot provide this increased level of care coordination.

Additionally, Ms. Martinez says the current organization of SFHOT does not have sufficient staff resources to allow for comprehensive 24-hour coverage of homeless outreach and referral.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate an additional \$1,387,500 of General Fund Reserve monies for the Department of Public Health’s San Francisco Homeless Outreach Team (SFHOT), to provide additional homeless outreach services in FY 2013-2014, as shown in Table 5 below.

Table 5: Proposed Source and Use of \$1,387,500 General Fund Reserve

Source of Funds	
General Fund Reserve	\$1,387,500
Use of Funds	
Department of Public Health	
San Francisco Homeless Outreach Team (SFHOT)	\$1,387,500
SFHOT Current FY 2013-2014 Budget	\$7,478,571
SFHOT Revised FY 2013-2014 Budget	\$8,866,071

If approved, the proposed \$1,387,500 supplemental appropriation, together with the \$7,478,571 as previously appropriated by the Board of Supervisors in the DPH FY 2013-14 budget, would result in total SFHOT expenditures for FY 2013-2014 of \$8,866,071, representing an increase of 18.6%.

According to DPH and the Controller’s Office, the requested additional \$1,387,500 would provide funding for up to an additional 120 stabilization beds, and augment the outreach services provided by the nonprofit contractor, CATS.

According to Ms. Jenny Louie, Budget Director for DPH, the proposed supplemental will allow for the enhancement and expansion of SFHOT, to accomplish three main programmatic goals:

- (1) strengthening program infrastructure and improving the configuration of existing SFHOT units;
- (2) increasing the number and skill-level of SFHOT staff; and
- (3) adding stabilization units for the temporary housing of additional engaged clients.

and other resources needed to carry out all required patient care activities and is often managed by the exchange of information among participants responsible for different aspects of care."

Ms. Martinez says that DPH wants to increase the clinical skill level and capacity of the case management and outreach teams - currently comprised primarily of para-professionals - by bringing in more licensed medical staff, social workers, and master's and bachelor's level staff. DPH also wants to change their current outreach model by reorganizing internal staff. This will include more targeted outreach searching for high-risk, high-cost homeless clients, as well as added infrastructure such as transport vans.

FISCAL IMPACT

The proposed \$1,387,500 supplemental appropriation would be funded from the City's General Fund Reserve. According to Ms. Risa Sandler, Citywide Budget Manager in the Controller's Office, the City's General Fund Reserve has a current balance of \$44,663,143. If the proposed appropriation for homeless outreach services is approved, the General Fund balance would be \$44,275,643. Approval of the \$4,515,000 supplemental appropriation for Nonprofit Rent Stabilization currently pending before the Board of Supervisors as well as this subject request of \$1,387,500 would result in a remaining General Fund balance of \$38,760,643 as shown in Table 6 below.

Table 6: Impact on General Reserve Fund

Current General Fund Reserve Balance		\$44,663,143
Proposed Supplemental Appropriations	Homeless Outreach Services (subject of this request)	1,387,500
	Nonprofit Rent Stabilization (pending before Board of Supervisors)	4,515,000
Remaining General Fund Reserve Balance		\$38,760,643

Source: Controller's Office

POLICY CONSIDERATIONS

Finalized project scope, implementation plans, and budget details are still being determined by DPH. The Department has developed several proposed options for the enhancement and expansion of SFHOT, all of which are still under discussion.

Furthermore, funding beyond FY 2013-2014 for the proposed homeless outreach services supplemental appropriation is still to be determined. Although the supplemental appropriation is included in the Five-Year Budget projections developed by the Budget and Legislative Analyst's Office, Mayor's Budget Office, and Controller, it has not been confirmed at this time whether the appropriation will be included in the Mayor's recommended FY 2014-15 budget. According to Ms. Martinez, whether the proposed supplemental is a one-time appropriation, partially annualized, or fully annualized will have a significant effect on how the funds will be utilized by DPH. Therefore the requested \$1,387,500 should be placed on reserve.

RECOMMENDATIONS

1. Amend the proposed ordinance to place all of the \$1,387,500 General Fund monies on Budget and Finance Committee reserve, pending submission to the Budget and Finance Committee on the final project scope, budget details, and implementation plans.
2. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

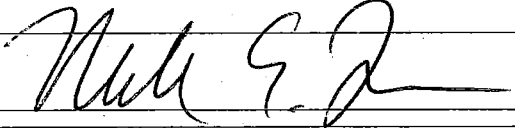
Mark E. Farrell

Subject:

Appropriation - \$1,387,5000 from the general fund reserve for homeless outreach services to the Department of Public Health

The text is listed below or attached:

Attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: