

File No. 201312

Committee Item No. 7

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 9, 2020

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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- Introduction Form
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- Grant Budget
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#### OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date December 4, 2020

Completed by: Linda Wong

Date \_\_\_\_\_

# City and County of San Francisco



*London Breed, Mayor*

# Human Services Agency

Department of Benefits and Family Support  
Department of Disability and Aging Services  
Office of Early Care and Education

*Trent Rhorer, Executive Director*

November 20, 2020

Honorable Supervisor Sandra Fewer  
Budget and Finance Committee Chair  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

Linda Wong, Clerk  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

RE: Release of Budget and Finance Committee Reserve

In accordance with the provisions of the Adopted Annual Appropriation Ordinance 165-20 for Fiscal Year ending June 30, 2021 and Fiscal Year ending June 30, 2022, I am hereby requesting the release of the Budget and Finance Committee Reserve in the amount of \$15,382,351 appropriated for the COVID Feeding Response.

As you know, the Human Services Agency is the City's lead agency for feeding response in a disaster and holds the COVID Command Center's budget for feeding efforts in response to the ongoing pandemic in FY 2020-21. As part of the City's emergency response efforts, we are supporting a variety of critical food programs in the community including: the Great Plates Delivered program, food pantries, food delivery to support those in isolation and quarantine, and new or expanded community programs serving those most impacted by the pandemic including the Latinx community and older adults. With recent surges, the need for these food supports remains high. The release of this reserve will allow us continue to support these efforts, address food insecurity and provide stability to our partners.

If you need any additional information to allow for the release of these reserves, please contact HSA's Budget Director, Emily Gibbs, at [Emily.Gibbs@sfgov.org](mailto:Emily.Gibbs@sfgov.org). I thank you in advance for your review and release of this reserve.

Sincerely,

A handwritten signature in black ink that reads "Trent L. Rhorer".

Trent Rhorer  
Executive Director  
San Francisco Human Services Agency

Attachment A: COVID Feeding Response

COVID Feeding Budget FY20-21 - Human Services Agency					
			November Projection		
(in \$ millions)	Original Budget	Revised Budget	Exp	Rev	Notes
Pantries	22	22	13.6	2	
Latinx	2.5	4.1	4.5	0.7	supported by HSA savings
Great Plates	15	15	26.8	10.3	expenses thru Jan 8
I/Q Food Support	1.8	1.8	1.9	1.2	
Older Adults	3	3	3	1.4	
Street Feeding	2.4	2.4	0.9	0	
Totals	46.7	48.3	50.7	15.6	

<b>Item 7</b> <b>File 20-1312</b>	<b>Department:</b> Human Services Agency
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The Human Services Agency (HSA) is requesting the release of \$15,382,351 for the COVID Feeding Program on Budget and Finance Committee Reserve.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• Food insecurity in San Francisco has increased as a result of the COVID-19 Pandemic. The City, led by HSA is responding by providing funding for community food programs, like the Great Plates Delivered program that provides meals to at-risk seniors, food pantries, food delivery to those in isolation/quarantine, and serving community programs for those who are most impacted by the pandemic, such as the Latinx community.</li> <li>• HSA’s FY 2020-21 budget allocated \$45.8 million to the COVID Command Center Feeding Program budget: \$15 million for food provided through the Great Plates program and \$30.8 million for community organizations, including food banks and meal delivery providers.</li> <li>• The Board of Supervisors placed \$15,382,351 of the \$30,764,702 allocated for support to community organizations on Budget and Finance Committee Reserve to allow HSA to present an update on the efficacy and spending of the program.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• As of November 30, 2020, HSA has spent \$17,277,556 and encumbered an additional \$498,778 for the COVID-19 Feeding Programs.</li> <li>• HSA projects \$51,319,305 in FY 2020-21 program expenditures, \$2,680,605 more than anticipated in the budget, of which roughly \$1 million of the shortfall is projected to be in General Fund. The source for this additional funding has not yet been identified.</li> <li>• An estimated \$15,462,098 will be funded by revenue from FEMA and Cal OES reimbursement for eligible program costs. The remainder is funded through the General Fund and the CARES Act – Corona Virus Relief Fund.</li> </ul> <p style="text-align: center;"><b>Policy Consideration</b></p> <ul style="list-style-type: none"> <li>• Funding sources have not been identified if ongoing support for the COVID Feeding Program exceeds the funding budgeted through the end of FY 2020-21.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Request HSA provide a written report detailing funding sources for all COVID Feeding Program expenditures by March 15, 2021 and include the report in the legislative file.</li> <li>• Approve the release of reserves.</li> </ul>	

## MANDATE STATEMENT

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City's budget and may reserve proposed expenditures to be released at a later date subject to Budget and Finance Committee approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

## BACKGROUND

Since the onset of the COVID-19 pandemic the City has operated a COVID Feeding Program to provide services to food insecure residents in response to a dramatic increase in need. The Human Services Agency (HSA) has led much of these efforts. Their FY 2020-21 budget allocated roughly \$45.8 million to the COVID Command Center Feeding Program budget. Of the approximately \$45.8 million, \$15 million was allocated for food provided through the Great Plates Delivered program. The remaining \$30.8 million was allocated for community based organizations including food banks, Meals on Wheels, and meal delivery providers serving seniors and those with disabilities living in San Francisco.

The Board of Supervisors placed \$15,382,351 of the \$30,764,702 (50 percent) allocated for support to Community Based Organizations as part of the COVID Feeding Program on Budget and Finance Committee Reserve to allow the Department to present an update on the efficacy and spending of the program prior to accessing these funds.

## DETAILS OF PROPOSED LEGISLATION

On November 20, 2020, HSA sent a letter requesting release of \$15,382,351 placed on Budget and Finance Committee reserve to support the continued need to respond to increased food insecurity in San Francisco. This funding will be used for continued support of food programs, including: the Great Plates Delivered program, food pantries, food delivery to those in isolation and quarantine, and serving new and expanded community programs for those who are most impacted by the pandemic, such as the Latinx community and older adults. Given the diverse set of needs and varying timelines for funding, the Feeding Program includes several components, which are detailed below.

- **Pantries:** This is a partnership with the San Francisco-Marín Food Bank (SFMFB) and provides groceries to anyone in need of food assistance. As of the end of October funding for this initiative provided 342,500 grocery bags and HSA expects to provide an additional 689,196 grocery bags in FY 2020-21.
- **Latinx-focused food distribution:** Provides funding to support pantry-style grocery distribution and other food resources to the Latinx community as they have been disproportionately impacted by COVID-19 in San Francisco. HSA has advertised the Request for Proposals (RFP) for this program with responses due December 18, 2020 and

a notice of intent to award date of January 8, 2021. HSA anticipates providing 181,860 grocery bags and boxes in FY 2020-21.

- **Great Plates Delivered:** This is a temporary State program that utilizes local restaurants and food providers to prepare and deliver three daily meals to at-risk seniors. Between July and November 2020, the program delivered 968,240 meals and anticipates delivering an additional 266,500 meals by January 8, 2021 when the program is currently anticipated to end. The Great Plates program is extended on a month-to-month basis. Current contracts supporting the program run through May 2021 in the event that the program is extended into Spring 2021.
- **Isolation/Quarantine Food Support:** Provides delivered meals and groceries for food insecure households with a positive or suspected COVID-19 case for the duration of their isolation or quarantine to mitigate virus spread. According to Ms. Emily Gibbs, HSA's Budget Director, this program's costs are tied to transmission rates and have increased rapidly during the surges in cases in San Francisco. This program has served 7,764 clients and anticipates serving an additional 13,587 clients.
- **Older Adults-focused food distribution:** Utilizes the Department of Disability and Aging Services nutrition network of 13 providers who offer meals and food supports across the City, serving roughly 42,000 people per year. This program anticipates providing 406,041 meals to older adults through the end of the fiscal year. Funding for these services is being reserved to cover costs once providers have exhausted their normal annual budget and CARES Act resources, which is projected to happen towards the end of the fiscal year.
- **Street Feeding:** Delivers meals to unsheltered residents to reduce their need to travel across the city for food and help mitigate virus spread. This program ended on October 31, 2020 and provided 5,318 meals.

As of November 30, 2020, HSA has spent \$17,277,556 and encumbered an additional \$498,778 for the COVID-19 Feeding Programs. According to Ms. Gibbs, HSA is finalizing contracts with community based organizations for several of these services. HSA recently signed a \$9.5 million contract with SF Marin Food Bank, and they anticipate being billed immediately for \$3.5 million in expenses incurred by the vendor prior to the contract to be finalized. HSA also has \$1 million in Great Plates invoices pending for meals delivered in October. The Board of Supervisors approved the contract between HSA and Off the Grid (File 20-1214) at the December 1, 2020 meeting. Approval of the contract between HSA and New Deal (File 20-1318) is pending before the Board of Supervisors.

## FISCAL IMPACT

Table 1 below shows the original and revised budgets for the COVID-19 Feeding Program along with the anticipated expenditures as of November 2020 and anticipated revenue that will be reimbursed through the Federal Emergency Management Agency (FEMA) and/or the California Governor's Office of Emergency Services (Cal OES).

**Table 1. COVID-19 Feeding Program Budget, Projected Expenditures and Revenues for FY 2020-2021**

	Budget	Projected Spending	Difference	Projected Revenue	General Fund Support
Pantries	22,060,000	13,600,000	(8,460,000)	2,040,000	11,560,000
Latinx-focused food distribution	4,100,000	5,000,000	900,000	750,000	4,250,000
Great Plates *	15,273,998	26,786,618	11,512,620	10,044,982	16,741,636
I/Q Food Support	1,800,000	2,000,000	200,000	1,275,000	725,000
Older Adults-focused food distribution	3,004,702	3,004,702	0	1,352,116	1,652,586
Street Feeding	2,400,000	927,985	(1,472,015)	0	927,985
<b>Total</b>	<b>48,638,700</b>	<b>51,319,305</b>	<b>2,680,605</b>	<b>15,462,098</b>	<b>35,857,207</b>

\*Great Plates Projected Revenue goes through January 2021.

Source: Human Services Agency

Expected expenditures for FY 2020-21 have been revised as of November 2020 for the COVID-19 Feeding Program and total \$51,319,305, of which HSA projects \$15,462,098 will be funded by revenue from FEMA and Cal OES reimbursement for eligible program costs. The remainder is from General Fund and CARES Act – Corona Virus Relieve fund sources.

As shown above, HSA expects to spend \$13.6 million on the pantries program, which is \$8.5 million less than the \$22.1 million budgeted for this program. The City was able to continue its in-kind labor support for the pantries for several months of the fiscal year which has reduced the need for City financial support. Similarly, the Agency's Street Feeding program is projected to be \$1.5 million less than budget and was discontinued in October 2020. According to HSA, as a result of outreach work and the ramp up of other homeless interventions, the number of large homeless encampments decreased significantly and the need to continue to provide food has lessened commensurate with this decrease.

According to HSA, funding is being diverted to the Great Plates program because community need remains high, restaurants continue to operate well below capacity, and FEMA continues to extend its participation in the program.

Projected expenditures are \$2,680,605 more than anticipated in the budget, of which roughly \$1 million of the shortfall is projected to be in General Fund. The source for this additional funding has not yet been identified.

## POLICY CONSIDERATION

HSA is currently projected to end the year with a net operating surplus of approximately \$10.2 million, which reflects \$12.7 million in surplus revenue offsetting \$2.4 million in projected expenditure deficit. Higher than anticipated revenue reflects a surplus in Aid and Assistance programs and a surplus in Operations and Administration primarily due to an increase in Medi-Cal funding.

While HSA currently projects a net operating surplus, it is unclear what funding sources will be utilized if ongoing support for the COVID Feeding Program exceeds the funding budgeted through the end of FY 2020-21. We recommend HSA report back to the Budget and Finance Committee on the sources identified to cover Program costs should spending outpace the current budget.

### **RECOMMENDATIONS**

1. Request the Human Services Agency to provide a written report detailing the sources of funding for all the COVID Feeding Program expenditures by March 15, 2021 and include the report in the legislative file.
2. Approve the release of reserves.