

File No. 171250

Committee Item No. 22

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 7, 2017

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date December 1, 2017
Completed by: _____ Date _____

1 [Appropriation - State and Federal Contingency Reserve - Various Departments - Backfill
2 the Loss of Funding of Various Programs - \$9,559,117 - FY2017-2018]

3 Ordinance appropriating \$9,559,117 from State and Federal Contingency Reserve to
4 the Human Service Agency to backfill the loss of State In-Home Supportive Services
5 (IHSS) revenue at \$4,450,000 and fund unanticipated payment liability to the State for
6 the IHSS Maintenance of Effort due to unanticipated changes at the State level at
7 \$4,350,000; to the Department of Public Health to fund the Center of Disease Control's
8 HIV/AIDS program due to loss of funding at \$686,503; and to the Department of
9 Administrative Services to support recipients of the Deferred Action for Childhood
10 Arrival program at \$72,614 for FY2017-2018.

11
12 Note: Additions are *single-underline italics Times New Roman*;
13 deletions are *strikethrough italics Times New Roman*.
14 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

16
17 Section 1. The sources of funding outlined below are herein appropriated to reflect the
18 funding available in State and Federal Contingency Reserve to backfill the loss of State IHSS
19 revenue and fund unanticipated additional IHSS payment liability to the State in FY2017-18.
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1 **SOURCES Appropriation**

2	Fund /	Project & Activity /	Account	Description	Amount
3	Department ID	Authority			
4	10000 / 230018			Unassigned Fund	\$8,800,000
5	GF Annual Account Ctrl /			Balance	
6	General City -Unallocated				
7					
8	10000 / 149657	10001700 / 0003 /	445145	IHSS Revenue	(\$4,450,000)
9	GF Annual Account Ctrl/	10000	IHSS Admin	Loss	
10	HSA AM Central	HS AD County	(State-Fed)		
11	Management	Expense Claim			
12					
13	Total SOURCES Appropriation				\$4,350,000

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15 Section 2. The uses of funding outlined below are herein appropriated to the Human

16 Service Agency to fund unanticipated IHSS payment liability to the State in FY2017-18.

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18 **Uses Appropriation**

19	Fund /	Project & Activity /	Account	Description	Amount
20	Department ID	Authority			
21	10000 / 149647	10001885 / 0001	537810	IHSS MOE	\$4,350,000
22	GF Annual Account Ctrl/	/10000	IHSS IP		
23	HSA AG In-Home	HS AG Assistance	Payments		
24	Supportive Svc	Claim			
25	Total USES Appropriation				\$4,350,000

1 Section 3. The sources of funding outlined below are herein appropriated to reflect
 2 the funding available in State and Federal Contingency Reserve to backfill the loss of the
 3 CDC HIV/AIDS program grant revenue and support additional cost for DACA program in
 4 FY2017-18.

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 6 **SOURCES Appropriation**

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
10000 / 230018			Unassigned Fund	\$759,117
GF Annual Account Ctrl /			Balance	
General City -Unallocated				
11580 / 162646	10029436 / 0002 /	444939	Loss of Grant	(\$686,503)
SR Community Health-	10001 HC Aids	Federal Direct	Revenue	
Grants Fed/	Surveillance-	Grant		
HPH AIDS Prev	Seropreva			
Total SOURCES Appropriation				<u>\$72,614</u>

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 20 Section 4. The uses of funding outlined below are herein appropriated to de-
 21 appropriate/re-appropriate the appropriations related to CDC HIV/AIDS program from the
 22 grant fund to the general fund under the Department of Public Health and support recipients
 23 of the Deferred Action for Childhood Arrival program (DACA) under the Department of
 24 Administrative Services in FY2017-18.

1 **Uses Appropriation**

2	Fund /	Project & Activity /	Account	Description	Amount
3	Department ID	Authority			
4	11580 / 162646	10029437 / 0002 /	XXXXX	Personnel Cost	(\$313,372)
5	SR Community Health-	10001 HC Aids			
6	Grants Fed/	Surveillance-			
7	HPH AIDS Prev	Seropreva			
8					
9	11580 / 162646	10029437 / 0002 /	502700	Professional Service	(\$128,800)
10	SR Community Health-	10001 HC Aids			
11	Grants Fed/	Surveillance-			
12	HPH AIDS Prev	Seropreva			
13					
14	11580 / 162646	10029437 / 0002 /	504000	Material & Supplies	(\$2,246)
15	SR Community Health-	10001 HC Aids			
16	Grants Fed/	Surveillance-			
17	HPH AIDS Prev	Seropreva			
18					
19	11580 / 162646	10029436 / 0002 /	XXXXX	Personnel Cost	(\$168,538)
20	SR Community Health-	10001 HC Aids			
21	Grants Fed/	Surveillance-			
22	HPH AIDS Prev	Seropreva			

	Fund /	Project & Activity /	Account	Description	Amount
	Department-ID	Authority			
1					
2					
3	11580 / 162646	10029436 / 0003 /	XXXXX	Personnel Cost	(\$73,547)
4	SR Community Health-	10001 HC Aids			
5	Grants Fed/	Surveillance-			
6	HPH AIDS Prev	Seropreva			
7					
8	10000 / 251929	10001677 / 0002	XXXXX	Personnel Cost	\$313,372
9	GF Annual Account Ctrl	/10000			
10	/ HPH AIDS Prev	HD CH HIV/AIDS			
11		Prevention			
12					
13	10000 / 251929	10001677 / 0002	XXXXX	Professional Service	\$128,800
14	GF Annual Account Ctrl	/10000			
15	/ HPH AIDS Prev	HD CH HIV/AIDS			
16		Prevention			
17					
18	10000 / 251929	10001677 / 0002	XXXXX	Material & Supplies	\$2,246
19	GF Annual Account Ctrl	/10000 HD CH			
20	/ HPH AIDS Prev	HIV/AIDS Prevention			
21					
22	10000 / 251929	10001677 / 0003	XXXXX	Personnel Cost	\$242,085
23	GF Annual Account Ctrl	/10000 HD CH			
24	/ HPH AIDS Prev	HIV/AIDS			
25		Surveillance			

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Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10000 / 207650	10001677 / 0001/	XXXXX	DACA Support	\$72,614
GF Annual Account Ctrl/	10000			
ADM Immigrant and Language Svc	ADCE Immigrant & Language Svcs			
Total USES Appropriation				\$72,614

Section 5. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this Ordinance as necessary to conform with Generally Accepted Accounting Principles.

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

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
BUCK DELVENTHAL
Deputy City Attorney

By: 
BEN ROSENFELD
Controller

<p>Item 22 File 17-1250</p>	<p>Department: Mayor's Office</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> The proposed ordinance appropriates \$9,559,117 in FY 2017-18 from the State and Federal Contingency Reserve. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> \$8,800,000 would be appropriated to the Human Services Agency (HSA) to pay increased In-Home Supportive Services (IHSS) program costs. 56 percent of IHSS funding is federal; the State and counties share the nonfederal portion. In FY 2017-18, the State budget increased the counties' share of costs. While HSA's FY 2017-18 budget included \$11.1 million for the increased share of costs, the State subsequently informed HSA of additional cost sharing, for total increased share of costs of \$19.9 million, or \$8.8 million more than the budget. 	
<ul style="list-style-type: none"> \$638,503 would be appropriated to the Department of Public Health (DPH) to backfill the reduction in federal Centers for Disease Control and Prevention (CDC) funding to the HIV/AIDS program. DPH's FY 2017-18 budget included \$6.4 million in CDC grant funds for HIV/AIDS programs based on the prior year's grant. DPH was notified in November that the CDC grant for calendar year 2018 is \$5.0 million or \$1.4 million less than the budget. The appropriation of \$686,503 would backfill the reduction in the CDC grant for the six-month period from January 2018 to June 2018. 	
<ul style="list-style-type: none"> \$72,614 would be appropriated to the Office of Civic Engagement and Immigrant Affairs (OCEIA) to reimburse OCEIA for grants to 142 Deferred Action for Childhood Arrival (DACA) beneficiaries in order for these beneficiaries to pay DACA application fees prior to the October 5, 2017 deadline set by the current presidential administration. OCEIA and the community based organizations paid 100 percent of fees to eligible DACA beneficiaries. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> The Board of Supervisors appropriated \$10 million to the Federal and State Contingency Reserve in FY 2017-18 budget as a hedge against federal and state policy changes that would negatively impact San Francisco. The proposed ordinance appropriates \$9,559,117, leaving an unappropriated balance of \$440,883 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> Approve the proposed ordinance. 	

MANDATE STATEMENT

City Charter Section 9.105 states that the Board of Supervisors may adopt amendments to the Annual Appropriation Ordinance in the same manner as other ordinances, subject to certification by the Controller of the availability of funds.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance appropriates \$9,559,117 in FY 2017-18 from the State and Federal Contingency Reserve as follows:

- \$8,800,000 to the Human Services Agency (HSA) to pay increased In-Home Supportive Services (IHSS) Maintenance of Effort costs and backfill the reduction in State revenue to the IHSS program;
- \$686,503 to the Department of Public Health (DPH) to backfill the reduction in federal Centers for Disease Control and Prevention (CDC) funding to the HIV/AIDS program; and
- \$72,614 to the Department of Administrative Services to support recipients of the Deferred Action for Childhood Arrival (DACA) program.

State and Federal Contingency Reserve

The Board of Supervisors appropriated \$10 million in the FY 2017-18 budget as a hedge against federal and state policy changes that would negatively impact San Francisco. To date, no funds have been appropriated from this reserve.

In-Home Supportive Services

The IHSS program provides in-home personal care as well as domestic and related services for senior and disabled adults. IHSS is a benefit of the Medicaid program (known as Medi-Cal in California) and is administered by county social services agencies. Approximately 56 percent of IHSS service costs are paid for by federal Medicaid funds. The nonfederal costs of the IHSS program (the remaining 44 percent) are shared by the State and counties. Historically, the State paid for 65 percent and counties paid for the remaining 35 percent of nonfederal program costs.¹

The State's Budget Act of 2011 established the Coordinated Care Initiative to better integrate services to senior and disabled adults. The Coordinated Care Initiative² applied a new Maintenance of Effort cost sharing formula to all California counties, in which the counties were to maintain their FY 2011-12 expenditure levels for IHSS, which increased annually by 3.5 percent plus the local share of any increases to IHSS wages and benefits negotiated at the county level. The State's general fund paid the balance of the counties' nonfederal costs for

¹ San Francisco pays an additional share of IHSS program costs to support wages and benefits for IHSS workers exceeding the State cap of \$12.10 per hour.

² The Coordinated Care Initiative made program changes in seven demonstration counties (which did not include San Francisco) but applied funding formula changes to all 58 counties in California.

IHSS, including costs of voter-approved minimum wage increases and contract mode³ cost increases.

The Coordinated Care Initiative was intended to result in net general fund savings to the State. If the Coordinated Care Initiative failed to achieve the savings, all components of the Coordinated Care Initiative, including Maintenance of Effort cost sharing, were to be discontinued. In January 2017, the California Department of Finance Director determined that the Coordinated Care Initiative's costs exceeded savings to the State's general fund by \$42 million, which would result in the termination of Maintenance of Effort cost sharing between the State and the counties. Under Maintenance of Effort cost sharing, the counties' share of IHSS nonfederal costs had declined from 35 percent in FY 2011-12 to 24 percent in FY 2016-17. Termination of the Maintenance of Effort would return the counties' share of nonfederal costs to 35 percent in FY 2017-18.

The Governor's May revision to the FY 2017-18 State Budget established a revised Maintenance of Effort cost-share baseline, which would increase by 5 percent in FY 2018-19 and by 7 percent in future years. The State Legislature approved an additional State general fund allocation to reduce the counties' Maintenance of Effort. The revision also mandated adjustments to a county's Maintenance of Effort for the non-federal share of voter-approved minimum wage increases and contract mode cost increases.

CDC Funding for HIV/AIDS Programs

The federal Center for Disease Control and Prevention provides funding to the Department of Public Health (DPH) to fund positions and contracts for the following programs:

- HIV testing and referral to services in the jails and City Clinic;
- Technical assistance to improve quality of services and capacity for community based providers who provide HIV and Hepatitis C testing and referral to services primarily to African American and Latino clients;
- Service referrals for HIV positive clients;
- Certification training for HIV testing counselors;
- Integration of sexually-transmitted disease and HIV services in community settings; and
- Oversight and management of the system of community-based HIV prevention, and fiscal and contract management of the grant.

A portion of the CDC funding is allocated to HIV surveillance, including epidemiology work, follow up with existing clients, and monitoring of HIV data.

³ Counties can choose different modes of IHSS service delivery. Under the contract mode, the county contracts with an agency that employs IHSS caregivers. The Board of Supervisors approved a contract between the City and Homebridge, a nonprofit agency, in April 2017 to provide services to IHSS clients (File 17-0231)

DACA Fee Waivers

The Office of Civic Engagement and Immigrant Affairs (OCEIA) funded community based organizations in FY 2016-17 and FY 2017-18 to provide immigrant fee assistance, primarily for DACA and Citizenship application fees. OCEIA awarded grants to two community based organizations – Legal Services for Children and the Mission Asset Fund – to provide fee assistance, ranging from 50 percent to 100 percent of the fee amount.

The current presidential administration announced the cancellation of the DACA program, allowing certain DACA beneficiaries to renew their status by October 5, 2017. The DACA program will be phased out in six months. In order to help as many DACA beneficiaries as possible prior to the October 5, 2017 deadline, OCEIA and the community based organizations paid 100 percent of fees to eligible DACA beneficiaries.

FISCAL IMPACT

The proposed ordinance appropriates \$9,559,117 from the Federal and State Contingency Reserve, leaving an unappropriated balance of \$440,883. The sources and uses of funds are shown in Table 1 below.

Table 1: Sources and Uses of Funds

Source of Funds	
Federal and State Contingency Reserve	\$9,559,117
Uses of Funds	
IHSS Revenue Loss	\$4,450,000
IHSS Maintenance of Effort	4,350,000
Subtotal IHSS	8,800,000
Loss of CDC Grant Funds	686,503
Additional DACA Fee Waivers	72,614
Total Uses	\$9,559,117

IHSS Revenue Loss and Maintenance of Effort: \$8,800,000

The IHSS budget in FY 2017-18 is \$188.4 million, an increase of \$22.3 million from the FY 2016-17 budget of \$166.1 million, as shown in Table 2 below.⁴ The budget for Maintenance of Effort in FY 2017-18 is \$94.6 million, an increase of \$13.9 million from the FY 2016-17 budget of \$80.7 million.

⁴ The full wages paid to independent IHSS providers are paid directly to the providers by the State; therefore, these wage costs are not included in HSA's budget.

Table 2: FY 2016-17 and FY 2017-18 IHSS Budgeted Expenditures

	FY 2016-17	FY 2017-18	Increase
<i>State and Federal Funds</i>			
IHSS Contract	25,756,268	29,235,744	3,479,476
IHSS Public Authority	60,892,744	64,643,926	3,751,182
HSA Staff and Other Expenditures	17,629,226	19,306,121	1,676,895
Recoveries	(18,874,691)	(19,436,159)	(561,468)
<i>Subtotal, State and Federal</i>	<i>85,403,547</i>	<i>93,749,632</i>	<i>8,346,085</i>
IHSS Maintenance of Effort	80,724,565	94,649,924	13,925,359
Total	166,128,112	188,180,889	22,271,444

Source: FY 2017-18 HSA Budget

San Francisco's Maintenance of Effort in FY 2016-17 was \$80.7 million. Because the State's original Maintenance of Effort formula provided for a 3.5 percent annual increase, San Francisco's base budget in FY 2017-18 for Maintenance of Effort was \$83.5 million. Due to the State's revised Maintenance of Effort formula in May 2017, HSA's FY 2017-18 budget for IHSS increased the Maintenance of Effort to \$94.6 million, an increase of \$11.1 million compared to the base budget.

Subsequent to the adoption by the Board of Supervisors of the FY 2017-18 budget, the State has provided additional information to the City on the impact of the State's revised Maintenance of Effort formula, including increases to the City's share of costs for (1) wage increases for IHSS providers, (2) services provided through the IHSS contract⁵, and (3) administrative expenditures. HSA estimates that total increase to the City in FY 2017-18 for implementing the new provisions of the IHSS Maintenance of Effort to be \$19.9 million, an increase of \$8.8 million, as shown in Table 3 below.

Table 3: Increase in the City's Share of IHSS Program Costs in FY 2017-18

Local Cost Share	Projected Cost
FY 2017-18 Increase in Maintenance of Effort	\$10,000,000
Local Share of Increase in Minimum Wage from \$13/hr. to \$14/hr.	3,700,000
Local Share of Increased Contract Mode Rate	2,500,000
Local Share of Administrative Cap Reductions	<u>3,700,000</u>
Total Increase	19,900,000
FY 2017-18 Budgeted Increase	<u>(11,100,000)</u>
Total	
Supplemental Need	\$8,800,000

HSA anticipates additional increases in the City's Maintenance of Effort in FY 2018-19 due to the State's 5 percent inflation factor in calculating the Maintenance of Effort, a reduction in State General Fund allocation, and the increase in the City's minimum wage.

⁵ The Board of Supervisors approved a new contract between the City and Homebridge in April 2017 to provide services to IHSS clients (File 17-0231).

CDC Grant Fund Replacement: \$686,503

The DPH FY 2017-18 budget for HIV prevention and surveillance is \$22.3 million, of which \$12.9 million is City General Fund and \$9.4 million are grant funds. According to Ms. Jenny Louie, DPH Budget Manager, the FY 2017-18 budget included \$6.4 million in CDC grants, based on the prior year's grant award.

CDC grants are awarded to DPH on a calendar year basis. The CDC grant to DPH in calendar year 2018 for HIV prevention and surveillance is \$5.0 million or \$1.4 million less than the \$6.4 million award in calendar year 2017, as shown in Table 4 below. According to Ms. Louie, DPH was not notified of the reduction in CDC grant funding for 2018 until November 2017. The requested appropriation of \$686,503 accounts for the funding shortfall from January 2018 to June 2018, or one half of the calendar year.

Table 4: Reduction in CDC Grant Funding in CY 2017 Compared to CY 2018

	2018 Award	2017 Award	Reduction
HIV Prevention	\$4,199,083	\$5,087,919	\$888,836
Surveillance	809,296	1,291,776	482,480
Total	\$5,008,379	\$6,379,695	\$1,371,316

According to Ms. Louie, the CDC grant amount is expected to be \$5.0 million per year over the five-year period from 2018 to 2022. Increased General Fund support to HIV prevention and surveillance programs in FY 2018-19 to offset the reduction in CDC grant funds will be subject to Board of Supervisors approval.

DACA Fee Waivers: \$72,614

The Board of Supervisors previously appropriated \$210,000 to DACA fee waivers in FY 2016-17 and FY 2017-18. As noted above, in order to help as many DACA beneficiaries as possible prior to the October 5, 2017 deadline to renew DACA status, OCEIA paid 100 percent of fees to eligible DACA beneficiaries. According to Mr. Adam Nguyen, Department of Administrative Services Finance and Planning Director, in addition to the previously appropriated \$210,000, the Department allocated \$70,290 to 142 DACA applicants to pay the costs of the DACA application fee, and \$2,234 to the costs for DACA renewal workshops, totaling \$72,614.

RECOMMENDATION

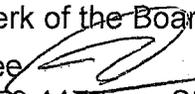
Approve the proposed ordinance.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

RECEIVED
11/28/2017 @ 8:31pm

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee 
RE: Appropriating \$9,559,117 from State and Federal Contingency Reserve to Departments to backfill the loss of State In-Home Supportive Services (IHSS) revenue, fund unanticipated additional IHSS payment liability to the State, backfill a loss of funding for the Center for Disease Control and Prevention (CDC) HIV/AIDS program, and to support recipients of the Deferred Action for Childhood Arrival program in FY2017-18
DATE: November 28, 2017

Attached for introduction to the Board of Supervisors is an ordinance appropriating \$9,559,117 from State and Federal Contingency Reserve to Human Service Agency to backfill the loss of State IHSS revenue at \$4,450,000 and fund unanticipated payment liability to the State for the IHSS Maintenance of Effort (MOE) due to unanticipated changes at the State level at \$4,350,000; to the Department of Public Health to fund the CDC HIV/AIDS program due to loss of funding at \$686,503; and to the Department of Administrative Services to support recipients of the Deferred Action for Childhood Arrival program (DACA) at \$72,614 for Fiscal Year 2017-2018.

Please note that this legislation is co-sponsored by Supervisor Cohen.

I respectfully request a waiver of the 30-day hold, that this item be calendared in Budget & Finance Committee on December 7, 2017 and sent forward as a Committee Report to the full Board on December 12, 2017.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.