



Department of  
Human Assistance

FY 09-10 Proposed Budget

Board of Supervisors Hearing  
June 11, 2009

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Director

# DHA Budget Changes Since May 14 Workshop

- **DHA Budget Changes Since May 14:**
  - Staffing / Layoffs
  - 71-J Contracts
  - Operational Areas
  - Programmatic Areas
  - Aid Payments / Caseloads
  
- **State Budget Developments**
  - Implications on DHA and clients served

# Staffing / Layoffs

- DHA proposed to delete 104 FTE (54 FTE filled)
- Vacancies since our budget submittal have reduced the number of laid off positions
- We will issue a combined 63 layoff / demotion letters to staff, 40 of whom will be separated from County employment

# 71-J Contracts

- Triggering 71-J will result in the reduction and termination of several DHA contracts, including:
  - **Child Action** (CalWORKs Childcare)
  - **SAEHC** (Case Management for Mather Families)
  - **Volunteers of America** (Case Management for Mather Singles, CalWORKs Transitional Housing, and Adolfo Transitional Housing)
  - **Lutheran Social Services** (Case Management for Adolfo Transitional Housing)
- More reductions to contracts may be necessary if layoffs in other departments trigger 71-J on our community providers

# Operational Areas: Facilities

- DHA proposes to terminate 6 of its 24 leases:**

<b>Division</b>	<b>Facility</b>	<b>Consolidation / Elimination</b>
<b>Program Integrity Division</b>	3443 Routier Rd., Rancho Cordova	DHA will terminate lease and consolidate Program Integrity Operations currently housed in four different locations to new facility.
<b>Information Services (ISD)</b>	3301 C St., Sacramento	Board approved early termination of this lease. DHA's Information Services Division will now co-locate with Program Integrity Division in their new facility.
<b>Staff Development</b>	8475 Jackson Rd., Sacramento	DHA is planning for consolidation of our Staff Development operations to our existing Don Brown facility.
<b>Closed Files</b>	4221 N. Freeway, Sacramento	DHA will consolidate our Closed Files operations in our Warehouse.
<b>Grand Oaks Bureau</b>	7927 Auburn Blvd., Citrus Heights	DHA plans to transfer staff to other bureaus and, potentially, co-locate with SETA.
<b>Elk Grove Bureau</b>	9136 Elk Grove, Elk Grove	Pending Board action, DHA will exercise early termination and transfer staff to other bureaus.

# Homeless Shelter Services

- DHA submitted \$1.8 million (GF) reductions to homeless shelter services, resulting in the loss of 328 shelter beds
- Since then, DHA has collaborated with Economic Development, SHRA, SETA, advocates, providers, and other stakeholders to:
  - Addback 122 shelter beds for men & women (July – Sept)
  - Addback 52 winter shelter beds (32 women + 20 men)
  - Add an additional 74 family shelter beds
  - Provide homeless assistance for 250+ individuals / families through the Homeless Prevention & Rapid Rehousing (HPRP) program to be operated by SHRA / DHA
- City of Sacramento recently approved \$232,000 in CDBG funds to be used to extend winter shelter, mitigate tent cities, or for other homeless shelter-related services.
  - Specific use of these funds is contingent upon agreement with the City and other key stakeholders

# Single Adult Shelter Beds

Single Adult Shelter	Provider	FY08 - 09 Beds	Term	FY09 - 10 Beds	Term	GF	ESG CITY*	PILOT	ARRA	New Total	Change from FY 08-09
CalExpo	VOA	174	Nov - Jan	0	-	(579,600)				0	Winter shelter at Cal Expo will be eliminated.
Lodge	Salvation Army	32	Nov - Jan	32	Nov - Mar	(87,648)		88,000		88,000	No change but different funding source.
Bannon St.	VOA	62	Year-Round	62	July - Sept	(548,313)		137,000		137,000	Convert year-round single adult shelter to 3 month shelter for vulnerable adults and 9 month shelter for families.
North A	Salvation Army (future)	60	Year-Round	60	July - Sept	(551,070)	69,000	28,000		97,000	Salvation Army to operate single adult shelter for 3 months. Re-bid for remaining 9 months.
North A	TBD (Pending RFP)			20	Oct - June		430,000 20,000*			450,000	Rebid ESG Grant to support 80 bed men's shelter (year-round)
Rapid Rehouse	SHRA	0		X	Sept - June				4.7M	4.7M	Provide 250+ adults / families with homeless assistance
<b>Total</b>		<b>328</b>		<b>174</b>		<b>(1,766,631)</b>	<b>519,000</b>	<b>253,000</b>	<b>4.7M</b>		

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# Family Shelter Beds

Family Shelter	Provider	FY08 - 09 Beds	Term	FY09 - 10 Beds	Term	GF / PILOT*	ESG	CalWORKs	ARRA / ECF	New Total	Change from FY 08-09
Bannon St.	VOA	0	N/A	62	Oct - June	97,000*			353,000	450,000	New Family Shelter for 9 month period
Power Inn Rd.	St. John	100	Year-Round	112	Year-Round	212,000	(430,000) and 82,000 remaining	483,000	483,000	1.26M	Add 12 year-round beds and swap ESG for TANF ECF funds
Parker Ave.	SAEHC	67	Year-Round	67	Year-Round	(239,760) and 135,000 remain- ing		307,500	307,500	750,000	Swap GF for TANF ECF funds
Rapid Rehouse	SHRA	0		X	Sept - June						Some portion of the \$4.7M will house homeless families
<b>Total</b>		<b>167</b>		<b>241</b>		<b>444,000</b>	<b>82,000</b>	<b>790,500</b>	<b>1,143,500</b>	<b>2.46M</b>	



# County PILOT Funds

CEO's Office is recommending \$350,000 in PILOT funds to backfill behind the loss of \$1.8 million in County GF:

- Bannon Street Adult Shelter (\$137,000)
- Bannon Street Family Shelter (\$97,000)
- Salvation Army North A Shelter (\$28,000)
- Salvation Army Lodge (\$88,000)

# Mather Children's Services

Board asked us to consider other options to fund Mather's Children Services (\$510,348)

## **Mather Funds**

- No solution to date to restore contract with SAEHC to provide children's services

## **Mitigation Strategy**

- County social workers will provide integrated parent / child case management services
- Children will be linked with community resources such as Children's Mental Health, Head Start, Childcare, etc.

# Aid Payments: General Assistance

- Board may eliminate the \$5 discretionary amount to the General Assistance (GA) grant, effective July 2009
- State law permits the County to reduce the GA grant by the same percentage the CalWORKs grant is reduced
- Governor now proposes a 10% reduction to the CalWORKs grant; Board may take a corresponding reduction to GA:

## FY 08-09 Grant

\$271	Total GA Grant
(\$40)	Medical Offset
(\$25)	Bus Pass
\$206 Cash	(Current Cash Grant)
(\$5)	(Discretionary)
(\$26)	(10% Grant Reduction)
\$175	<b>(New FY 09-10 Cash Grant)</b>

# Foster Care Aid Payments

- In efforts to reduce overpayments and lower GF costs, DHA is implementing a new system and process to issue foster care payments
- Payments normally issued in June will be pushed to July, resulting in only 11 months of foster care payments issued in FY 08-09
- This one-time aid payment savings will reduce FY 08-09 Aid Payment costs by roughly \$2.5 million (GF)

# Potential State Budget Impacts

Governor proposes to eliminate the following State-funded programs:

- CalWORKs
- Cash Assistance Program for Immigrants (CAPI)
- California Food Assistance Program (CFAP)
- Transitional Housing Program Plus (THPP)

# Elimination of CalWORKs

- Governor proposes elimination of CalWORKs, despite its widely recognized success
- The elimination of CalWORKs would result in the following to Sacramento County:
  - \$120 million loss in revenue
  - Elimination of 1,000+ FTE (filled) in DHA
  - Elimination of over \$30 million in community provider contracts
  - Loss of \$209 million in benefits for over 33,500 families
  - Major loss of sales tax revenue due
  - GF savings of \$5.4 million in aid payments
  - Significant increase in GA caseload and aid payment costs

# Elimination of CAPI / CFAP / THPP

- **CAPI** is a state-only program that provides cash assistance for immigrants ineligible for Federal SSI benefits
- **CFAP** is a state-only food assistance program for non-citizens ineligible for Federal food stamps
- The elimination of CAPI and CFAP would result in:
  - \$2.75 million loss in revenue
  - Elimination of 20+ FTE in DHA
  - Loss of \$11 million+ in benefits for 1,500+ Sacramento residents
  - Loss of sales tax revenue
  - Increase in GA caseload and aid payment costs
- **THPP** is a transitional housing program for emancipated foster youth who otherwise would be homeless
- The elimination of THPP would result in:
  - \$2.2 million loss in revenue
  - Loss of transitional housing for 80 emancipated foster youth

# State Budget Implications for DHA

- In addition to the major reductions taken as a result of the County fiscal situation, DHA is poised to take significant reductions due to the loss of State funding
- DHA will monitor the State budget, but we likely will need to make deeper cuts to direct services, namely:
  - Delete FTEs
  - Delete contracts with community-based providers
  - Eliminate more facilities
  - Radically change our operations to simply do “less with less”



# DHA Summary

- DHA has taken a large County General Fund reduction, with growing caseloads and workload
- DHA has modified both its security and facility plans
- DHA will have deleted 128 FTE in the past 3 months. We will send out 63 layoff notices with 40 of these staff separated from County service
- In collaboration with SHRA, SETA, Homeless Advocates and Providers, DHA has developed a plan to add back single adult homeless shelter beds, expand family shelter beds, increase homeless housing assistance
- State Budget will have a major impact on DHA's budget and ripple effects throughout the County (lower sales tax revenue, higher aid payment costs, etc.)
- DHA will make the necessary reductions to prevent a deficit. This will result in major changes in the way we provide services