



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: May 4, 2005 REPORT NO. 05-104

ATTENTION: Honorable Mayor and City Council
Docket of May 10, 2005

SUBJECT: Fiscal Year 2006 Social Services Program

SUMMARY

Issues

- 1) Should the City Council adopt the City Manager's funding recommendations for Fiscal Year 2006 Social Service Programs, contingent upon certification of fund availability by the City Auditor and Comptroller?
- 2) Should the City Council approve funding appropriations from the Community Development Block Grant Program, Emergency Shelter Grant, and the San Diego Housing Commission for Fiscal Year 2006 Social Service Programs, contingent upon adoption of the FY 2006 budget and certification of funds availability by the City Auditor and Comptroller?
- 3) Should the City Council authorize the City Manager to negotiate and execute agreements with all programs approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller?

City Manager's Recommendations

- 1) Adopt the City Manager's funding recommendations for Fiscal Year 2006 Social Service Programs, contingent upon certification of funds availability by the City Auditor and Comptroller.
- 2) Approve funding appropriations from the Community Development Block Grant Program, Emergency Shelter Grant, and the San Diego Housing Commission for Fiscal Year 2006 Social Service Programs, contingent upon adoption of the FY 2006 budget and certification of funds availability by the City Auditor and Comptroller.

- 3) Authorize the City Manager to negotiate and execute agreements with all programs approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller.

Fiscal Impact

The total amount of funding required for the above recommendations is \$3,305,320. Funds are available from the Community Development Block Grant, Emergency Shelter Grant, and the San Diego Housing Commission for these programs.

BACKGROUND

On November 19, 2001 the City Council adopted a formal selection process for the allocation of social services funding (Resolution # 295744). The process was recommended by a Task Force consisting of representatives from non-profit organizations, community members, and Mayor and City Council staff.

A three tiered category system was adopted to reflect program priorities. The highest priority of funding is Basic Services - City Programs. It is understood that the City would fund its own programs (e.g. Winter Shelter Program, HOT Team, etc.) before it makes funding available to other programs. The second priority category is Basic Services – Other than City Programs. These programs were allocated three years of funding (FY2003 – FY2005), and were exempt from the competitive selection process. Programs in this category must fit into one of five groups: (1) City administered or sponsored; (2) Council directed; (3) designated to receive earmarked funding from another government agency; (4) funded by the City at no less than \$100,000 during each of the last five fiscal years (FY1998 – FY2002); and (5) recommended and approved by the City Council. The third tier of the program is the “competitive category” and it was expected that the City would allocate the remaining funds to the non-profit community through a traditional application review process. This process was implemented successfully in fiscal years 2003 and 2004 with approximately \$2 million available for distribution. Due to significant budget constraints, the funding pool in FY2005 was reduced by approximately \$1.8 million, and the amount available for competitive applications was reduced to \$300,000.

DISCUSSION

With the City continuing to face serious fiscal challenges, there is no expectation of restoring funds to the Social Service Program to prior year levels. Further, the amount of federal grant funds available has been declining over the last several years. The overall amount available for the FY06 Program is \$3,305,320, which represents a \$160,777 reduction from the current fiscal year and a \$1,971,257 reduction from FY2004.

Funding Available for Social Services	FY04	FY05	FY06
Community Development Block Grant	\$2,797,050	\$2,739,000	\$2,592,447
Emergency Shelter Grant Funds	\$ 631,000	\$ 682,097	\$ 667,873

City General Funds	\$1,778,527	\$ 0	\$ 0
County of San Diego	\$ 25,000	\$ 0	\$ 0
San Diego Housing Commission	\$ 45,000	\$ 45,000	\$ 45,000
Total	\$5,276,577	\$3,466,097	\$3,305,320
Basic Services - City Programs	\$2,037,528	\$2,141,848	\$2,383,496
Basic Services - Non-City	\$1,277,393	\$1,024,249	\$ 921,824
Available for competitive process	\$1,961,656	\$ 300,000	\$ 0
Total	\$5,276,577	\$3,466,097	\$3,305,320
Reduction of funding since FY2005			<\$ 160,777>
Reduction of funding since FY2004			<\$1,971,257>

Social Service Allocation Strategy for FY2006

For many years, the City has funded a blend of programs that serve the diverse needs of San Diego residents. Traditionally, youth and homeless programs receive the majority of funding. With the adoption of the formal selection process, the City established a “three tier” priority approach to funding distribution. The first tier “Basic Services - City Programs” are City initiated programs that were adopted to meet a critical social need. In some cases, like the Winter Shelter Program for the Homeless, a request for proposal (RFP) process is utilized to select a service provider. The second priority tier “Basic Services – Other than City Programs”, fall into at least one of the five qualifying groups listed in the background section of this report. Remaining funds, if any, will be allocated to the “competitive category”, the third priority tier.

Basic Services - City Programs

Recommendation: \$2,383,496

There are 13 City programs recommended for funding in FY2006 for a combined total of \$2,383,496, representing a \$241,648 increase in the City Programs category (**See Attachment 1**). Two current year programs, the Family Justice Center and the Social Services Administration program, are not recommended for FY2006 funding in this category. The Family Justice Center has achieved City Department status in FY2005 and will be seeking funding through the City’s FY2006 annual budget process. The Social Services Administration budget will be transferred to the CDBG Program in an effort to create more funding availability in the limited social service program. Two additional City programs are recommended for funding: (1) Power Beach Wheelchair Program and (2) Youth Work Experience Program. The Power Beach Wheelchair Program, established in FY2000, has been added to fund program operations. The Natural Resources & Culture Committee (NR&C) at their March 2, 2005 meeting directed staff to continue this program in a cost efficient manner. State Coastal Conservancy funds were pursued and awarded, however, operation costs are not an eligible expense. The City has sponsored a summer youth employment program for at-risk youth in collaboration with the San Diego Workforce Partnership for many years. Due to the lack of federal grant funds available to the Workforce Partnership for summer youth employment, the City would have to eliminate the

program. Thus, \$50,000 of funding is recommended to insure a minimum of 50 youth can be employed in the summer of 2005.

Basic Services – Other than City Programs

Recommendation: \$ 921,824

There are eight Basic Services programs recommended for funding for a combined total of \$921,824 (**See Attachment 2**). For this category of programs, Fiscal Year 2005 represented the third year of a three year funding period. During this period, each program underwent a review process to insure they were continuing to meet high priority needs. Each program is recommended for a fourth year of funding with an across the board 10% reduction for FY2006. These programs experienced funding reductions of 10% in FY2004 and 15% in FY2005. The County Senior Nutritional Program was reduced by 15% and 25%, respectively, in those same two years. These eight programs are not guaranteed funding beyond FY2006. Each program will be evaluated and funding recommendations will be based on City priorities, program effectiveness and availability of funding. Due to the reduction in funding, new programs were not sought for FY2006.

Competitive Social Service Process

The reduction of almost \$2 million in general funds for social service programs in FY2005, coupled with the increased needs for City programs, has resulted in the elimination of the competitive social service allocation process for FY2006.

CONCLUSION

Due to the limited amount of available funds in the Social Services Program, staff recommends approval to allocate \$2,383,496 for Basic Services – City Programs, \$921,824 for Basic Services – Other than City Programs and the elimination of the competitive social service allocation process for FY2006.

ALTERNATIVE(S)

- 1) Do not adopt the City Manager's funding recommendations.
- 2) Adopt the City Manager's funding recommendations with adjustments.

Respectfully submitted,

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Approved: Patricia T. Frazier
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FRAZIER/ELL

Attachments: [1. Recommended Basic Services Allocations – City](#)
[2. Recommended Basic Services Allocations – Other than City](#)