

**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

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Policy Analysis Report

To: Supervisor Mar
From: Budget and Legislative Analyst's Office
Re: Funding for Expansion of DAAS Home Delivered Meal
Date: May 25, 2016

Summary of Requested Action

Your office requested that the Budget and Legislative Analyst prepare a report on the cost to reduce the waitlist for home delivered meal services to seniors. This report provides an estimate of the increase in General Fund spending necessary to expand DAAS's home-delivered meal service in order to reduce the wait time for home-delivered meals.

For further information about this report, contact Severin Campbell at the Budget and Legislative Analyst's Office.

Executive Summary

The 2016 Needs Assessment prepared by the Human Services Agency's Department of Adult and Aging Services (DAAS) indicated that their FY 2015-16 service target for home delivered meals is 5,050 unduplicated clients. According to an April 13, 2016 DAAS presentation to the Board of Supervisors Budget and Finance Committee, DAAS has reached that target.

DAAS reports an average waitlist for home delivered meal service of approximately 250 seniors per month. The average number of new requests for home delivered meal service is approximately 132 seniors and younger disabled adults per month. The City would need to increase funding for home delivered meals to seniors in FY 2016-17 by \$1.3 million to significantly reduce the waitlist and by \$2.6 million to expand home delivered meal service while maintaining a reduced waitlist.

To expand the home delivered meal service from its current 5,050 unduplicated clients to serve all seniors and younger adults with disabilities with incomes at 300 percent of the federal poverty level, the City would need to increase funding by \$6.5 million for two meals a day at the average contracted rate per meal.

Project staff: Hampton Smith, and Severin Campbell

Budget and Legislative Analyst

Home Delivered Meals and Services

The Human Services Agency’s Department of Adult and Aging Services (DAAS) offers nutrition services for seniors and young adults with disabilities including congregate¹ and home-delivered meals. Title IIIC of the Older Americans Act authorizes federal funding for senior nutrition services, and the City and state provide additional funding. The City is the sole funder of nutrition services for younger adults with disabilities. In FY 2015-16, City funding comprised 76 percent of total funding for home delivered meal services, as seen in Table1.

Table 1: Home Delivered Meals Funding FY 2015-16 Budget²

Source	Amount	% of Total Funding
Federal	\$ 1,555,869	20%
State	338,393	4%
City General Fund	5,797,879	76%
Total³	\$ 7,692,141	100%

Source: DAAS

Local nonprofit contractors bid competitively for DAAS’ meal service contracts. In addition to preparing and delivering meals, contractors must also engage in nutrition compliance and quality assurance activities such as in-service training for staff and volunteers on nutrition requirements, menu requirements, food safety and delivery standards. Additionally, food delivery is a means of connecting seniors and young adults with disabilities to other services.

There are more referrals to DAAS’s home delivered meal service than available slots. At the end of April, there were 174⁴ seniors on the home delivered meal service waitlist. In the most recent period for which data is available, the median wait time for commencement of home delivered meal service was 44 days after request for meal service.

Eligibility

To be eligible for home delivered meal service, individuals must be 60 years or older or younger than 60 with disability and unable to attend a congregate meal site due to physical and/or mental disability.⁵ There is no income requirement.

¹ Congregate meals are group meals offered at community centers and other locations.

² Rose Johns “OOA Budget and Expenditures”

³ Includes both Younger Adults with Disabilities and Seniors

⁴ Linda Lau, Lead Nutritionist, San Francisco Department of Aging and Adult Services

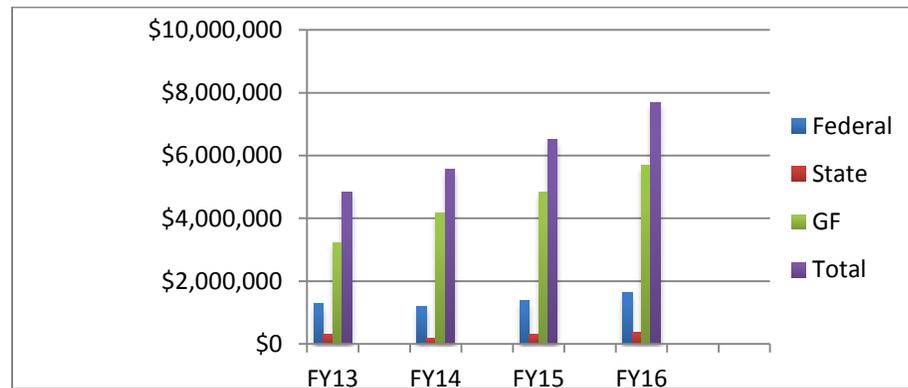
⁵ DAAS Nutrition Needs Assessment 2014

However, DAAS nutrition program standards and policy guidelines target home-delivered meals to low-income, older adults, minority communities and individuals who are frail, homebound or isolated and at-risk of institutionalization.

Increase in City Funding to Home Delivered Meal Service

City funding has made up an increasingly larger share of total funding for home delivered meal service in the last three fiscal years, as shown in Figure 1 below, primarily as a result of significant addback funding in the last two fiscal years.

Figure 1: Funding for Home Delivered Meal Service FY 2012-13 to FY2015-16



An increasing percentage of total funding for senior nutrition programs has been allocated during the annual add-back process. The percentage of funding for home-delivered meals allocated through the add-back process jumped from one percent in FY 2012-13 to 25 percent in FY 2014-15.

Current Utilization and Unmet Need

In the 2016 Needs Assessment, DAAS indicated that their FY 2015-16 service target for home delivered meals was 5,050 unduplicated clients. According to an April 13, 2016 DAAS presentation to the Board of Supervisors Budget and Finance Committee, DAAS has reached that target. Of the total, 19% or 955 are younger adults with disabilities and 81% or 4,095 are seniors. This is the number of unduplicated seniors and younger adults with disabilities to be served by DAAS's contractor agencies funded in the FY 2016 budget, not the number of currently active home delivered meals recipients. DAAS currently has 4,041 active home delivered meal recipients, as shown in Table 2 below

Table 2: Current Active Home Delivered Meal Service Clients by Age⁶

Age	Number of Clients	Percent
Under 60	472	12%
60-69	1,230	30%
70-79	965	24%
80+	1,374	34%
Total	4,041	100%

Source: DAAS

Nonetheless, there are indications of unmet need for home delivered meal service:

- Census data indicates that there are 7,166 seniors and adults with disabilities who have income less than 300 percent of the federal poverty level, live alone, and report self-care disabilities. This is over 70 percent more than the 4,041 people currently receiving home delivered meal service.
- There have been consistently between approximately 200 and 300 people on the waitlist for home delivered meal service, and as noted above the most recently reported average and median wait times are 69 and 44 days respectively.
- DAAS contractors often serve more people than they are contractually obliged to serve by using other funding sources.

⁶ Linda Lau, Lead Nutritionist, DAAS; April 28, 2016

Meal Costs for Home Delivered Meals Vary Depending on the Contractor

DAAS currently contracts with seven nonprofits for home delivered meal service and pays different rates depending on the contractor. DAAS staff explained that using multiple contractors and paying varying meal rates is necessary to provide culturally appropriate meals to an ethnically diverse community.

As we note above, in FY 2015-16, DAAS contracted to serve 5,050 seniors through the home delivered meal service. The cost per home-delivered meal for seniors ranges from \$3.83 to \$7.78.⁷ As shown in Table 3 below, if DAAS had been able to contract for all meals at the lowest rate in FY 2012-13, 2013-14, and 2014-15, the Department would have been able to serve an additional 285, 275 and 338 seniors in each year respectively, assuming each received two meals a day. This is an additional 207,834, 201,080 and 246,643 home-delivered meals in each year respectively. In FY 2015-16 8 percent more seniors would have been served than contracted based on two meals a day.⁸

Reducing Wait Times for Home Delivered Meal Service

Decrease in Wait Time by Increasing Use of Lowest Cost Contractor

Given that the number of people on the home delivered meal service waitlist has in the past ranged from approximately two hundred to as many as three hundred people, one option available to reduce the wait time for home delivered meal service would be to increase the use of the lowest cost meal provider. In our 2016 *Performance Audit of City Services to Seniors*, we recommended that DAAS explore this option. According to DAAS, the lowest cost meal provider is able to deliver meals at a reduced rate because the provider receives funding from sources in addition to the City. Whether this provide could increase the number of meals at the reduced rate depends on their ability to raise funding from these other sources.

Increasing the number of people served by using the lowest cost provider whenever it does not conflict with specific seniors' needs would reduce the wait time for home delivered meal service for seniors, but by how much depends on the

⁷ DAAS Budget Summary FY13-16 With CODB and NOFA 663 Addback 030616 Final.pdf

⁸ As noted in the section on "Reducing Wait Times for Home Delivered Meal Service", according to DAAS, the lowest cost meal provider is able to deliver meals at a reduced rate because the provider receives funding from sources in addition to the City. Whether this provide could increase the number of meals at the reduced rate depends on their ability to raise funding from these other sources.

number of people in need who qualify according to DAAS' guidelines⁹. The estimated additional number of seniors served by home delivered meals in FY 2015-16 would range from 338 (2 meals a day) to 676 (one meal a day) if all meals had been served at the lowest rate, as shown in Table 3 below.

Table 3: Estimated Additional Home-Delivered Meals for Seniors Possible at Lowest Rate FY 2013-14 through FY 2015-16

Fiscal Year	Contract Amount ¹⁰	Lowest Rate Per Contracted Meal ¹¹	# of Meals at Lowest Rate	Additional Meals at Lowest Rate	# of Additional Seniors ⁱ Served 2 Meals a Day at Lowest Rate
2014	\$4,909,384	\$3.85	1,272,763	207,834	285
2015	\$5,857,667	\$3.91	1,494,473	201,080	275
2016	\$6,593,549	\$3.83	1,718,936	246,643	338

Source DAAS

Additional Funding Needed to Expand Home Delivered Meals and Reduce Wait Times

Providing the same number of additional meals shown above at the *average* FY 2015-16 contracted meal rate would have required \$1,104,961 in additional funding as seen in Table 4 below.

Table 4: Additional Funding Required to Provide Additional Meals at Average Contract Rate

Fiscal Year	Contract Amount ¹²	Average Contract Rate ¹³	# of Additional Meals	Additional Expenditure Required at Average Rate
2014	\$4,909,384	\$4.61	207,834	\$958,115
2015	\$5,857,667	\$4.53	201,080	\$910,892
2016	\$6,593,549	\$4.48	246,643	\$1,104,961

Source: DAAS

As noted above, DAAS staff has reported that the waitlist fluctuates between approximately 200 and 300 people at any point in time or an average of approximately 250 people. As seen in Table 5 below, the average and median number of monthly new requests for home delivered meal service is 132 and 133

⁹ As of February 18, 2016 seniors represented 96% of the people on the home delivered meal waitlist.

¹⁰ For Seniors

¹¹ Includes cost of Nutrition Compliance

¹² For Seniors

¹³ Includes cost of Nutrition Compliance

respectively. Without greater detail on the length of time people remain in or frequency with which people leave the home delivered meal service, establishing the exact funding increase necessary to eliminate the wait time for home delivered meal service is not possible.

Table 5: New Requests for Home Delivered Meal Service In FY 2013-14, FY 2014-15, and FY 2015-16 (6 Months)

	Seniors (60+)	Adults w/Disabilities (YAD)	Total	% YAD
FY 2013-14	1458	171	1629	10%
FY 2014-15	1352	127	1479	9%
July - December 2015	746	119	865	14%
Average Monthly Requests			132	
Median Monthly Request			133	

Source: DAAS

The average number of new monthly requests for home delivered meals is approximately 53 percent of the average monthly wait list, as shown in Table 6.

Table 6: New Home Delivered Meal Requests as Percent of Waitlist

Average Number on Waitlist	250
Average and Median Number of New Requests Monthly	132
% Difference Between Waitlist and Average Monthly New Requests	47%
Average Monthly New Requests as % of Waitlist	53%

Source: DAAS and Budget and Legislative Analyst

We estimate that the number of seniors who move off the waist list each month (either through receiving home delivered meals or removing themselves for other reasons) equals the average number of new requests for home delivered meal service, maintaining the wait list at approximately 250 seniors each month on average. Therefore, an estimated 132 seniors move off the wait list each month.¹⁴

- If the City were to increase funding for home delivered meal service sufficient to move 165 seniors off the wait list each month (an increase of

¹⁴ The Budget and Legislative Analyst's estimate of 132 average monthly requests each month is based on the total requests in FY 2013-14, FY 2014-15, and the first six months of FY 2015-16, as shown in Table 5 above. According to DAAS staff, the average number of new requests each month is 121 and the number of seniors and younger adults with disabilities who are served is 90. Based on these numbers, the City would need to increase funding for home delivered meals to seniors in FY 2016-17 by \$1.2 million to significantly reduce the waitlist and by \$2.4 million to expand home delivered meal service while maintaining a reduced waitlist.

33 seniors or 25 percent) the existing waitlist of approximately 250 seniors on average would be significantly reduced.

- If the City were to increase funding for home delivered meal service sufficient to move 198 seniors off the waitlist each month (an increase of 66 seniors or 50 percent) the City could expand home delivered meal service while maintaining a reduced waitlist.

The City would need to increase funding for home delivered meals to seniors in FY 2016-17 by \$1.3 million to significantly reduce the waitlist and by \$2.6 million to expand home delivered meal service while maintaining a reduced waitlist, as shown in Table 7 below.¹⁵

Table 7: Estimated Costs to the City to Reduce the Home Delivered Meal Waitlist

	25% Increase in Seniors Moved Off Wait List	50% Increase in Seniors Moved Off Wait List
Number of Seniors	396	792
<u>Lowest Contracted Meal Rate in 2016</u>		
Total Meals @ Two Meals Per Day	289,080	578,160
Rate per Meal	<u>\$3.83</u>	<u>\$3.83</u>
Total	\$1,107,176	\$2,214,353
<u>Average Contracted Meal Rate in 2016</u>		
Total Meals @ Two Meals Per Day	289,080	578,160
Rate per Meal	<u>\$4.48</u>	<u>\$4.48</u>
Total	\$1,295,078	\$2,590,157

Source: DAAS and Budget and Legislative Analyst Analysis

Expanding Home Delivered Meal Service

According to U.S. Census data for San Francisco, there are 7,116 seniors and younger adults with disabilities in San Francisco who have incomes below 300 percent of the federal poverty level (FPL), live alone, and report self-care disabilities. To expand the home delivered meal service from its current 5,050 unduplicated clients to serve all seniors and younger adults with disabilities at 300 percent of FPL would result in increased funding of \$6.5 million for two meals per day at the average contracted rate, as shown in Table 7 below.

¹⁵ As noted above, based on numbers provided by DAAS, the City would need to increase funding for home delivered meals to seniors in FY 2016-17 by \$1.2 million to significantly reduce the waitlist and by \$2.4 million to expand home delivered meal service while maintaining a reduced waitlist.

Table 7: Cost of Expansion of Home Delivered Meal Service to Seniors and Younger Adults with Disabilities with Income of Less than 300 Percent of FPL

	Contracted Meal Rate in 2016	
	Lowest	Average
Number of Seniors and Adults	2,000	2,000
Total Meals @ Two Meals Per Day	1,460,000	1,460,000
Lowest Contracted Meal Rate in 2016	<u>\$3.83</u>	<u>\$4.48</u>
Total	\$5,591,800	\$6,540,800

Source: Budget and Legislative Analyst Analysis of DAAS