INFORMATION CALENDAR
December 11, 2018

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Kelly Wallace, Director, Health, Housing and Community Services
Subject: Referral Response: Study Possible Scenarios of the Loss of Federal Funds

INTRODUCTION
This report responds to a referral from the City Council that originally appeared on the agenda of the July 25, 2017 Council meeting and was sponsored by Councilmembers Hahn, Arreguin, Davila, and Harrison. Council approved to “direct the City Manager to expedite the compilation and delivery of a list of federal funds that the City of Berkeley receives and the programs and facilities supported by such funds.”

CURRENT SITUATION AND ITS EFFECTS
The Department of Health, Housing and Community Services receives the largest share of federal funding in the City of Berkeley\(^1\). In response to the referral, the Department of Health, Housing and Community Services has produced a report on the federal funding received by HHCS and the programs supported by such funds (see Attachment 1).

Data Sources Consulted
In preparing the report for City Council, staff used data from the FY17 Single Audit as well as FY17 actuals. Federal funding includes grants that are passed through the state or county but whose origin is federal. In addition, HHCS calculated the amount of earned income in our Mental Health and Public Health divisions through Medi-Cal service reimbursement which is not captured in the Single Audit.

\(^1\) According to the FY17 Single Audit, the City of Berkeley receives an additional $3.17 million in federal funding for programs outside of HHCS. This includes funding from the Department of Transportation, Department of Interior, Department of Commerce, as well as additional funds from the Department of Agriculture and Department of Health and Human Services. In FY17, the City of Berkeley also received a very small amount from the Department of Justice. This brings the total amount spent in FY17 from federal sources to $19.13 million when HHCS grants and earned income are taken into consideration.
Key Findings

- More than one-third of HHCS funding is from the federal government through grants and earned income. HHCS receives a total of approximately $15.96 million from federal sources.

- The majority of our federal funding is from the Department of Housing & Urban Development (HUD). Approximately $10.02 million supports programs to house those experiencing homelessness, Community Development Block Grant (CDBG) funded activities, and affordable housing programs.

- The Department of Health and Human Services provides significant funding to HHCS. Approximately $5.42 million supports programs such as case management and Medi-Cal support, maternal and child health services, public health prevention efforts, Community Services Block Grant (CSBG) funded activities, emergency preparedness, and a variety of programs that support seniors in our Aging Services division. A significant source of HHS funding is earned income via Medi-Cal reimbursement in our Public Health and Mental Health divisions.

- The Department of Agriculture provides $518,411 in funding to support our Women, Infants, and Children (WIC) program.

- It should be noted that this analysis underestimates the risk involved if federal funding is lost. The analysis relies upon what was actually spent in the fiscal year as opposed to the amount of funding available to the city from the federal government.

Federal funding is a key source of support for programs and services that target low-income and vulnerable Berkeley residents. A loss of federal funds would impact affordable housing, health and wellness programs, and anti-poverty initiatives in the City of Berkeley.

BACKGROUND
In light of the Trump Administration’s repeated threats to sanctuary cities and jurisdictions as well as the proposed budget cuts to federal program and agencies, City Council has requested information on the scope and impact of potential cuts to federal funding. This report is intended to support planning and decision making within the City of Berkeley.

On August 1, 2018 the US 9th Circuit Court of Appeals decided that the Trump Administration may not withhold federal funds from California’s sanctuary cities and counties. The court ruled that congress and not the executive branch controls federal spending. The Supreme Court has not yet ruled on the Trump Administration’s effort to withhold funds from sanctuary jurisdictions.
ENVIRONMENTAL SUSTAINABILITY
There are no identified environmental costs or opportunities associated with the subject of this report.

POSSIBLE FUTURE ACTION
Continue to track the impact of the loss of federal funding and potential solutions as more information is made available.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION
Staff time for additional analysis.

CONTACT PERSON
Laura Schroeder, Community Services Specialist III, Health, Housing and Community Services, 510.981.5411

Attachments:
1: Diagram and list of HHCS federal funds and programs supported by such funds
Federal Funding for City of Berkeley Health, Housing, and Community Services Department

* NOTE: Federal funding includes grants that are passed through the state or county but whose origin is federal. Data from FY17 Single Audit, FUNDS and FY17 Actuals. Note due to rounding, numbers may not add up precisely to totals.

TOTAL EXPENDITURES: $39.15M

FEDERAL FUNDS: $15.96M

41% OF TOTAL

$10.03M HOUSING & URBAN DEVELOPMENT (HUD)

$5.42M HEALTH & HUMAN SERVICES (HHS)

$518K DEPARTMENT OF AGRICULTURE

NON FEDERAL FUNDS: $23.19M

59% OF TOTAL

Homeless Housing Subsidies $3,863,860

Community Development $3,913,196

Affordable Housing $2,248,180

Medi-Cal Service Reimbursement $3,425,992

Public Health Prevention $664,664

Maternal & Child Health $646,769

Community Services Block Grant $257,733

Emergency Preparedness $150,830

Case Management & Medi-Cal Support $140,000

Aging Services $130,139

WIC Program $518,411

Source: FY17 Single Audit, FUNDS and FY17 Actuals.
Notes:

1. **Homeless Housing Subsidies:** Provides temporary and permanent rental assistance for individuals who are homeless in Berkeley.

2. **Community Development:** Includes funding for single family rehabilitation, public facility improvements, Community Development Block Grant (CDBG) funded affordable housing rehabilitation, and services for low-income individuals including shelter services.

3. **Affordable Housing:** Funds administration and housing production.

4. **Medi-Cal Service Reimbursement:** Earned income in our Mental Health and Public Health divisions.

5. **Public Health Prevention:** Includes prevention efforts around Tuberculosis, childhood immunizations, nutrition education, HIV testing, family planning services, Ebola and retail food safety program.

6. **Maternal and Childhood Health:** funds child health and disability prevention, Early and Periodic Screening, Diagnosis, & Treatment (EPDST), health care for foster children, Services to Enhance Early Development (SEED) activities, and other maternal and child health services.

7. **Community Services Block Grant:** Funds anti-poverty programs.

8. **Emergency Preparedness:** Funds Berkeley's preparedness efforts in the event of a public health emergency such as earthquake, wildfires, or other disasters that impact the health of our community.

9. **Case Management & Medi-Cal Support:** Funds assistance to targeted populations in need of medical, social, educational, and other services as well as supports Medi-Cal Administrative Activities (MAA).

10. **Aging Services:** funds senior nutrition services, senior center activities, and family caregiver support programs.

11. **Women, Infants & Children (WIC) Program:** Funds food, health care referrals, and nutrition education for low-income pregnant and post-partum mothers as well as children up to the age of five who are found to be at nutritional risk.
CONSENT CALENDAR
July 25, 2017

To: Honorable Mayor and Members of the City Council
From: Councilmember Sophie Hahn, Mayor Jesse Arreguín, and Councilmembers Cheryl Davila and Kate Harrison
Subject: Expediting Elements of Previous Council Referral to Study Possible Scenarios of the Loss of Federal Funds

RECOMMENDATION
Direct the City Manager to expedite the compilation and delivery of a list of federal funds that the City of Berkeley receives and the programs and facilities supported by such funds.

BACKGROUND
On April 4, 2017, the Berkeley City Council unanimously approved a referral to the City Manager to prepare a preliminary conceptual report on possible scenarios of the loss of federal funds, the impacts on the City of Berkeley, and potential solutions. The referral was initially made in response to the Trump administration’s early threats to sanctuary cities and proposed budget reductions for federal agencies.

In light of continued posturing and threats to sanctuary cities, the Supreme Court’s failure this week to fully strike down the discriminatory, dangerous and unfounded “Muslim travel ban,” and the potential passage of HR 3003, a bill which directly attacks sanctuary cities, we believe that this study of federal funds has gained urgency.

HR 3003 would require that state and local law enforcement agencies enforce federal immigration detainers, which courts and the federal government have previously acknowledged to be voluntary. The bill also creates a private right of action for victims of felony offenses and their families that would allow them to sue jurisdictions that do not honor detainers, where the perpetrator of the crime was the subject of the detainer that was not honored.

H.R. 3003 would prohibit jurisdictions from maintaining or adopting community trust policies that restrict officers from inquiring about the immigration or citizenship status of individuals, and would redefine existing requirements under 8 U.S.C. 1373 that state and local law enforcement share a narrow category of information with federal immigration authorities. Instead, the bill would seek to compel states and localities to
carry out immigration enforcement, which have traditionally been the responsibility of the federal government.

HR 3003 also expands mandatory detention of immigration violators. The bill would significantly expand the categories of offenses triggering mandatory detention, including all those with driving-while-intoxicated offenses, with no exception for decades-old violations. All those covered under this provision would be subject to mandatory detention, with no limitation on the time they can be held, no opportunity to receive bond, and limited avenues to seek relief.

With escalating circumstances at the Federal level, and the failure of our judicial system to vigorously protect human and civil rights, it appears more likely that sanctuary cities may be targeted for penalties or loss of funding, and the City must begin to make plans for a potential loss of federal funds.

Because the original referral to staff was fairly broad, and included study of funding alternatives, it could not be completed within 3 months and was referred to the referral prioritization process. In light of changing circumstances, and an escalation of rhetoric and actions which threaten human and immigrant rights and may seek to compel the City to participate in actions Berkeley will not enforce, the City Manager is directed to immediately compile and present to the City Council for consideration a list of federal funds the city receives and the programs and/or facilities those funds support.

FINANCIAL IMPLICATIONS
Staff time

ENVIRONMENTAL IMPACTS
This recommendation is consistent with Berkeley’s environmental sustainability goals.

CONTACT PERSON
Councilmember Sophie Hahn, Council District 5, (510) 981-7150

ATTACHMENTS
1. Developing a Report Detailing Impacts of Potential Loss of Federal Funding on the City of Berkeley, as approved at the April 4, 2017 City Council Meeting
To: Honorable Mayor and Members of the City Council

From: Councilmember Sophie Hahn

Subject: Developing a Report Detailing Impacts of Potential Loss of Federal Funding on the City of Berkeley

RECOMMENDATION
Refer to the City Manager to prepare a preliminary conceptual report on possible scenarios of loss of federal funds, the impacts on the City of Berkeley, and potential solutions

FINANCIAL IMPLICATIONS
Unknown; Staff time to prepare the report

BACKGROUND
The Trump administration has repeatedly threatened sanctuary cities with cuts to federal funding, as a response to these cities’ non-compliance with the administration’s new aggressive immigration policies. Some cities have pursued action to combat the Trump administration’s actions against sanctuary cities and threats to federal funding for healthcare, nutrition, and education programs often serving low-income populations. Specifically, the City of San Francisco has sued the administration over threats to sanctuary cities, citing violations of state rights provisions of the U.S. Constitution1.

Further, the Trump administration has already published plans for a number of significant budget reductions and cuts to federal departments such as the Department of Housing and Urban Development, the Department of Education, the Environmental Protection Agency, and the Department of Energy. These budget reductions would significantly impact the amount of money that states and cities receive from the federal government.

The City of Berkeley receives roughly $11.5M in Federal Funding each year. These funds support a wide variety of programs and services that the City provides, and come from a number of different federal departments including HUD, FEMA, and the Department of Energy.

In light of the Trump administration’s threats to sanctuary cities and the proposed budget reductions for federal agencies, the City Council requests that the City Manager

prepare a report detailing federal funding that the City receives, the impacts federal funding on City services and programs, and potential solutions to fill possible funding shortfalls.

ENVIRONMENTAL SUSTAINABILITY
No environmental impacts

CONTACT PERSON
Councilmember Sophie Hahn, Council District 5, 510-981-7150