



SAN FRANCISCO
HUMAN SERVICES AGENCY

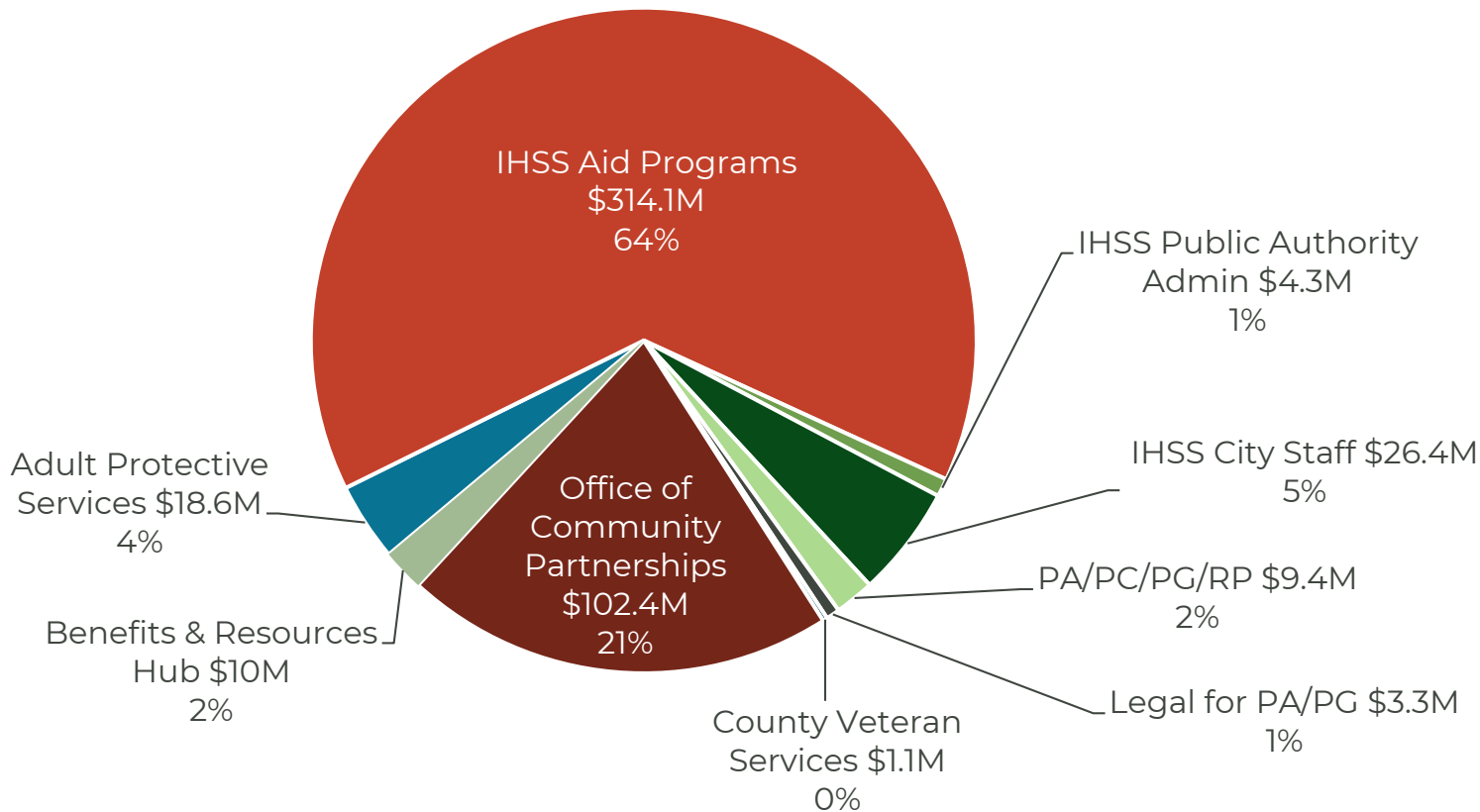
DAS FY24-25 & FY25-26 Budgets

Human Services Agency
Department of Disability and Aging Services
Presentation to the DAS Commission

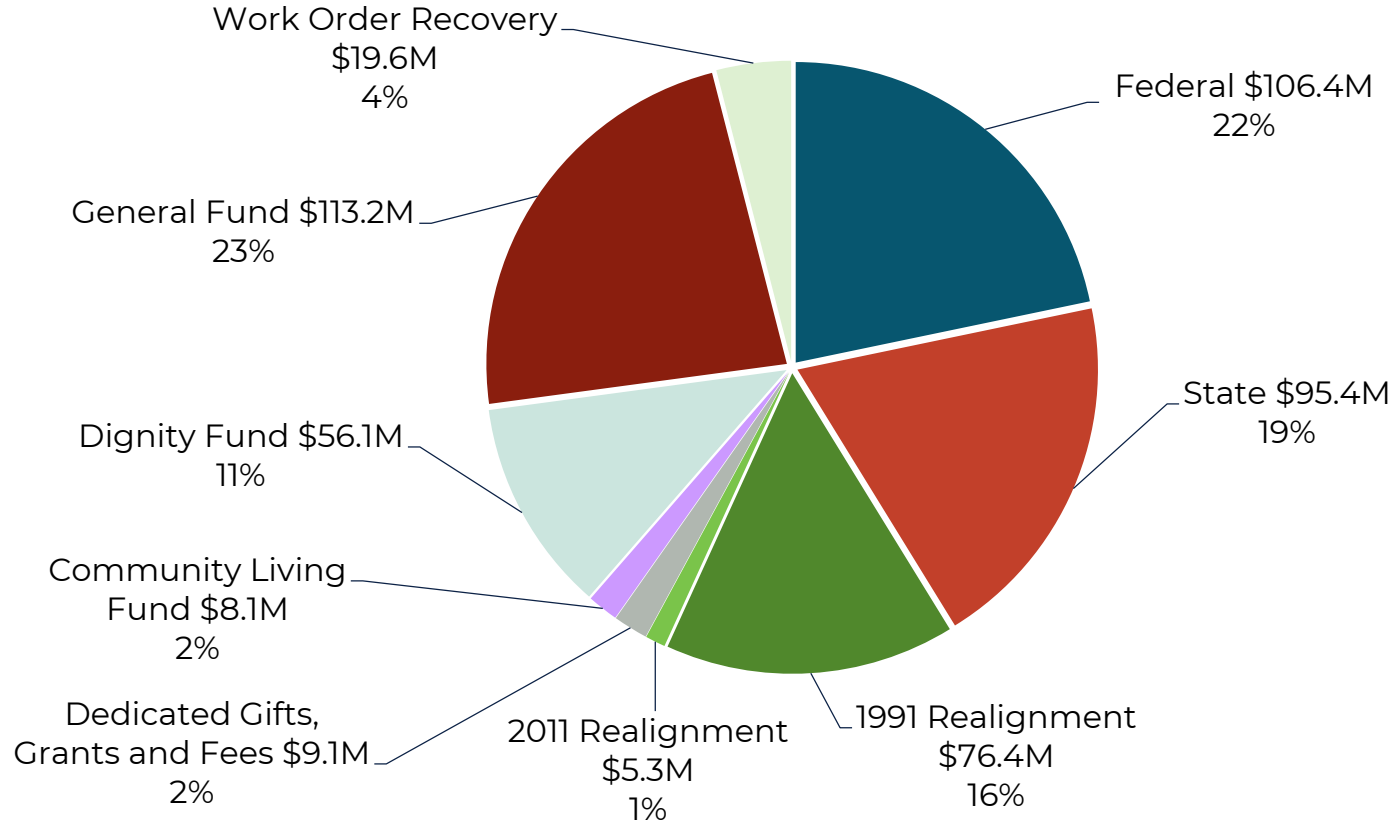
January 10, 2024



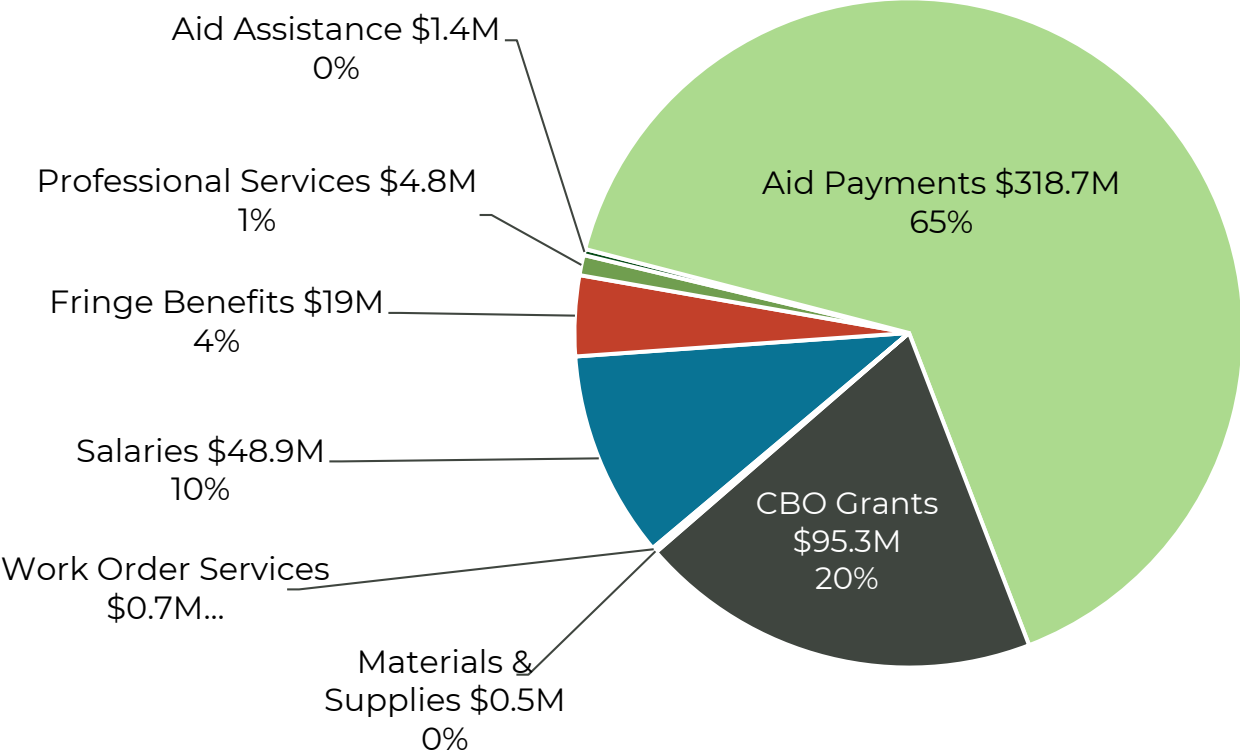
DAS FY23-24 Original Budget by Program \$489.5M



DAS FY23-24 Original Budget By Sources \$489.5M



FY23-24 Original DAS Budget by Category \$489.5M



Mayor's FY24-25 & FY25-26 Budget Projections

Citywide Projected Shortfall (in Millions)	FY24-25	FY25-26
Total Revenue - Increase / (Decrease)	(9.6)	181.0
Baselines & Reserves:	(13.3)	(78.3)
Salary & Benefits:	(163.3)	(336.2)
Citywide Operating Budget Costs*:	(95.2)	(301.7)
Departmental Costs:	<u>36.8</u>	<u>(19.3)</u>
Total Expenditures – Decrease / (Increase)	(235.1)	(735.5)
Total Deficit	(244.7)	(554.5)
Two-Year Deficit	(799.2)	
*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service)		



Mayor's Budget Drivers

- City projects \$799 M budget deficit over the next two fiscal years
 - Slowed revenue growth & significant expenditure increases anticipated
 - Revenue drops in City's largest tax bases – property, business & transfer taxes
 - High office vacancies; slower hospitality sector rebound; greater risk in business taxes due to disputes/potential litigation
 - Local and state sales taxes continue to be slower than expected
 - Salaries & benefits forecast to grow by nearly \$500 M in the biennium
 - Existing & new mandated baseline contributions add cost
 - Citywide operating costs – real estate, capital, debt service, etc. – all rising
 - Assumes fully funding 10-year capital plan
 - Some costs become local due to expiration of state and federal stimulus



Mayor's Budget Instructions

- Departments asked to reduce General Fund budgets by 10% in FY 24-25 and 10% in FY 25-26; for HSA this translates into:
 - **\$6.48 million in FY 24-25 & \$6.48 million in FY 25-26**
- Maintaining HSA's mid-year reductions from FY 23-24 effectively lowers the new reduction target to **\$3.1 million per year**
 - Depts also asked to: Propose additional 5% contingency reductions to be implemented if necessary; Not add any new FTEs & only fill essential FTEs in order to achieve budget savings
 - Focus on core operations/services; eliminate costs supporting non-essential, discretionary or redundant activities
 - Budgets should reflect the Mayor's priorities, which include:
 - Improving public safety & street conditions
 - Reducing homelessness & transforming mental health service delivery
 - Demonstrating accountability and equity in City spending



State/Federal Budget & HSA approach

- State budget picture also worsened over the past year
 - \$68 billion shortfall projected by LAO in FY 24-25, largely as a result of lower-than-forecast state tax revenues collected in FY 22-23
 - Cost saving measures already implemented in State operations
 - State has tools to address the shortfall, but reductions to county resources are possible
 - Impact on social services funding still TBD; will update DAS Commission at Feb meeting; Governor is required to release state budget proposal today
- HSA will seek to maintain critical client services, maximize existing - and leverage new - revenue opportunities, and repurpose existing positions in order to meet demand
 - Staffing shortages have a real impact on DAS client service delivery
 - HSA will strive to recruit/maintain adequate DAS capacity while complying with the Mayor's directives around personnel



DAS Caseloads

Program	FY22-23
Adult Protective Services	Clients: 6,092 Reports of abuse: 8,327
County Veterans Service Office	Clients: 2,793
In-Home Supportive Services (All unique clients served during the fiscal year)	Clients: 29,145
Integrated Intake and Referral (at Benefits and Resource Hub)	Program Intakes: 15,473
Office of Community Partnerships	Clients: 43,786 Enrollments: 113,375
<i>Congregate Meals</i>	Clients: 18,281
<i>Community Service Centers</i>	Clients: 15,938
<i>Home-Delivered Meals</i>	Clients: 7,128



DAS Highlights

- **In-Home Supportive Services**

- Caregiver shortages continue
 - City staff, in collaboration with the IHSS Public Authority, working on a variety of initiatives to stimulate caregiver recruitment
- New contract between the IHSS Public Authority and IHSS independent providers (through SEIU Local 2015) now in place
 - In effect through FY 26-27
 - Grows IHSS provider wages to \$25.50/hr over 4 years

- **Public Conservator**

- Senate Bill 43 expands definition of grave disability – took effect Jan 1
 - Now includes those with severe substance use disorder and inability to provide for own safety &/or medical care
 - Likely to increase referrals for LPS conservatorship
 - DAS working with the Mayor's Office to address resource needs



DAS Highlights

- **Office of Community Partnerships**
 - Resumption of in-person community services programs
 - Initiatives focused on Disability and LGBTQ+ communities
 - One-time state funding for nutrition and technology
 - Dignity Fund & Older Americans Act reporting
- **Benefits and Resource Hub**
 - Enhanced Care Management (ECM) implementation
 - Preparing for SB 43 referrals
 - CalSAWS transition
 - Veterans transportation program
 - Service credit purchases for veterans who are City employees



DAS FY24-25 & FY25-26 Budget Timeline

- Dec 13 Mayor's Budget Instructions Released
- Jan 10 DAS Commission – First Meeting
- Feb 7 DAS Commission – Second Meeting
- Feb 21 Agency Proposed Budget due to Mayor
- June 1 Mayor submits budget to Board of Supervisors
- June Board of Supervisors Budget Committee Hearings
- July Budget Considered at Board of Supervisors

