promotes well-being and self-sufficiency among individuals, families and communities
Budget Forum Objectives

- Discuss current trends & initiatives in Economic Support & Self-Sufficiency Programs
- Discuss local and state budget forecasts
- Work with HSA stakeholders and partners to develop budget priorities and obtain feedback on strategies to reduce Agency costs
Current Trends
Caseloads continue to decline in some programs

CAAP

CalWORKs
Current Trends
Some programs experienced increase in caseload

Non Assistance Food Stamps

Cases Aided

Jul-03 Jul-04 Jul-05 Jul-06 Jul-07 Jul-08
Current Initiatives

• Workforce Development Legislation
• Monthly Grants & EBT Cards in CAAP
• Foodstamp Service Center
• Medi-Cal’s partnership with DPH and Healthy San Francisco
• Workforce Development Center at the Boyd Hotel
• The Community Justice Center
• Food Bank Pantries
HSA Budget Details
HSA Budget History

Budget per year ($ in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04-05</td>
<td>$540</td>
</tr>
<tr>
<td>FY05-06</td>
<td>$560</td>
</tr>
<tr>
<td>FY06-07</td>
<td>$600</td>
</tr>
<tr>
<td>FY07-08</td>
<td>$640</td>
</tr>
</tbody>
</table>

HSA FY2007-2008 Budget

- DHS: $419.1M (64%)
- DAAS: $148.7M (23%)
- Program Support: $86M (13%)

Total Budget: $653.8M
DHS FY 2007-2008 Budget By Program (Excluding Program Support) $419.1M

- Family & Childrens' Services $130.5M (32%)
- Homeless Services $84.4M (20%)
- CalWorks $55.9M (13%)
- Childcare $43.6M (10%)
- Medi-Cal $22.8M (5%)
- Public Assistance / CAAP $46.4M (11%)
- Workforce Development $23.1M (6%)
- Food Stamps $12.4M (3%)
DHS FY 07-08 Budget by Character (Including Program Support) $505.1M

- **Aid Payments**: $127.9M (26%)
- **Contract Services**: $113.2M (22%)
- **Salaries**: $111.6M (22%)
- **Work Order Services**: $39.6M (8%)
- **Aid Support**: $41.9M (8%)
- **Fringe Benefits**: $44.9M (9%)
- **Professional Services**: $19.7M (4%)
- **Materials & Supplies**: $3.4M (1%)
- **Work Families Credit Payments**: $1.6M (0%)
- **Capital Maintenance**: $1.2M (0%)

Total Budget: $505.1M
DHS FY 2007-2008 Budget by Source
$505.1M

- Federal $213.8M (41%)
- State $94.5M (19%)
- General Fund $85.8M (17%)
- Grant $24.7M (5%)
- HSC Fund $14.1M (3%)
- Work Order Recoveries $8.4M (2%)
- Realignment $63.9M (13%)
State & Local Budget Projections
## City Budget Forecast

### General Fund Sources and Uses ($ in millions)

<table>
<thead>
<tr>
<th>Sources</th>
<th>FY 2008-09</th>
<th>FY 2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss of One-Time Sources</td>
<td>-$110</td>
<td>-$14</td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>$119</td>
<td>$85</td>
</tr>
<tr>
<td>Sources Subtotal</td>
<td>$9</td>
<td>$71</td>
</tr>
<tr>
<td>MOU Costs and Annualization of Positions</td>
<td>-$111</td>
<td>-$86</td>
</tr>
<tr>
<td>Health, Dental, Pension &amp; Other Benefits</td>
<td>-$22</td>
<td>-$29</td>
</tr>
<tr>
<td>Mandated Spending Requirement</td>
<td>-$44</td>
<td>-$30</td>
</tr>
<tr>
<td>New Mandated MUNI Spending</td>
<td>-$28</td>
<td>-$1</td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>-$34</td>
<td>-$45</td>
</tr>
<tr>
<td>Uses Subtotal</td>
<td>-$238</td>
<td>-$191</td>
</tr>
<tr>
<td><strong>Shortfall Projection</strong></td>
<td><strong>-$229</strong></td>
<td><strong>-$119</strong></td>
</tr>
</tbody>
</table>

Note: Projection does not factor in changes in State and Federal funding.
State Budget Forecast

State budget shortfall projected at $14 billion

Services vulnerable to cuts:

<table>
<thead>
<tr>
<th>Service</th>
<th>FY 07-08 GF Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-12 Education</td>
<td>$39.5 billion</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$11.9 billion</td>
</tr>
<tr>
<td>Health</td>
<td>$20.3 billion</td>
</tr>
<tr>
<td>Social Services</td>
<td>$  9.4 billion</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>$12.9 billion</td>
</tr>
<tr>
<td>Transportation</td>
<td>$  1.5 billion</td>
</tr>
</tbody>
</table>

The Governor’s Office has asked all state departments to prepare spending reduction plans of 10%.

The Governor plans to declare a “fiscal emergency” in January to fast-track mid-year spending cuts and other budget solutions.
Mayor’s Budget Instructions

In the Next Year
• Reduce General Fund Spending by 5% in ongoing reductions, and 3% in one-time reductions
• Consider Current-Year spending reductions to help balance the budget
• Submit additional “contingency” reductions of 5%
• Consider the cost of doing business for your non-profit contractors
• As in previous years, Look for one-time efficiency investments that result in future savings

In the Current Year
• Freeze non-essential hiring and restrain overtime
• Eliminate 1,679 staff requisitions opened before July 1, 2007
• Work with Mayor’s Budget Office on mid-year savings to help address next year’s shortfall
• Look for operational efficiencies
Mayor’s Budget Instructions

The Mayor’s instructions direct the Agency to cut $9,513,940 or 13% in General Fund support from the Agency’s $75.5 million discretionary General Fund budget.

- 5% GF Ongoing Reduction: $3,775,373
- 3% GF One-Time Reduction: $2,265,224
- 5% GF Contingency Reduction: $3,473,343

Total: $9,513,940

Projected Revenue Shortfalls

- Prior Year Revenues, Child Welfare Services Allocation, and Grants: $10,000,000

Total Potential Budget Reduction Needed: $19,513,940
Agency Strategy & Actions

• Staffing Reorganizations
• Contract Savings
• Project Savings
• Efficiencies
• Maximizing Staff Timestudy Opportunities
• Revenue Leveraging to Partially Offset Revenue Losses
Budget Timeline of Events

Community Meeting: Family & Children’s Services and Child Care
Dec. 19th at 4:00 – 6:00

Community Meeting: DAAS
Dec. 20th at 2:00 – 4:00

Community Meeting: Economic Support and Self Sufficiency
Jan. 3rd at 4:00 – 6:00

Budget Presented to DHS Commission
Jan. 24th & Feb. 13th at 9:30

Budget Presented to DAAS Finance Committee
Jan. 22nd at 9:30

Budget Presented to DAAS Commission
Feb. 6th at 9:30

Final Proposed Budget Submitted to Controller’s Office
Feb. 21st
Public Comment

Today’s Presentation can be found at:
http://www.sfgov.org/site/dhs

Please provide additional comments, input, and feedback to Derek Chu at derek.chu@sfgov.org