



SAN FRANCISCO
HUMAN SERVICES AGENCY

DAS FY25-26 & FY26-27 Budgets

Human Services Agency

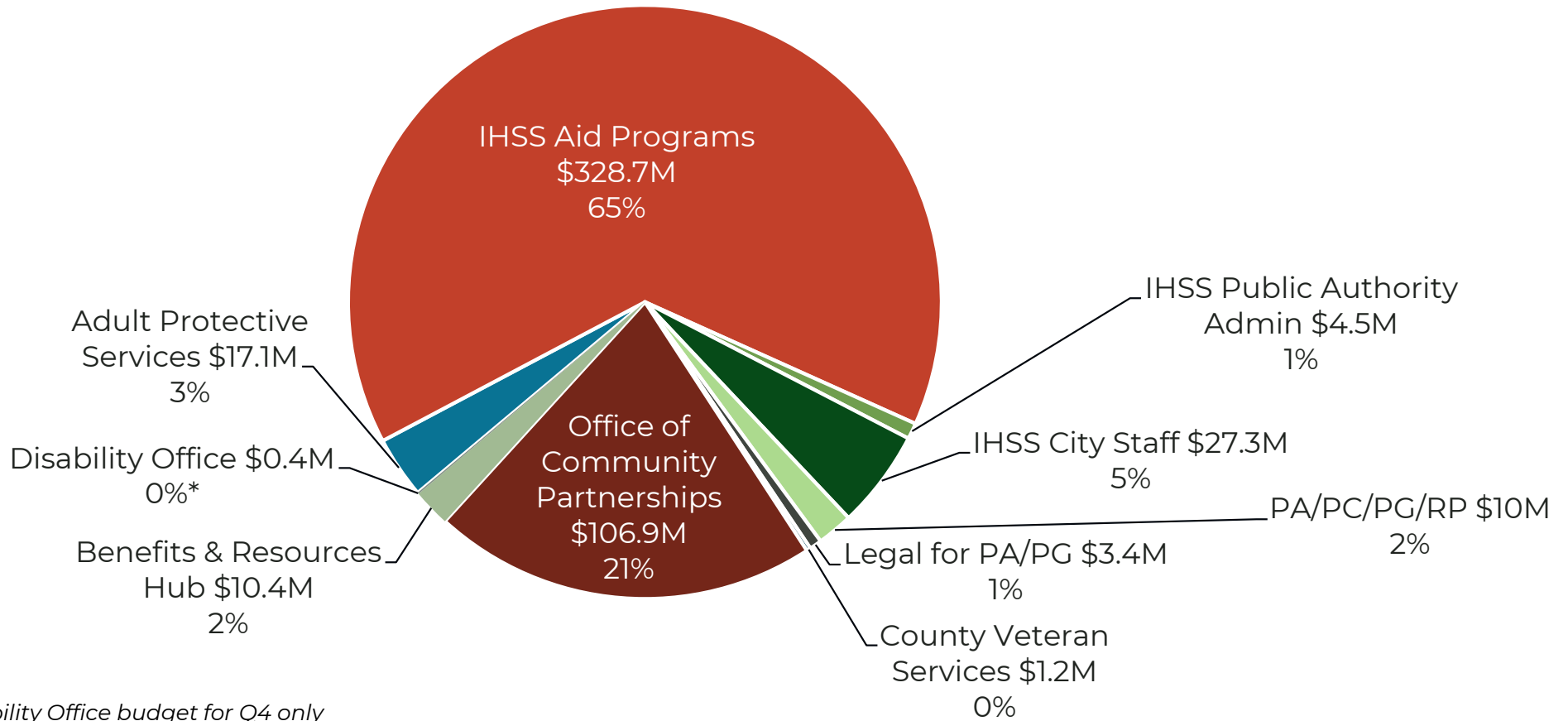
Department of Disability and Aging Services

Presentation to the DAS Commission

January 8, 2025

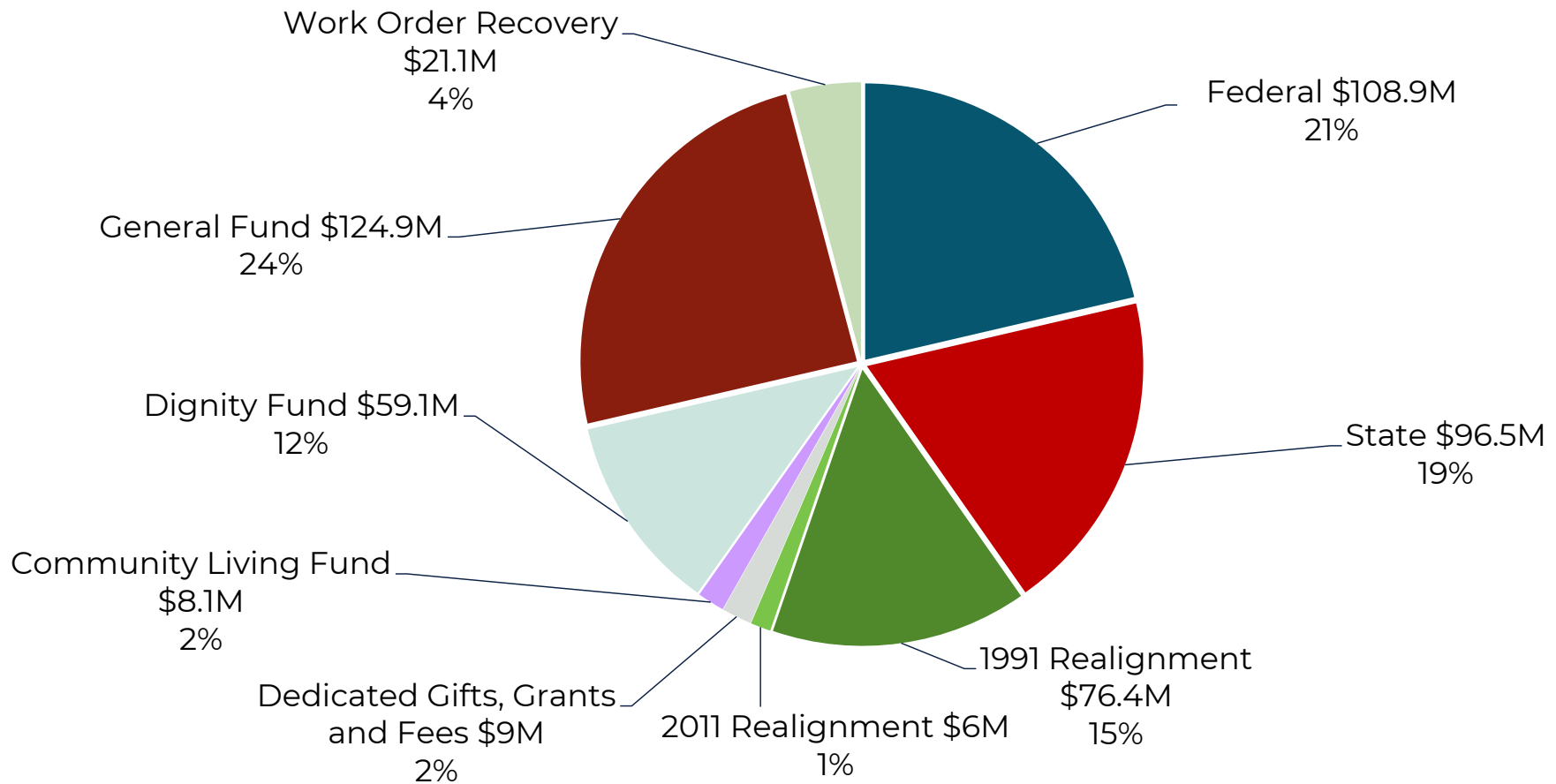


DAS FY24-25 Original Budget by Program \$509.8M

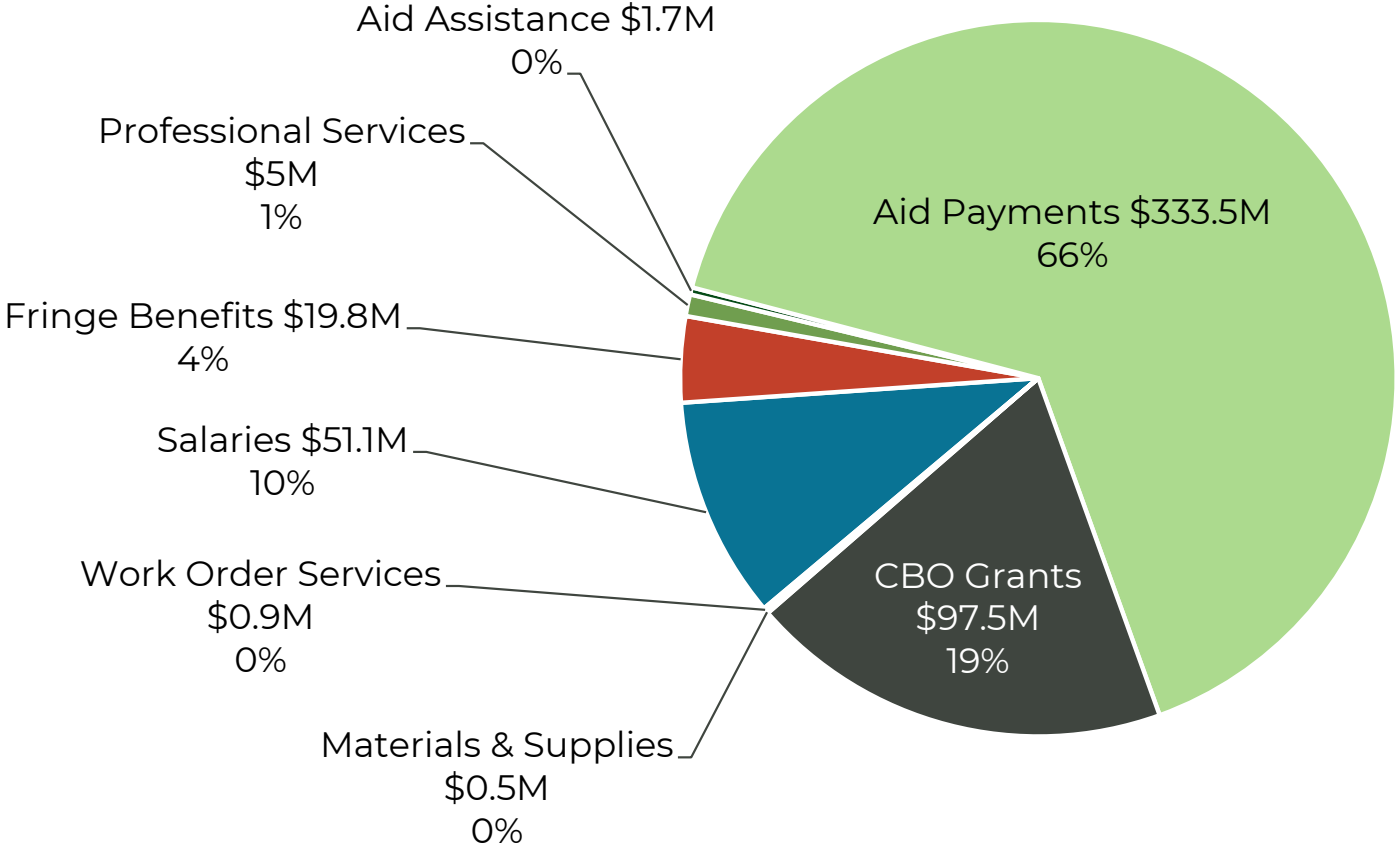


*Disability Office budget for Q4 only

DAS FY24-25 Original Budget By Source \$509.8M



DAS FY24-25 Original Budget By Category \$509.8M



Mayor's FY25-26 & FY26-27 Budget Projections

Citywide Projected Shortfall (Millions) from City's 5-Year Financial Plan	FY25-26	FY26-27
Total Revenue - Increase / (Decrease)	(203.2)	132.9
Baselines & Reserves:	(1.5)	(147.1)
Salary & Benefits:	0.4	(350.4)
Citywide Operating Budget Costs*:	(7.0)	(125.0)
Departmental Costs:	<u>(41.8)</u>	<u>(133.1)</u>
Total Expenditures – Decrease / (Increase)	(50.0)	(755.7)
Total Deficit	(253.2)	(622.7)
Two-Year Deficit	(875.9)	
*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service)		

Mayor's Budget Drivers

- City projects \$876 M budget deficit over the next two fiscal years, growing thereafter
- Slowed revenue growth & significant expenditure increases anticipated
 - Revenue drops in City's critical tax bases – property, business & hotel tax
 - Persistent high office vacancy levels in SF
 - Slower hospitality sector rebound felt in reduced hotel tax collection
 - Voter-approved Prop M shifts business tax recognition to later years
 - Salaries & benefits forecast to grow by nearly \$350 M in the biennium
 - Existing & new mandated baseline contributions = required costs
 - Citywide operating costs – real estate, capital, debt service, materials and supplies, CBO contracts, etc. – all organically grow via inflation
 - Assumes use of City's fund balance over three-year period to ensure stability

Mayor's Budget Instructions

- Departments asked to **reduce discretionary General Fund budgets by 15% in both FYs 2025-26 and 2026-27**; for HSA this translates into:
 - **\$8.2 million reduction** in both FY 2025-26 and FY 2026-27
 - Depts also asked to:
 - Not add any new FTEs & only fill vacancies for core dept functions
 - Consider hiring freezes to achieve budget target reduction
 - Suspend City-funded overnight and/or air travel unless required by funder or third-party agreement
 - Assess CBO grant allocations & professional services contracts for efficiency & cost-effectiveness
 - Budgets should continue to reflect the Mayoral priorities, which include:
 - Improving public safety & street conditions
 - Reducing homelessness & transforming mental health service delivery
 - Improving efficiency and transparency in all City operations & spending

State/Federal Budget & HSA approach

- State budget picture appears stable but without capacity to take on new commitments
- Significant Federal level uncertainty due to new Trump administration
 - Potential diminishment of social services funding
 - Likely discouragement of benefit seekers, especially immigrants
- Despite sluggishness in the California economy, current year revenues modestly exceeding expectations
 - LAO estimates cautiously optimistic: only a very small ~\$2 billion gap remains to be solved in FY 2025-26 at this point
 - State still faces projected deficits of \$20 billion in FY 2026-27 and \$30 billion in FY 2027-28 likely curtailing expansionary policy moves
- HSA's budget priorities continue to be:
 - Maintain critical client services
 - Repurpose existing position vacancies and underutilized funds to meet new and existing needs

IHSS

- The City's MOE is projected to be \$191.1 M in FY 2024-25
 - Per wage increases with San Francisco providers, it will grow:
 - +\$14.7 M in FY 2025-26 to \$205.8 M
 - +\$20.6 M in FY 2026-27 to \$226.4 M

	Jan 1 2025	July 1 2025	Jan 1 2026	Sept 1 2026
IHSS Provider Wage (per hour)	\$22.00	\$22.50	\$23.00	\$25.00

DAS Caseloads

Program	FY 2023-24
Adult Protective Services	Clients: 6,660 Reports of abuse: 8,923
County Veterans Service Office	Clients: 3,103
In-Home Supportive Services (All unique clients served during the fiscal year)	Clients: 30,458
Integrated Intake and Referral (at Benefits and Resource Hub)	Program Intakes: 16,419
Office of Community Partnerships	Clients: 53,032 Enrollments: 142,645
<i>Congregate Meals</i>	Clients: 18,719
<i>Community Service Centers</i>	Clients: 24,082
<i>Home-Delivered Meals</i>	Clients: 6,663

DAS Highlights

- **In-Home Supportive Services**

- Nearing compliance with state-mandated CFCO reassessment metrics; release from Improvement Plan likely this fiscal year
- Successfully leveraging Social Worker self-authorization for non-complex reassignments = improved efficiency
- CCST continues to expand reach in PSH sites, stabilizing more formerly unhoused clients

- **Public Conservator**

- Now one year since Senate Bill 43 expanded definition of grave disability
 - LPS conservatorship caseload up 5%
 - LPS conservatorship referrals up 27%
 - Referrals entail considerable work for DAS staff, exacerbating pre-existing issues around capacity, retention and morale

DAS Highlights

- **Benefits and Resource Hub**
 - New developer for Online Resource Directory
 - County Veterans Service Office to launch Peer Navigator program
 - Expanded outreach in historically underserved neighborhoods
- **Office of Community Partnerships**
 - Disability Cultural Center brick-and-mortar opening
 - Focus on funding for Nutrition and Wellness Services
 - Community Needs Assessment preparations
- **Office on Disability**
 - Transition to DAS in Spring 2025
 - Alignment of policy development, advocacy, and services

DAS FY25-26 & FY 26-27 Budget Timeline

- Dec 3 Mayor's Budget Instructions Released
- Jan 8 DAS Commission – First Meeting
- Feb 5 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