



SAN FRANCISCO HUMAN SERVICES AGENCY

**Department of Disability
and Aging Services**

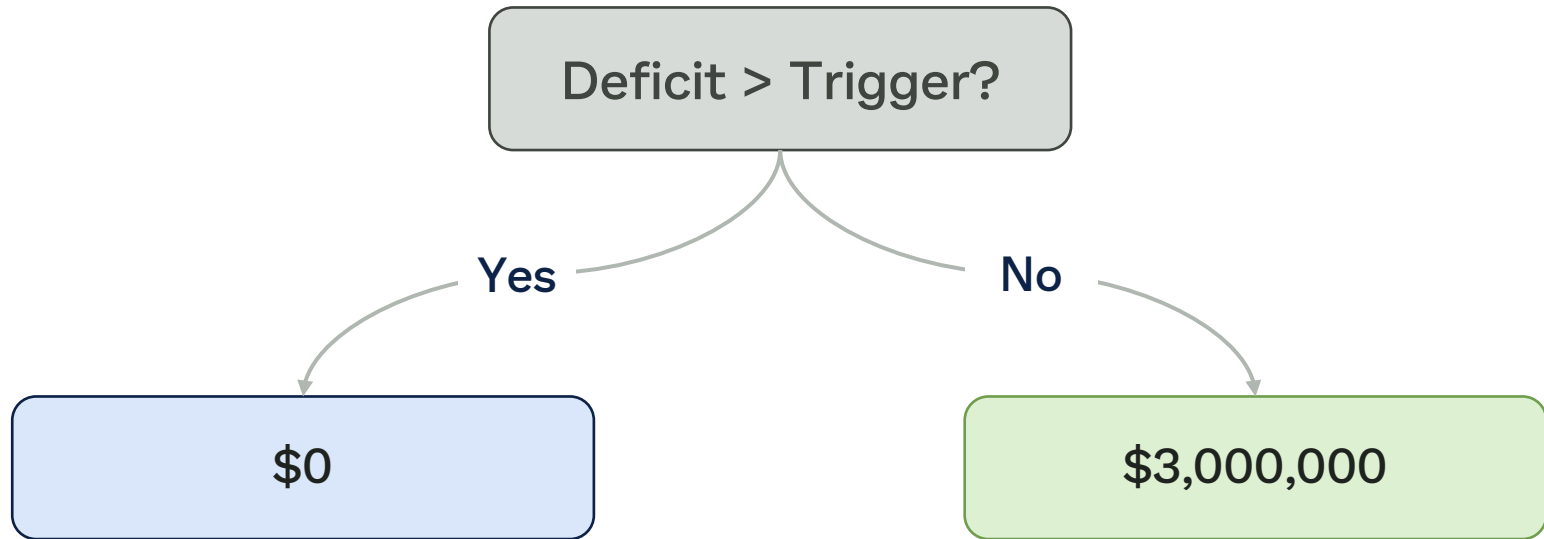
Upcoming Changes to Dignity Fund Growth Formula in FY28

Dignity Fund Oversight and Advisory Committee
April 27, 2026



Dignity Fund growth: FY19 through FY27

Current focus: size of the **deficit**



Dignity Fund growth: FY28 through FY37

New focus: ***Aggregate Discretionary Revenues (ADRs)***

$$\frac{\text{All San Francisco revenues} - \text{Committed revenues}}{\text{Aggregate Discretionary Revenues}}$$



Note: size of deficit does not matter

Bonds vs Stocks Analogy



Bonds

- Old DF = fixed growth \$3 M per year
- Growth/suspension tied to City deficit
- No opportunity for higher growth
- All or nothing

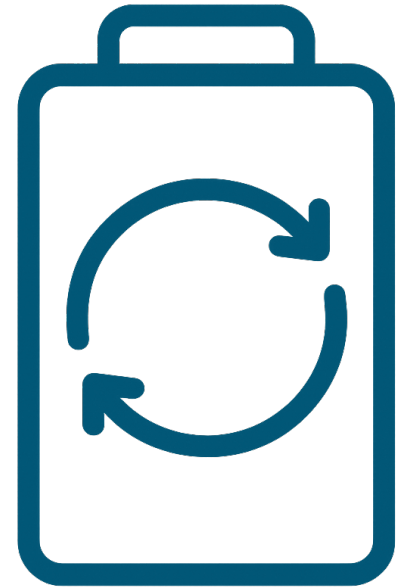


Stocks

- New DF = no fixed growth
- Fund expands/contracts with City's Aggregate Discretionary Revenues
- New DF = ADRs, not City deficit
- Every year will be different

Dignity Fund is expected to be self-sustaining

- Like other Special Funds in SF, the DF is meant to fund any/all inflationary cost increases tied to its services/uses
 - Primary implication for a Fund supporting a large CBO portfolio is that it must finance its own Cost of Doing Business (CODB) expense
 - This was true under the \$3 M methodology also
- DAS may need to embrace new strategies to maintain stability in the portfolio while meeting its CODB obligation



Projected growth in FY27 and FY28*

Fiscal Year	FY27	FY28
% change in ADR	n/a	(1.4%)
Growth/shrinkage	\$ 3,000,000	(\$ 870,000)
CODB amount (FY27 1.4%, FY28 3%)	(\$ 870,000)	(\$ 1,840,000)
Growth/shrinkage - CODB	\$ 2,130,000	(\$ 2,710,000)

*Projections are based on City and County of San Francisco. *March Joint Report Update: FY 2026–2027 through FY 2029–2030*. March 31, 2026. CODB assumptions are based on information as of April 27, 2026.

These projections will change. The Controller’s Office updates ADR forecasts at least three times per fiscal year.

Options

1. Program new funds immediately for ongoing services
 - May paradoxically necessitate service reductions in near future
2. Set aside new funding in anticipation of future funding shortfalls
 - New DF methodology based on shifting projections leaves open possibility for underutilized dollars in this conception





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Thank you

www.sfhsa.org



Looking at the calendar

April 8 | San Francisco Arts Commission

April 17 | Dept. on Children, Youth and Their Families

April 23 | San Francisco Public Library

April 27 | Dignity Fund Oversight and Advisory Committee

May 6 | DAS Commission

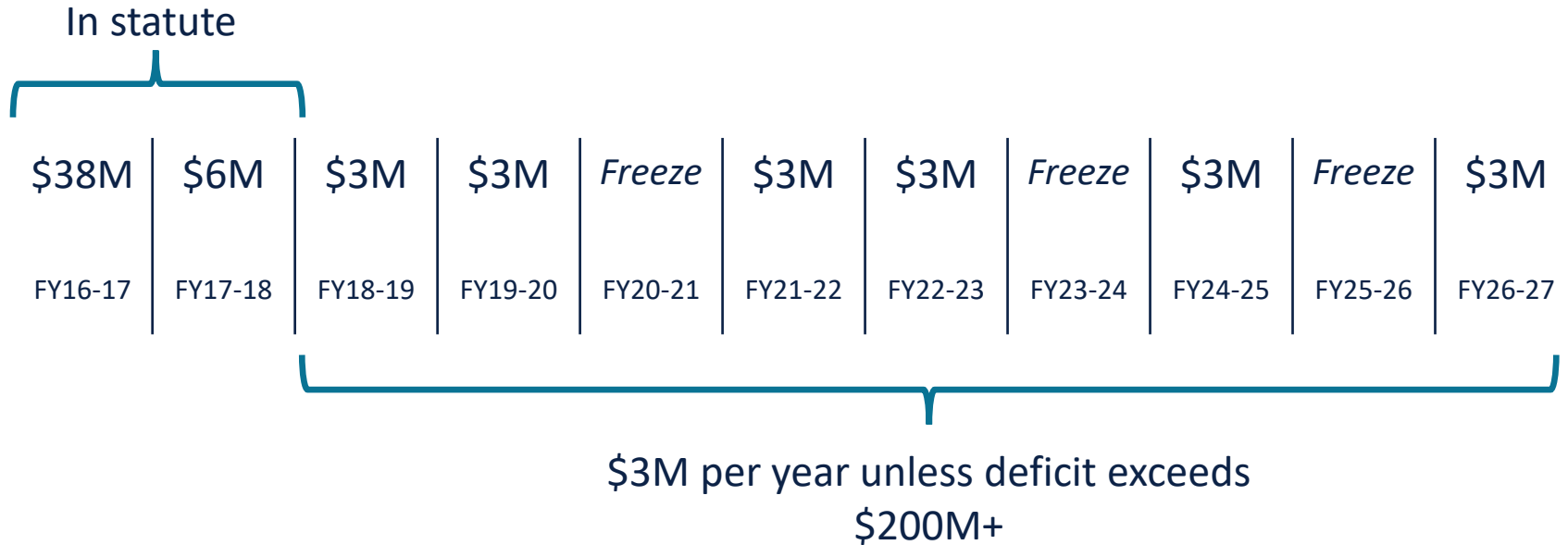
June 10 and 18 | Budget and Finance Committee

Late June TBA | Dignity Fund Oversight and Advisory Committee

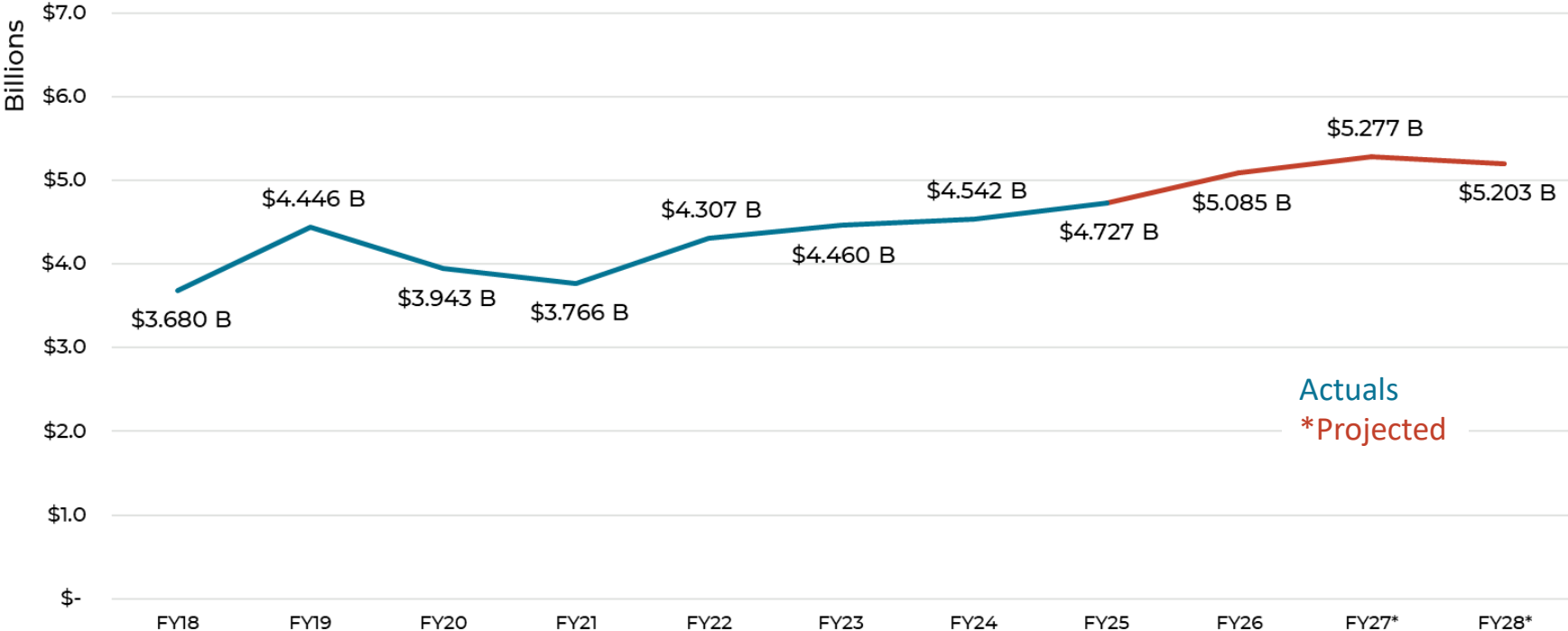


Dignity Fund baseline: FY16-17 to FY26-27

FY26-27 baseline = \$62.1M



Aggregate Discretionary Revenues



Percentage change in Aggregate Discretionary Revenues v. CODB rates

