

FY 24–25 & FY 25–26 Budget Update

Our City, Our Home Fund

San Francisco Department of Public Health

June 7, 2024



San Francisco Health Network
Behavioral Health Services

DPH Behavioral Health – Budget Update

The Mayor’s Budget proposes **\$108.1 million** in FY 24–25 and **\$112.1 million** in FY 25–26 to operate behavioral health programs funded by Prop C.

- Maintains all previously approved programming; increase of \$3.8 million in FY 24–25 and \$6.5 million in FY 25–26 compared to the March presentation:
 - New – \$3.0 million per year to fund Homeless Engagement Assistance Response Team (HEART) overseen by the Department of Emergency Management. HEART is an alternative to law enforcement response for non-emergency calls involving people experiencing homelessness.
 - Higher projected labor and contract costs due to continuing inflationary pressures.
- Places some Prop C funding on reserve for programs that are ramping up – will revisit revenue and spending projections midway through FY 24–25. No impacts to implementation timelines or service levels.

DPH has also allocated \$54.3 million in one-time Prop C funds for facility acquisition over the two-year budget.



DPH Behavioral Health – Mayor’s Budget

Mental Health Uses	Current Year	Budget Cycle			Out Years
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Treatment Beds	29.9	39.3	41.0	42.2	43.5
Assertive Outreach	18.4	24.5	25.2	26.0	26.8
Case Management	12.4	22.8	23.6	24.3	25.1
Drop-In Services	4.0	7.2	7.4	7.7	7.9
Overdose Prevention & Substance Use Treatment	7.1	7.1	7.3	7.6	7.8
Operating & Implementation	6.5	7.2	7.5	7.7	7.9
Ongoing Spending		108.1	112.1	115.4	118.9
Facility Acquisition (One-Time)	-	44.0	10.3	-	-
Total Uses	78.3	152.1	122.4	115.4	118.9
Sources					
Ongoing Revenue	73.6	70.2	76.7	80.1	81.4
Acquisition Fund (One-Time)	109.8	109.8	65.8	4.0	4.0
Fund Balance (One-Time)	50.4	45.7	7.8	23.9	-
Total Sources	233.8	225.7	150.2	108.0	85.4
Year-End Surplus / (Shortfall)	155.5	73.6	27.9	(11.4)	(37.5)

- Despite an **estimated \$80 million structural shortfall** over the next two years, DPH’s Prop C budget remains balanced through FY 25–26 by using one-time sources.
- DPH’s one-time sources are currently projected to be depleted by FY 26–27.
- Continuing volatility in Prop C revenue forecasts may require future revisions to the spending plan.

Facility Acquisition Update

- A purchase and sales agreement for **624 Laguna Street** is pending before the Board of Supervisors.
 - Assisted living facility in Hayes Valley with 56 beds
 - Price: \$13.8 million (Prop C acquisition funds)
 - Will expand the number of assisted living beds in San Francisco that are accessible to DPH's senior and adult clients with behavioral health needs who require support with daily tasks
- DPH plans to acquire the adjacent assisted living property at 601 Laguna Street later in 2024.



624 Laguna Street assisted living facility



Thank you!



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