

# FY 23–24 & FY 24–25 Proposed Budget

## Our City, Our Home Funds

San Francisco Department of Public Health

April 14, 2023



San Francisco Health Network  
Behavioral Health Services

# DPH Behavioral Health – Expenditure Plan

- **Continues** investment plan approved as part of last year's budget
- Addresses revenue shortfall by using one-time funding sources to **maintain service levels** through FY 24–25
- **No new programming** proposed due to projected revenue shortfall
- Updates program costs and timelines to reflect **refined implementation plans**
- **Assumes cost-of-living increases** in line with regional inflation projections



# DPH Behavioral Health – Goals for 2023

DPH plans to continue the implementation of key Prop C funded initiatives in FY 23–24, uplifting equity as a priority across the following programs:

- Adding **Office of Coordinated Care** case managers for justice-involved individuals and expanding follow-up care for people exiting involuntary holds.
- Pursuing the opening of more than 100 **residential care and treatment beds** to approach completion of the 400-bed goal.
- Working to implement the **Mental Health Service Center** as a one-stop clinic to access behavioral health care.
- Strengthening street-based outreach and linkage to case management as part of the reconfigured **Street Crisis Response Team**.
- Expanding **Overdose Prevention** services for clients at risk of overdose, including medications for addiction treatment, contingency management, and extended hours for substance use disorder clinics.
- Launching the behavioral health element of the **Permanent Housing Advanced Clinical Services** program.
- Beginning expanded peer navigation and behavioral health services for **TAY and transgender clients**.



# DPH Behavioral Health – Budget Update

	2022–23 Approved	2023–24 Proposed	2024–25 Proposed
Treatment Beds	\$ 25,800,000	\$ 34,900,000	\$ 39,200,000
Assertive Outreach	\$ 28,800,000	\$ 28,700,000	\$ 29,700,000
Case Management Services	\$ 17,800,000	\$ 19,800,000	\$ 20,600,000
Drop-In Services	\$ 7,700,000	\$ 7,800,000	\$ 8,200,000
Operating & Implementation	\$ 6,900,000	\$ 6,900,000	\$ 7,000,000
Mental Health Spending (Ongoing)	\$ 87,100,000	\$ 98,100,000	\$ 104,700,000
Mental Health Spending (One-Time)	\$ 23,800,000	\$ -	\$ -
<b>Total Mental Health Spending</b>	<b>\$ 110,900,000</b>	<b>\$ 98,100,000</b>	<b>\$ 104,700,000</b>
Prop C Revenue – Mental Health	\$ 77,100,000	\$ 74,800,000	\$ 75,800,000
Prop C Revenue – Prevention	\$ 3,400,000	\$ 2,900,000	\$ 2,400,000
Mental Health One-Time Sources	\$ 30,400,000	\$ 20,400,000	\$ 26,500,000
<b>Total Available Revenues</b>	<b>\$ 110,900,000</b>	<b>\$ 98,100,000</b>	<b>\$ 104,700,000</b>

DPH is planning to utilize one-time sources (Prop C reserves and prior year under-spending) to balance the upcoming two-year budget.



# DPH Behavioral Health – 5-Year Budget Update

	2022–23 Approved	2023–24 Proposed	2024–25 Proposed	2025–26 Projected	2026–27 Projected	2027–28 Projected
Mental Health Spending (Ongoing)	\$ 87,100,000	\$ 98,100,000	\$ 104,700,000	\$ 107,800,000	\$ 111,000,000	\$ 114,300,000
Mental Health Spending (One-Time)	\$ 23,800,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Mental Health Spending</b>	<b>\$ 110,900,000</b>	<b>\$ 98,100,000</b>	<b>\$ 104,700,000</b>	<b>\$ 107,800,000</b>	<b>\$ 111,000,000</b>	<b>\$ 114,300,000</b>
Prop C Revenue – Mental Health	\$ 77,100,000	\$ 74,800,000	\$ 75,800,000	\$ 77,900,000	\$ 82,300,000	\$ 83,700,000
Prop C Revenue – Prevention	\$ 3,400,000	\$ 2,900,000	\$ 2,400,000	\$ 1,900,000	\$ 1,400,000	\$ 900,000
Mental Health One-Time Sources	\$ 30,400,000	\$ 20,400,000	\$ 26,500,000	\$ 2,700,000	\$ -	\$ -
<b>Total Available Revenues</b>	<b>\$ 110,900,000</b>	<b>\$ 98,100,000</b>	<b>\$ 104,700,000</b>	<b>\$ 82,500,000</b>	<b>\$ 83,700,000</b>	<b>\$ 84,600,000</b>
<b>Projected Surplus/(Shortfall)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,300,000)</b>	<b>\$ (27,300,000)</b>	<b>\$ (29,700,000)</b>

Beginning in in FY 25–26, the Mental Health spending plan faces a \$25 million annual shortfall that grows over time – roughly ~25% of current spending plan.



# New Beds & Facilities – Acquisition Progress

DPH and the City's Real Estate Division are actively negotiating the acquisition and/or construction of approximately three to five buildings to meet the remaining bed goal, transition contracted beds to city-owned facilities in San Francisco, and deliver other behavioral health services, including:

1. In-county facilities for TAY Residential, Board & Care, Dual Diagnosis, and other residential care programs
2. A permanent location for the Managed Alcohol Program
3. Predevelopment planning for a large new development project that will include a rehabilitated site for approximately 70 Residential Step-Down beds
4. A potential site for the Mental Health Service Center

Construction design and permitting is underway for a 16-bed Crisis Stabilization Unit at the Hyde/Geary site, with an estimated opening in late 2024.



# New Beds & Facilities – Acquisition Funding

- Costs for the acquisition/rehabilitation of new behavioral health facilities can vary greatly, depending on programmatic space needs, licensure requirements, and client acuity.
- DPH goal: leveraging \$129 million in one-time capital acquisition funds to acquire permanent, in-county facilities to provide long-term, cost-effective care.
- Acquiring buildings to house approximately 300 in-county beds, at a range of \$300,000 to \$500,000 per bed, would result in the following estimated capital funding need:

Low	Medium	High
\$90M	\$120M	\$150M

- Given the citywide economic outlook, there may be additional need to address ongoing operating shortfalls or rebalancing demands after other one-time Prop C sources are exhausted (projected for FY 25–26).



# Thank you!



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