

*promotes well-being and self-sufficiency  
among individuals, families and communities*

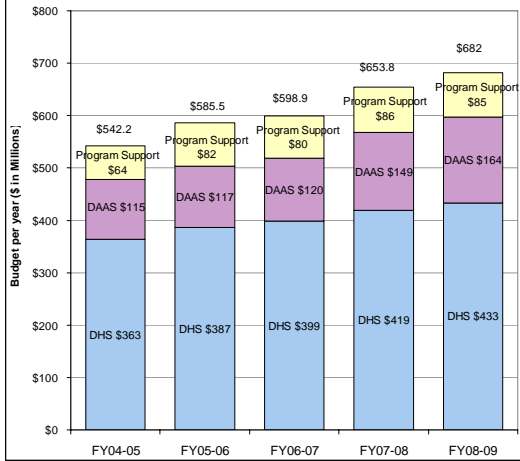
*Department of Human Services*



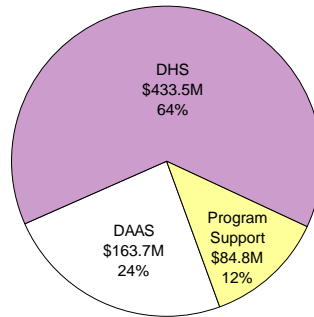
## Objectives

- Provide overview of Department budget
- Present local and state budget forecasts
- Discuss Mayor's Office budget instructions and budget reduction target

### HSA Budget History (\$ in Millions)

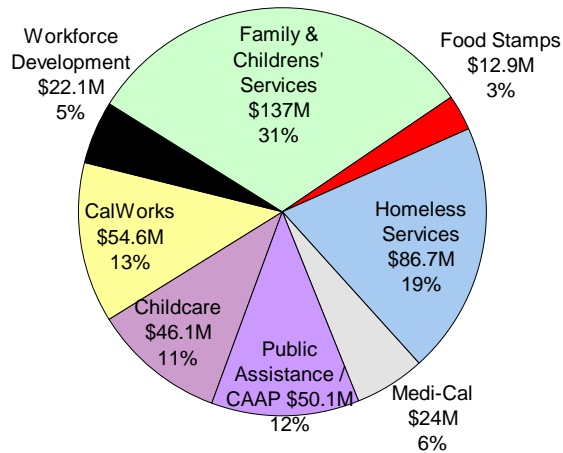


### HSA FY 08-09 Original Budget \$682M



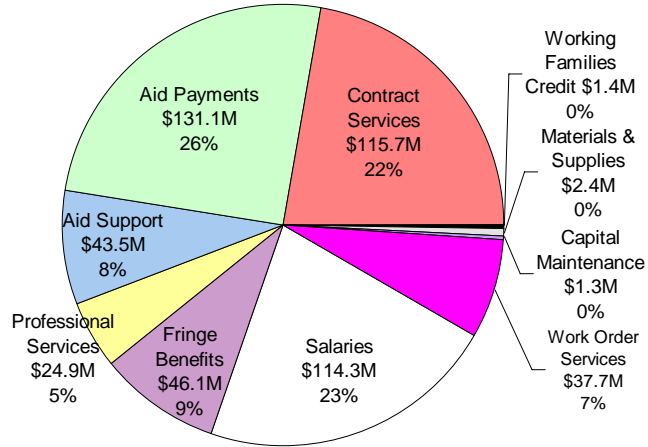
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### DHS FY 08-09 Original Budget by Program (Does not include Program Support) \$433.5M



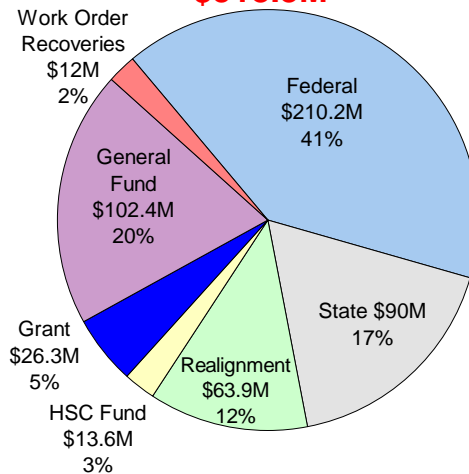
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**DHS FY 08-09 Original Budget by Character  
(Includes Program Support)  
\$518.3M**



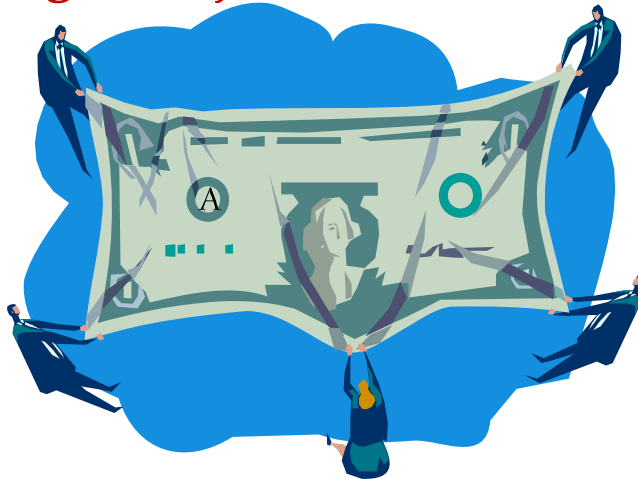
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**DHS FY 08-09 Original Budget by Source  
\$518.3M**



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# State & Local Budget Projections



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## City Budget Forecast (GF in Millions)

Sources	<u>FY 2009-10</u>
Net Loss of One-Time Sources	-77.4
Revenue Growth	<u>-188.4</u>
Sources Subtotal	-265.8
<b>Uses</b>	
Operating Costs	-230.8
Voter Approved Baselines	<u>-7.0</u>
Uses Subtotal	-\$237.8
Estimated State Cuts	-72.0
<b>Shortfall Projection</b>	<b><u>-\$575.6</u></b>
Est FY09-10 Savings from FY08-09 Reductions	115.2
<b>Projected Shortfall with Mid-Year Reductions</b>	<b><u>-\$460.4</u></b>

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## Budget Shortfall Assumptions

- Status quo on staffing levels and programs
- No new expenditure shortfalls
- Health benefit costs grow by 10%
- Ongoing savings from mid-year reductions

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## State Budget Forecast

State budget shortfall projected at \$40 billion

### Services vulnerable to cuts:

<u>Service</u>	<u>FY08-09 GF Spending</u>
•K-12 Education	\$41.6 billion
•Higher Education	\$12.1 billion
•Health and Human Services	\$31.1 billion

Source: California Department of Finance

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# Agency Strategy & Actions

- Maintain Core Services
- Restructure Programs and Services
- Reduce Staff
- Reduce Contractual Services
- Reduce Projects
- Create Efficiencies
- Leverage Revenues

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## HSA FY 2008-09

### Mid-Year Reduction Plan - Non Salary

	Non Salary	FTEs	FY08-09 GF Share of Reduction	FY09-10 GF Share of Reduction
1	Supportive Housing Savings	-	\$921,436	\$311,000
2	DAAS Forensic Center	-	\$160,932	\$321,864
3	Increase State & Federal Revenues	-	\$325,000	\$325,000
4	Suspend Start-up of New Programs	-	\$86,000	\$106,000
5	Foster Care Aid Rate Enhancement		\$1,687,543	\$1,687,543
6	CBO Contract Savings	-	\$1,000,000	\$1,000,000
	<b>Total Non Salary</b>	-	<b>\$4,180,911</b>	<b>\$3,751,407</b>

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## HSA FY 2008-09

### Mid-Year Reduction Plan - Personnel

	Personnel Reductions	FTEs	FY08-09 GF Share	FY09-10 GF Share
8	CAAP Eligibility Workers and Employment Specialists	11.0	\$375,627	\$914,648
9	CalWORKs Staff	10.0	346,304	841,718
10	Investigations Staff	10.0	239,953	584,121
11	Food Stamps Staff	4.0	87,140	212,179
12	Foster Care Eligibility Staff	10.0	215,852	525,571
13	Workforce Development Staff	8.0	182,116	443,458

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## HSA FY 2008-09

### Mid-Year Reduction Plan - Personnel (Con't)

14	Family and Children's Services Protective Services Staff	10.0	\$269,790	\$656,918
15	Administrative HR Staff Reorganization	2.0	63,995	154,641
16	IHSS Nurse	1.0	39,755	96,901
17	Public Guardian/Administrator Staff	4.0	97,397	230,481
18	Homeless Sr. Admin Analyst	1.00	31,024	74,457
19	Salary Savings	--	400,000	100,000
	<b>Total Personnel</b>	<b>71.00</b>	<b>\$2,348,952</b>	<b>\$4,835,094</b>
	<b>TOTAL ALL ITEMS</b>		<b>\$6,529,863</b>	<b>\$8,586,501</b>

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# Mayor's Budget Instructions

## In the Next Year

- Reduce General Fund Spending by 12.5%
- Submit "contingency" reductions of 12.5%
- Seek and prioritize solutions such as:
  - Administrative efficiencies
  - Consolidation of programs and functions
  - Restructuring service delivery
  - Revenue options

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# Mayor's Budget Instructions

The Mayor's instructions direct the Agency to cut \$21.7 million or 25% in General Fund support from the Agency's \$86.8 million discretionary General Fund budget

12.5% GF Reduction \$10,857,791

12.5% GF Contingency Reduction \$10,857,791

**Total** \$21,715,582

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## Budget Timeline of Events

Mayor Releases Budget Instructions and Budget Reduction Target	December 11 <sup>th</sup>
Community Meeting: DAAS	December 16 <sup>th</sup>
Community Meeting: DHS	December 17 <sup>th</sup>
Budget Presented to DHS Commission	January 14 <sup>th</sup> & 29 <sup>th</sup>
Budget Presented to DAAS Commission	February 4 <sup>th</sup> & 18 <sup>th</sup>
Budget Submitted to Controller's Office	February 20 <sup>th</sup>

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