

#### DAS FY24-25 & FY25-26 Budgets

Human Services Agency Department of Disability and Aging Services Presentation to the DAS Commission

January 10, 2024



#### DAS FY23-24 Original Budget by Program \$489.5M





#### DAS FY23-24 Original Budget By Sources \$489.5M



#### FY23-24 Original DAS Budget by Category \$489.5M





## Mayor's FY24-25 & FY25-26 Budget Projections

Citywide Projected Shortfall (in Millions)	FY24-25	FY25-26
Total Revenue - Increase / (Decrease)	(9.6)	181.0
Baselines & Reserves: Salary & Benefits: Citywide Operating Budget Costs*: Departmental Costs: Total Expenditures – Decrease / (Increase)	(13.3) (163.3) (95.2) <u>36.8</u> <b>(235.1)</b>	(78.3) (336.2) (301.7) <u>(19.3)</u> (735.5)
Total Deficit	(244.7)	(554.5)
Two-Year Deficit (799.2)		
*Citywide Uses include: general operating increases (e.g. minimum wage, utility rates, and debt service)		

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## **Mayor's Budget Drivers**

- City projects \$799 M budget deficit over the next two fiscal years
  - Slowed revenue growth & significant expenditure increases anticipated
  - Revenue drops in City's largest tax bases property, business & transfer taxes
    - High office vacancies; slower hospitality sector rebound; greater risk in business taxes due to disputes/potential litigation
    - Local and state sales taxes continue to be slower than expected
  - Salaries & benefits forecast to grow by nearly \$500 M in the biennium
  - Existing & new mandated baseline contributions add cost
  - Citywide operating costs real estate, capital, debt service, etc. all rising
  - Assumes fully funding 10-year capital plan
  - Some costs become local due to expiration of state and federal stimulus



## **Mayor's Budget Instructions**

• Departments asked to reduce General Fund budgets by 10% in FY 24-25 and 10% in FY 25-26; for HSA this translates into:

#### **\$6.48 million in FY 24-25 & \$6.48 million in FY 25-26**

- Maintaining HSA's mid-year reductions from FY 23-24 effectively lowers the new reduction target to **\$3.1 million per year** 
  - Depts also asked to: Propose additional 5% contingency reductions to be implemented if necessary; Not add any new FTEs & only fill essential FTEs in order to achieve budget savings
  - Focus on core operations/services; eliminate costs supporting nonessential, discretionary or redundant activities
  - Budgets should reflect the Mayor's priorities, which include:
    - Improving public safety & street conditions
    - Reducing homelessness & transforming mental health service delivery
    - Demonstrating accountability and equity in City spending

## State/Federal Budget & HSA approach

- State budget picture also worsened over the past year
  - \$68 billion shortfall projected by LAO in FY 24-25, largely as a result of lower-than-forecast state tax revenues collected in FY 22-23
    - Cost saving measures already implemented in State operations
    - State has tools to address the shortfall, but reductions to county resources are possible
    - Impact on social services funding still TBD; will update DAS Commission at Feb meeting; Governor is required to release state budget proposal today
- HSA will seek to maintain critical client services, maximize existing and leverage new - revenue opportunities, and repurpose existing positions in order to meet demand
  - Staffing shortages have a real impact on DAS client service delivery
  - HSA will strive to recruit/maintain adequate DAS capacity while complying with the Mayor's directives around personnel

#### **DAS Caseloads**

Program	FY22-23
Adult Protective Services	Clients: 6,092 Reports of abuse: 8,327
County Veterans Service Office	Clients: 2,793
In-Home Supportive Services (All unique clients served during the fiscal year)	Clients: 29,145
Integrated Intake and Referral (at Benefits and Resource Hub)	Program Intakes: 15,473
Office of Community Partnerships	Clients: 43,786 Enrollments: 113,375
Congregate Meals	Clients: 18,281
Community Service Centers	Clients: 15,938
Home-Delivered Meals	Clients: 7,128



# **DAS Highlights**

- In-Home Supportive Services
  - Caregiver shortages continue
    - City staff, in collaboration with the IHSS Public Authority, working on a variety of initiatives to stimulate caregiver recruitment
  - New contract between the IHSS Public Authority and IHSS independent providers (through SEIU Local 2015) now in place
    - In effect through FY 26-27
    - Grows IHSS provider wages to \$25.50/hr over 4 years

#### Public Conservator

- Senate Bill 43 expands definition of grave disability took effect Jan 1
  - Now includes those with severe substance use disorder and inability to provide for own safety &/or medical care
  - Likely to increase referrals for LPS conservatorship
  - DAS working with the Mayor's Office to address resource needs

## **DAS Highlights**

#### Office of Community Partnerships

- Resumption of in-person community services programs
- Initiatives focused on Disability and LGBTQ+ communities
- One-time state funding for nutrition and technology
- Dignity Fund & Older Americans Act reporting

#### Benefits and Resource Hub

- Enhanced Care Management (ECM) implementation
- Preparing for SB 43 referrals
- CalSAWS transition
- Veterans transportation program
- Service credit purchases for veterans who are City employees



### DAS FY24-25 & FY25-26 Budget Timeline

- Dec 13 Mayor's Budget Instructions Released
- Jan 10 DAS Commission First Meeting
- Feb 7 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

