



DEPARTMENT OF PUBLIC HEALTH

FY 25-27 BUDGET

Budgeting Approach

2

Two key goals:

- **Preserving Services:** Maintaining direct care and services that directly benefit our community. Even in tough times, it is vital that we continue providing the essential support that people rely on most.
- **Supporting our workforce:** a strong workforce and the well-being of our workforce is at the heart of what we do – and is critical to our ability to deliver services

DPH's Budget By the Numbers

3

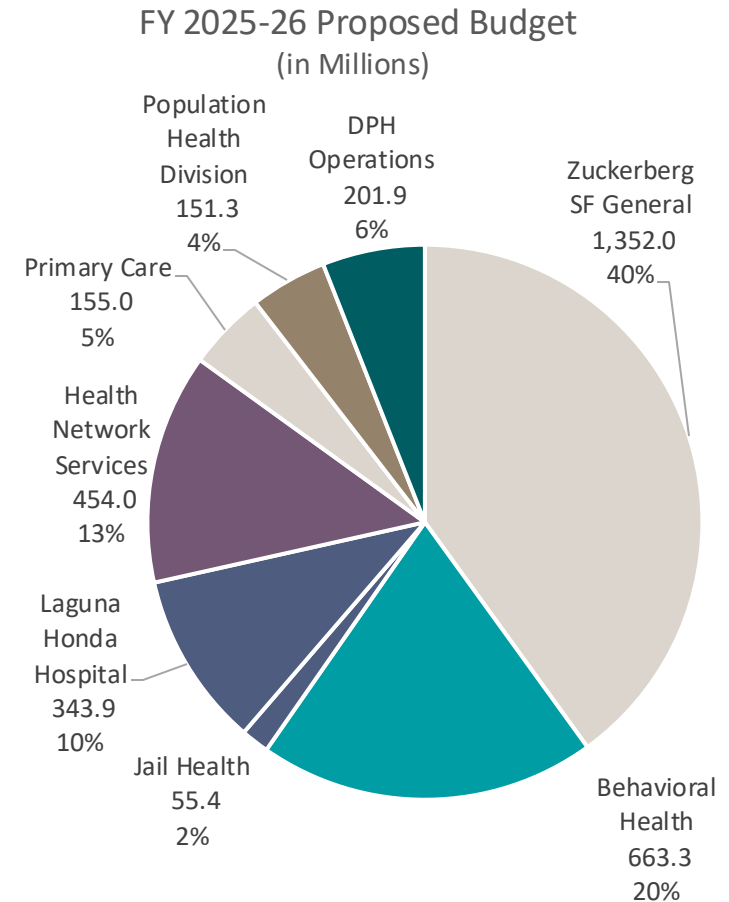
Overall, DPH's budget and FTE remain at similar levels, but with **reduced general fund support**

(\$ millions)	FY 24-25	FY 25-26	FY 26-27
Total Budget	\$3,231	\$3,376	\$3,500
Total Revenue	\$2,402	\$2,588	\$2,651
General Fund	\$829.5	\$789.0	\$849.6
% General Fund	25.8%	23.4%	24.3%
Budgeted FTE	7,677	7,684	7,709
Change in FTE	--	7	25

DPH's Overall Budget Remains at Similar Levels

4

DPH Division	FY 2025-26 (\$s in Millions)	FTE
Zuckerberg SF General	\$1,352.99	2,970
Behavioral Health	663.31	833
Jail Health	55.41	181
Laguna Honda Hospital	343.85	1,312
Health Network Services	454.04	814
Primary Care	154.96	511
Population Health Division	151.31	471
DPH Operations	201.91	591
Total	3,376.77	7,684



Note: the majority of DPH FTEs and budget are direct care workers (nurses, social workers, clinicians) and staff (e.g., food services, janitorial, facilities) required to run our healthcare settings like ZSFG, outpatient primary care and behavioral clinics, etc.

Budgeting Principles

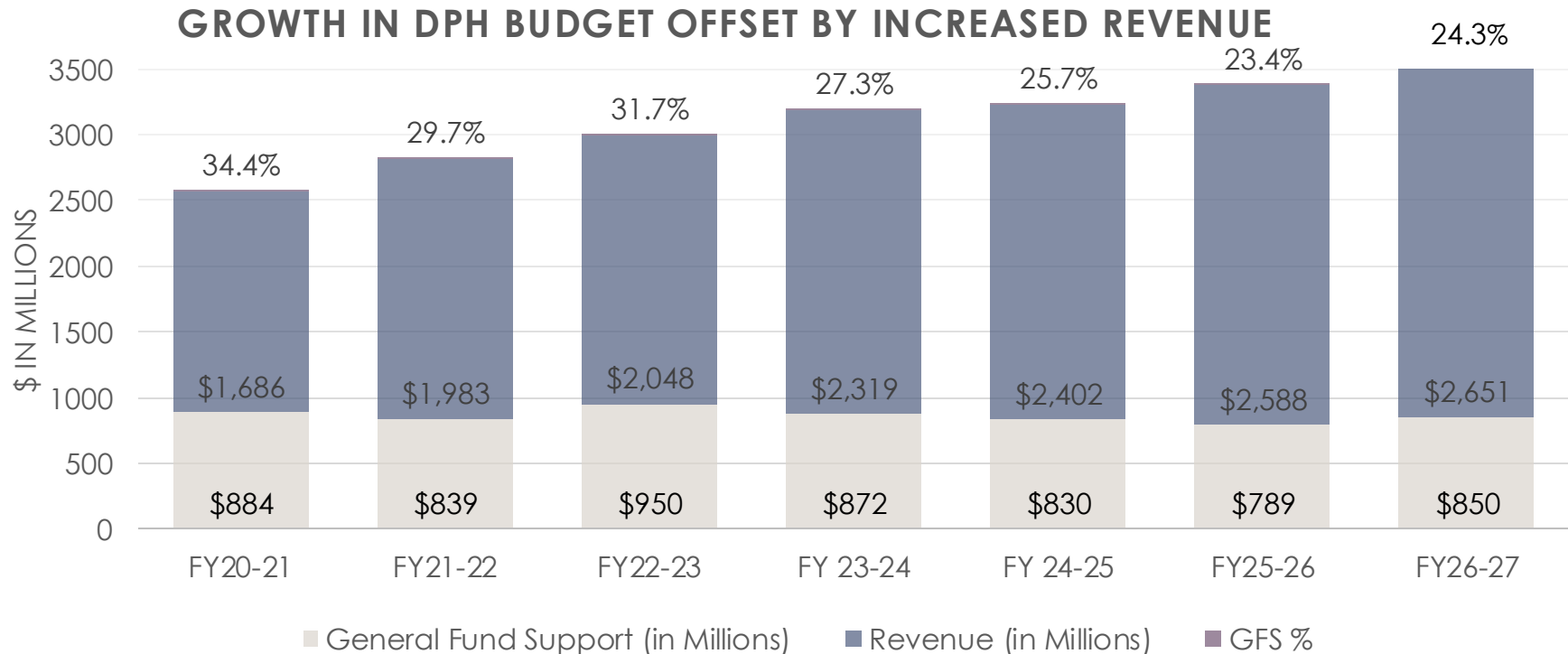
5

We **maximized revenue** (Medi-Cal) opportunities and **preserved direct care, services, and staffing**

- **\$531.4 M of net new revenues** over the two-year budget to reduce general fund support
- **\$65 M Ongoing Reduced expenditures** –
 - ▣ **\$33.4M** from operating efficiencies including 206 deleted vacant positions (182 FTE) and/or realigned positions (24 FTE) – **no layoffs**
 - ▣ CBO funding reductions totaling **\$31.6M** in FY2026-27
- **\$75 M New investments** to build a more responsive and proactive Behavioral Health System of Care

Revenue: DPH Has Lowest General Fund Support Percentage in at least 15 years

6



DPH prioritized revenue capture and enhancement and identified opportunities to increase revenue from base budget by \$259.1M and \$313.9M in FY2025-26 and FY2026-27, respectively

Revenue: DPH Adds \$572 Million over Two-Year Budget

7

(\$ millions)	FY26	FY27
Baseline Revenue Growth	\$76.1	\$117.4
Maximize performance and revenue capture of State and Federal Funding Opportunities through cost containment and quality incentives (DP/NF, QIP, EPP)	91.5	96.3
Billing optimizations and initiatives to maximize revenue capture	61.1	62.0
Billing Opportunities from Breaking the Cycle Investments	<u>11.6</u>	<u>15.4</u>
Total	\$240.3	\$291.1

Positions: No Layoffs, but Staff Realigned

8

- Overall DPH's total budgeted FTE remains the same ~7,700
- **None of our proposals will result in layoffs**
- Reviewed and adjusted 206 positions:
 - Deletes 182 vacant FTE but overall headcount will remain flat with new investments
 - 24 DPH Staff (of 7,700+ FTE) will be realigned and transitioned to new functions within their classifications at DPH during FY2025-26.
 - There will be no break in service - base salary, benefits, seniority, and accrued time will remain unchanged.

Identifying Cost Savings: \$33.4M in Operating Efficiencies Savings

9

\$33.4 M in operating efficiencies that will not impact services

- ▣ Reductions in administrative contracts
- ▣ Reduce IT spending
- ▣ Adjustments to LHH staffing including **promotive reassignments for LHH home health aide roles**
- ▣ Reduction of **~175 vacant positions**
- ▣ Reduction in FY2026-27 pharmaceutical and supply spending

Identifying Cost Savings: \$31.6M Changes Related to CBOs

10

- **\$9.6 M in funding reductions to identified organizations**
 - Includes \$3.2 million in Community Grants under Sugary Drink Distributor Tax (SDDT) - \$2.4 million was on reserve in FY2024-25 and not implemented and \$0.8M was funding for new contracts that had been slated to start in FY 2025-26. The City is redirecting **\$2.3 million** of these funds to **sustain direct food vouchers** at the **Human Services Agency (HSA)**, ensuring that we continue to meet urgent needs in our community
- **\$17.0 M in unallocated reductions to start on July 2026**
 - ~4% of total CBO funding (excluding grant and special revenue funded contracts) additional to the \$9.6 million in specified funding reductions
 - Process with community input to be developed over the next six months
- **\$2.5 M in FY 25-26 increasing to \$5.0 M in FY 26-27 - Behavioral Health Outpatient Rates**
 - Continue to transition to be in **alignment with state Medi-Cal rate structure** and productivity assumptions

New Investments: Breaking the Cycle

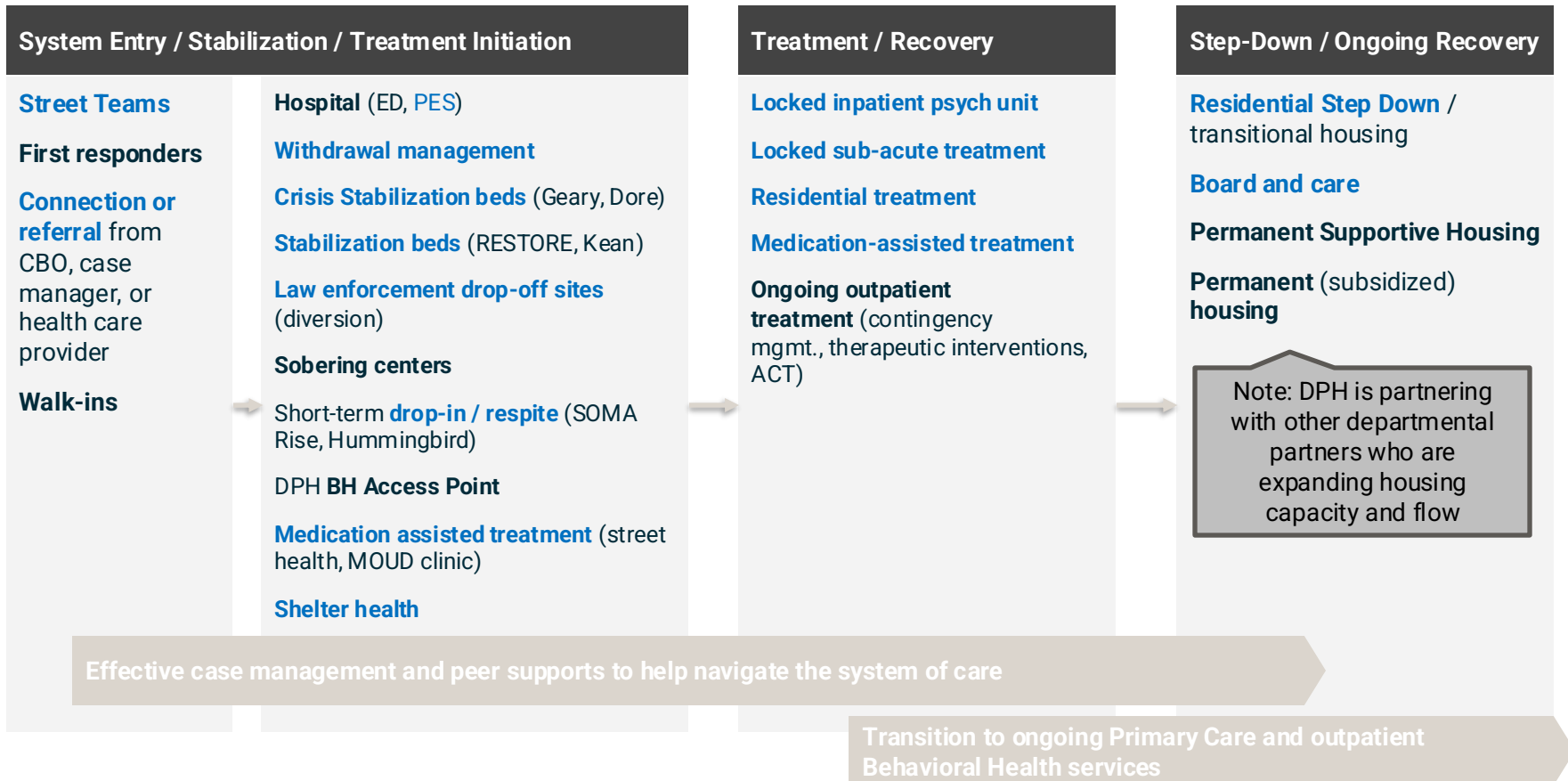
Roadmap for the Behavioral Health Crisis

11

1. **Expand Treatment Beds and Services** – We need to expand treatment beds and services, at the right levels of clinical intensity, including more clinical care in shelters
2. **Accelerate and Simplify Entry to Care** – We need to more quickly connect people to treatment and stabilization services, whenever someone needs or is ready for treatment
3. **Support People To Progress Through Care** – We need to do a better job being “sticky” – supporting people to engage and stay the course through evidence-based treatment and recovery – without falling through the cracks
4. **Pair Safer Use Supplies with Proactive Linkages to Care** – We are requiring that distribution of supplies be paired with counseling and connections to treatment, and piloting a new smoking supply policy for public spaces
5. **Build a Comprehensive Pathway to Recovery** – We need all the tools in the toolkit, ranging from low-barrier stabilization to recovery-oriented treatment and step-down services, to help everyone on the street move forward
6. **Prevent overdoses** – We need to continue overdose prevention efforts, especially in permanent supportive housing, through culturally congruent programs, and by moving upstream in care

New Investments: BHS System of Care

12



Breaking the Cycle: New Budget Investments (1 of 2)

13

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
1. Street Teams: Building on Success and Expanding Impact				
Consolidate & Strengthen Street Health Teams		\$3,300,000		\$3,500,000
2. Standing Up Beds and New Models of Care				
Increase Drop-off Capacity with an additional site	16	\$3,100,000	16	\$3,100,000
Enhancing and Expanding Shelter Health (including additional RESTORE sites)	430	\$7,529,482	430	\$12,263,691
Expand capacity at ZSFG Psychiatric Emergency Services (PES)			5	\$5,833,415
Stabilization and Withdrawal Management Beds	86	\$7,538,421	86	\$7,764,573
Increase Treatment Beds	48	\$5,333,603	52	\$6,804,672
Expand Step-Down and Ongoing Recovery Beds	96	\$9,611,843	137	\$13,641,448
Subtotal New Beds Needs	676	\$33,113,349	726	\$49,407,799

Breaking the Cycle: New Budget Investments (2 of 2)

14

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
3. Improving “Stickiness” in the System and Expanding Outpatient Treatment				
Increase Capacity of Intensive Outpatient Services, 5150 Follow-up, and Navigation Services		\$12,747,000		\$12,990,000
Intensive Outpatient Services for ZSFG Adolescent Psychiatric unit		\$1,873,348		\$1,873,348
Increase Jail Health Services due to Increased Census		\$3,258,899		\$5,403,740
Expand Access to Long-Acting Injectables for Opioid Use Disorder for Street & Jail		\$1,980,000		\$1,980,000
Subtotal “Stickiness” and Outpatient Treatment		\$19,859,247		\$22,247,088
Total New Investments		\$56,272,596		\$75,154,887
Medi-Cal Revenue Tied to New Investments		\$(11,572,031)		\$(15,416,875)
Our City, Our Home Fund Balance		\$(18,696,663)		\$(22,761,813)
New General Fund Support for Investments	676	\$26,003,902	726	\$36,976,200

Tough Decisions Ahead

15

- To identify \$17M in savings beginning July 1, 2026 will require careful review of every program and to maximize efficiency; ensuring that dollars are used effectively to **support programs that drive meaningful outcomes.**
- **State and Federal budget risks loom large.** We will continue to collaborate with community partners to **maximize Medi-Cal revenue capture and identify additional revenue sources** to support our critical programs. Working together to find new ways to bring in resources will be key to ensuring the sustainability of our services.
- We must make these cuts **thoughtfully and strategically**, and we need to preserve those services that are effective. This is about ensuring every program we fund delivers results.

DPH Trailer Legislation

16

File #	Description
250607	Health Code - Patient Rates for Fiscal Years 2025-2026 and 2026-2027
250618	Accept and Expend Grants - Recurring State Grant Funds - Department of Public Health - FY2025-2026
250619	Grant Agreement - California Department of Social Services - Community Care Expansion Program - Anticipated Revenue to the City \$9,895,834 and acceptance of amended grant amount of \$395,834
250620	Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Housing and Homelessness Incentive Program ("HHIP") Expanding San Francisco Department of Public Health Recuperative Care Community Supports - \$2,489,698.63
250621	Delegation of 9.118 Authority - Accept and Expend Grant - San Francisco Health Authority, a local governmental entity doing business as the San Francisco Health Plan ("Health Plan" or "SFHP") - Incentive Payment Program ("IPP") San Francisco Department of Public Health Epic Enhancement Implementation Project - \$6,000,000
250606	Various Codes - Environmental Health Permit, Fee, and Penalties Revisions

Addressing Disparities in Maternal Child Health, including Black African American Mothers

17

- ❑ DPH's goal is to reduce disparities in maternal health outcomes by increasing access to culturally competent care, addressing social determinants of health, and supporting well-being of pregnant and postpartum mothers and children.
- ❑ Between 2022-2024, 16.1% of Black/African American birthing people had a preterm birth compared to 6.6% of White birthing people
- ❑ Between 2022-2024, 15% of births among Black/African American birthing people were low birth weight, the highest percentage among all racial and ethnic groups
 - ❑ 18% of Black/African American birthing people with public insurance had low birth weight babies compared to 11% with private insurance
 - ❑ In 94124, 17% of Black/African American birthing people had babies with a low birth weight, regardless of insurance

DPH Maternal Health Investments

Addressing Health Outcome Disparities

18

Programs Addressing Maternal Health Outcome Disparities, Including Black/African American Mothers

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Projection ¹	FY 2026-27 Projection ¹
(\$ Millions) - Current Vendors					
SisterWeb Doula Initiative	0.50	0.50	0.69	0.69	0.70
YMCA of SF	0.25	0.25	0.25	0.25	0.26
Homeless Prenatal Program / Jelani House	0.23	0.23	0.23	0.23	0.23
EatSF / Vouchers for Veggies (UCSF)	0.25	0.25	0.51	0.51	0.52
Expecting Justice / Preterm Birth Initiative	1.05	1.05	-	-	-
Subtotal - Added Back Programs	2.28	2.28	1.67	1.68	1.70
Guaranteed Income Program to Improve Perinatal Outcomes ²	1.50		0.75	0.75	0.75
Subtotal Guaranteed Income Programs	1.50	-	0.75	0.75	0.75
Black Infant Health Program	4.20	3.74	4.39	4.54	4.70
Field Public Health Nursing	7.79	8.06	8.35	8.64	8.94
Nurse Family Partnership	2.62	2.71	2.81	2.91	3.01
Perinatal Equity Initiative			0.39	0.39	0.39
Homeless Children's Network		1.00	2.11	2.13	2.16
Rafiki Coalition for Health and Wellness		1.50	1.50	1.52	1.54
RAMS Embrace Black Maternal MH Program		1.00	1.50	1.52	1.54
UCSF Embrace Black Maternal MH Program		1.33	1.77	1.79	1.81
Subtotal Add'l Programs Supporting Maternal Health	14.61	19.35	22.81	23.42	24.08
Total	16.88	21.62	25.23	25.85	26.53

¹assumes 3.5% YoY increase to grant-funded programs; incorporates 1% and 1.4% CODB for eligible contracts in BY and BY1, respectively

² Details contingent on resolution of ongoing litigation

DPH's Investment in addressing Maternal Health Outcome Disparities, including Black/African American Mothers, is proposed to increase by \$9.6M from FY23 through FY27

19

Detailed Slides

Our Mission and Vision

20

□ **OUR MISSION**

- To protect and promote the health and well-being of all San Franciscans.

□ **OUR VISION**

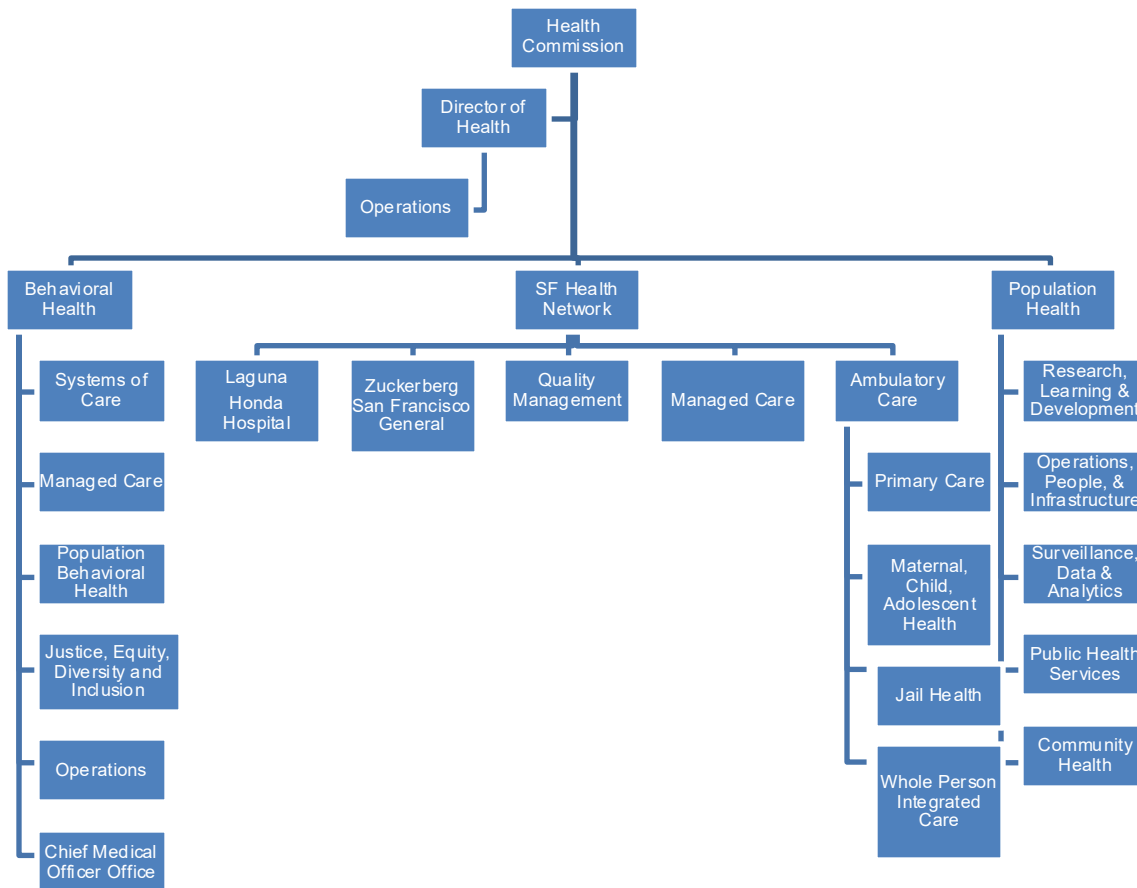
- Making San Francisco the healthiest place on earth.

□ **WHAT WE DO**

- Assess and research the health of the community
- Develop and enforce health policy
- Prevent disease and injury
- Educate the public and train health care providers
- Provide quality, comprehensive, and culturally proficient health services
- Ensure equitable access to health care
- Reduce health disparities

DPH: An Integrated Health Department

21



Two primary roles and two major divisions to fulfill its mission:



Population Health: Protecting the health of the population



San Francisco Health Network

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

San Francisco Health Network: Promoting the health of our more than 100,000+ patients

Summary of FY 2025-27 Budget

(Changes from Baseline Budget)

22						
	FY 2025-26			FY 2026-27		
(\$ millions)	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF Impact Favorable/ (Unfavorable)	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF Impact Favorable/ (Unfavorable)
February Budget Initiatives	\$41.9	\$201.5	\$159.7	\$49.5	\$244.8	\$195.4
Mayor's Phase Initiatives	20.0	57.5	37.5	13.2	69.0	55.9
New Investments*	56.3	30.3	(26.0)	75.2	38.2	(37.0)
Revenue Growth	-	27.3	27.3	-	30.9	30.9
Expenditure Savings	(36.2)	-	36.2	(62.0)	-	62.0
Total Proposal	\$61.9	\$259.1	\$197.2	\$62.6	\$313.9	\$251.3

*Revenue number reflects use of OCOH Fund Balance of \$18.7 M and \$22.8 M

Positions: Division over Time

23

	FY 2019-20 FTE	FY 2025-26 FTE	FY 2026-27 FTE
DPH Operations	492	591	592
Behavioral Health	669	833	795
Zuckerberg SF General	3,033	2,970	2,985
Jail Health	156	181	189
Laguna Honda Hospital	1,333	1,312	1,335
Health Network Services	411	814	831
Primary Care	450	511	511
Population Health Division	434	471	470
Grand Total	6,977	7,684	7,709

- 10% overall growth driven by nursing at ZSFG, BH & Whole Person Integrated Care (WPIC) within SFHN
- 203 FTE added of RNs (2320s) with a total of 1,592 (+15%)
- 131 FTE added of Behavioral Health Clinicians (2930-2s) with a total of 421 (+45%)
- Increases in nursing and clinical staff at ZSFG offset by shift of operating staff to Health Network Services and realignment of Primary Care positions on ZSFG campus;
- Similarly, some BHS position growth is offset by realignment of staff to DPH Operations for reporting purposes

Positions: Total Budgeted and Vacants by Division

24

	FY 24-25 Filled Positions as of 5/26/2025			FY 24-25 Funded Positions (Annualized)			FY 25-26 Proposed
DPH Division	Permanent FTEs	Est. Temp FTEs	Total FTE	Permanent FTEs	Est. Temp FTEs	Total FTE	Total FTE
Zuckerberg SF General	2,856	320	3,176	2,888	98	2,986	2,970
Behavioral Health	779	42	821	798	22	821	833
Jail Health	146	16	162	154	4	158	181
Laguna Honda Hospital	1,258	63	1,321	1,301	29	1,329	1,312
Health Network Services	672	44	716	755	27	782	814
Primary Care	486	32	518	502	21	522	511
Population Health Division	433	18	451	454	26	480	471
DPH Operations	597	42	640	595	4	599	591
Total	7,228	577	7,805	7,446	231	7,677	7,684

DPH Met 15% GF Reduction Target with \$350 M of revenue

25

(\$ in millions)	FY 25-26 General Fund Savings/(Cost)	FY 26-27 General Fund Savings/(Cost)
15% General Fund Reduction Targets	(149.4)	(149.4)
Revenues Assumed in Projection	<u>(10.1)</u>	<u>(45.9)</u>
<i>Total Targets</i>	(159.5)	(195.3)
<u>Budget Initiatives</u>		
Revenue Growth	144.4	177.6
Revenue Initiatives	12.1	14.8
Expenditure Savings	<u>3.0</u>	<u>3.0</u>
<i>Total Proposal</i>	159.5	195.4
(Short Target)/Over Target	(0)	0.1

Highlights of Department Budget Submission

26

- ❑ Medi-Cal expansions growing \$446.3 million across the two budget years and totaling \$248.4 million annually in FY 2026-27
- ❑ 26.0 vacant FTE reductions for \$3.0 million in ongoing savings through clean-up and efficiencies
- ❑ ZSFG: Open 10th OR, to expand its surgical capacity and reduce wait times
- ❑ Jail Health: newly draws Medi-Cal revenue and invests it to support 5 FTE of Pharmacy
- ❑ WPIC staffing: doubling of urgent care visits in last 3 years has increased Medi-Cal revenue; add 11.4 FTE of nurses to provide permanent staffing at urgent care, sobering, street medicine

Post-February Revenue & Savings

27

To support New Budget Investments and address the City's structural deficit, the Mayor's proposed budget includes additional General Fund savings and revenue increases beyond the Department's February proposal:

Sources for General Fund Savings	FY 2025-26 Budget	FY 2026-27 Budget
Total Revenue Growth*	<i>\$(27,275,474)</i>	<i>\$(30,871,230)</i>
Fiscal Stewardship	<i>\$(10,564,811)</i>	<i>\$(13,213,575)</i>
Deletion of Vacant Positions	<i>\$(10,330,000)</i>	<i>\$(10,800,000)</i>
Improving Operational Efficiency	<i>\$(4,548,194)</i>	<i>\$(11,088,596)</i>
Realignment of Programming to Focus on Mayoral Initiatives	<i><u>\$(10,796,097)</u></i>	<i><u>\$(27,002,195)</u></i>
Total Expenditure Savings	<i>\$(36,239,102)</i>	<i>\$(62,004,366)</i>
Total Sources	<i>\$(63,514,576)</i>	<i>\$(92,475,596)</i>

*Revenue number reflects use of OCOH Fund Balance of \$18.7 M and \$22.8 M

DPH Performance Measures

28

Ways We Use Data

- **True North Lean Strategic Planning** (Kaizen Promotion Office)
- **Contract and Compliance Monitoring**
- **Performance and Milestone Based Payments**
 - Global Payment Program
 - Quality Improvement Program
- **Quality Improvement and Regulatory Compliance**

Examples of Data and Performance Goals

Improving health outcomes for people experiencing homelessness

- Decrease Overdose Deaths
- Continuity follow-up after experiencing 5150s
- Assessment for coordinated entry to housing

IDEA: Improving data to enable and align

- Staff in analytical roles agree they have "access to data" they need to support improvement work.
- Percent of Epic ARA/ARUs that use self-service analytics "successfully" to support improvement work.
- Percent of time Workforce A3 Team utilizes dashboard in daily work Reducing Hiring Timeline

Hiring and retaining our diverse workforce

- Reduce backlog and decrease the vacancy rate
- Reduce hiring process timeline for prioritized positions from RTF to appointment date
- Decrease number of separations
- Increase EE survey rating on "place to work"

Performance Payments GPP and QIP

- Outpatient, Inpatient and Specialty visits for the uninsured
- Mammogram rates
- Early Childhood visits

Examples of Audits and Performance Projects by Controller

29

Audits and Assessment Reports

FY24 Q4

- Citywide FY24 Security Interconnection Agreement Assessment (fieldwork; planned issuance)

FY25 Q1

- DPH Secondary Employment Audit (fieldwork; planned issuance)
- Friends of Audit – SF Public Health Foundation (fieldwork; planned issuance)
- Citywide FY24 Cybersecurity Maturity Assessment (fieldwork; planned issuance)

FY25 Q2

- Citywide Audit of COVID-19 Emergency Procurement (fieldwork; planned issuance)

Continuous:

- Citywide COVID-19 and Winter Storms FEMA/Cal OES Cost Recovery
- Whistleblower Program

Performance Projects and Reports

	Project
#1 Homelessness and Behavioral Health	<ul style="list-style-type: none"> Nursing & Behavioral Services in PSH (co-sponsored by DPH and HSH) * Our City, Our Home Fund Administration
#2 Develop our People	<ul style="list-style-type: none"> DPH HR Improvement Project Phase I DPH HR Improvement Project Phase II
#3 Turning Data into Actionable Knowledge	<ul style="list-style-type: none"> DPH Analyst Capacity Assessment Phase Office of Coordinated Care Reporting Assessment * Performance Program, including * Performance Scorecards * Vision Zero Benchmarking
#4 Improve Access & Flow Across SFHN	<ul style="list-style-type: none"> Network Flow Phase II & Bed Modeling Support SNF Subacute Beds Contract Behavioral Health Facility Acquisition Process Analysis Residential Care & Treatment Workgroup
#5 Initiate & Retain People in Treatment for Opioid Use Disorder	<ul style="list-style-type: none"> Overdose Prevention Program (CORE) Data & Reporting Section Support
#6 Effectively Manage Revenues and Expenditures	<ul style="list-style-type: none"> Office of Managed Care Staffing Analysis Managed Care Contracts Rate Review ZSFG Chargemaster Review HCSO Financial and Policy Analysis Citywide Nonprofit Monitoring and Capacity Building Program Nonprofit Programmatic Monitoring Policy Development
#8 LHH Recertification	<ul style="list-style-type: none"> LHH Dashboard Development and Maintenance

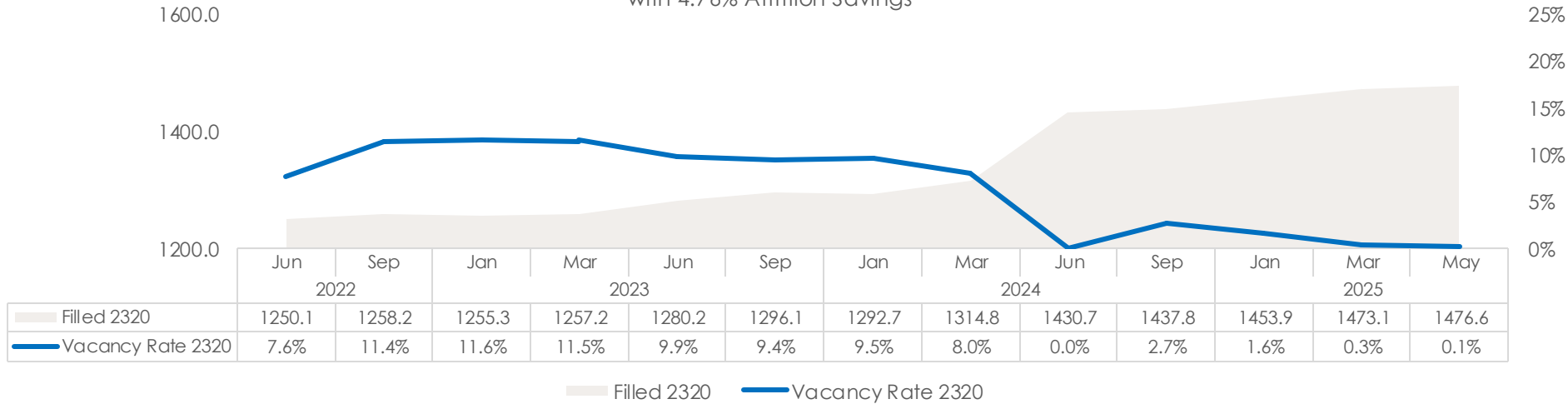
Note: Projects marked with an asterisk (*) are select citywide or special-funded projects.

RN and Behavioral Health Clinician Vacancies

30

2320 RN Vacancy Trend

with 4.76% Attrition Savings



2930 Behavioral Health Clinician Vacancy Trend

with 10% Attrition Savings

