



COUNTY OF SAN DIEGO

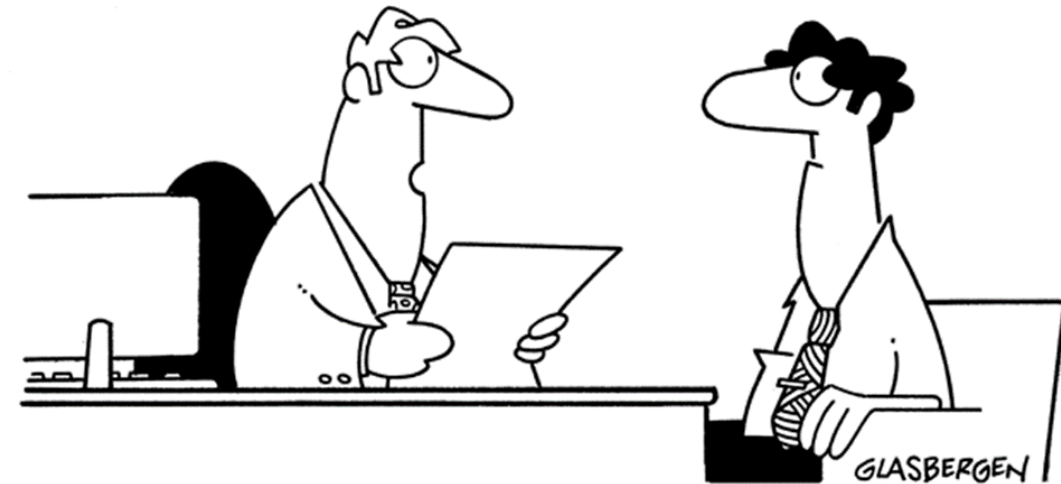
FY 2024-25 CAO RECOMMENDED OPERATIONAL PLAN MAY 2024



LIVE WELL
SAN DIEGO

AGENDA

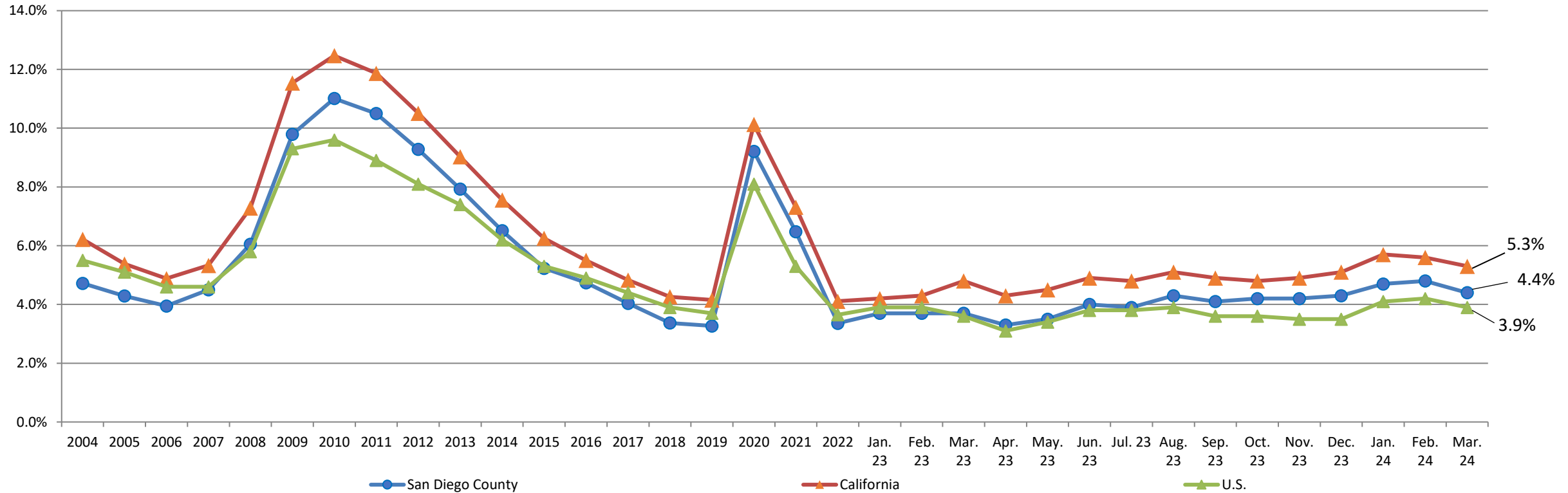
- Economic Updates
- State Budget
- FY 2024-25 CAO Recommended Budget
- Upcoming Budget Events
- Q&A



**“In today’s economy, it’s important to diversify!
Put some of your money under your mattress, put
some in a cookie jar, bury some in your back yard...”**

UNEMPLOYMENT

Unemployment Rate 2004 through March 2024 Comparison



Notes: Data not seasonally adjusted; 2004–March 2024 actuals.

Sources: Actuals: California Employment Development Department, US Bureau of Labor Statistics



LIVE WELL
SAN DIEGO

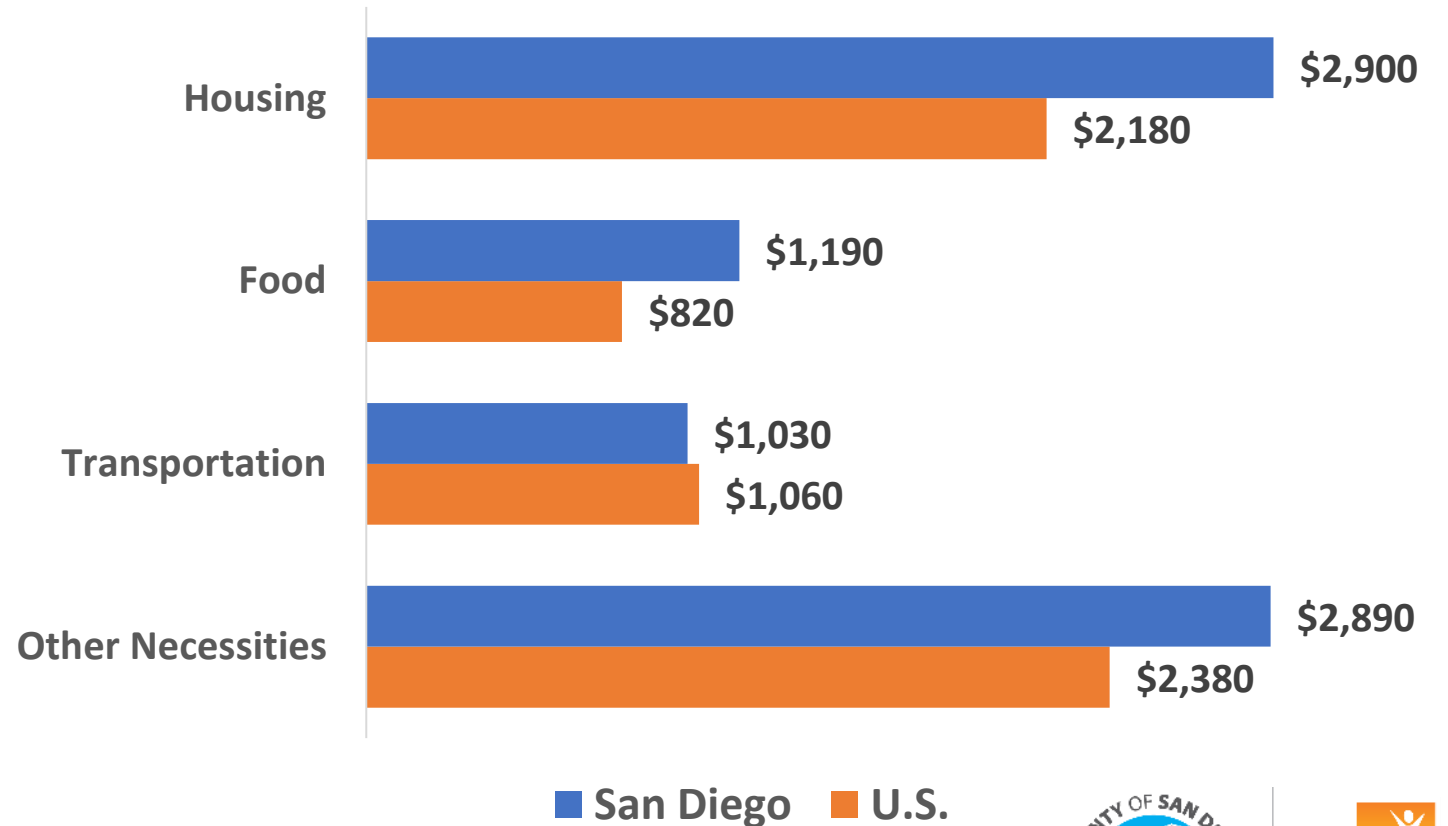
SAN DIEGO REGIONAL ECONOMY

Prices increased nearly 20% since early 2021, creating financial stress



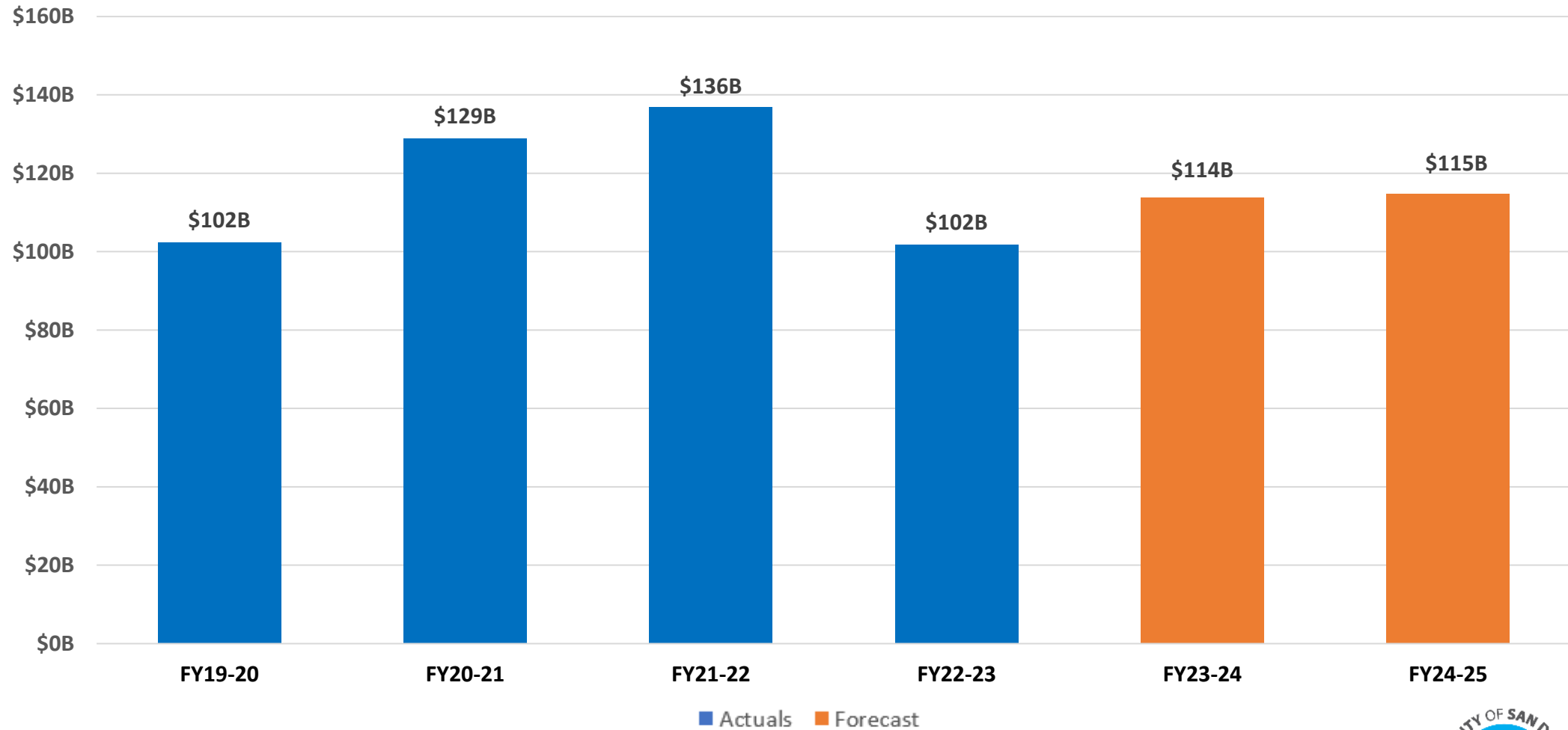
Higher Cost of Living

Average Monthly Household Expenses September 2023



STATE REVENUE TRENDS

State Personal Income Tax Revenue

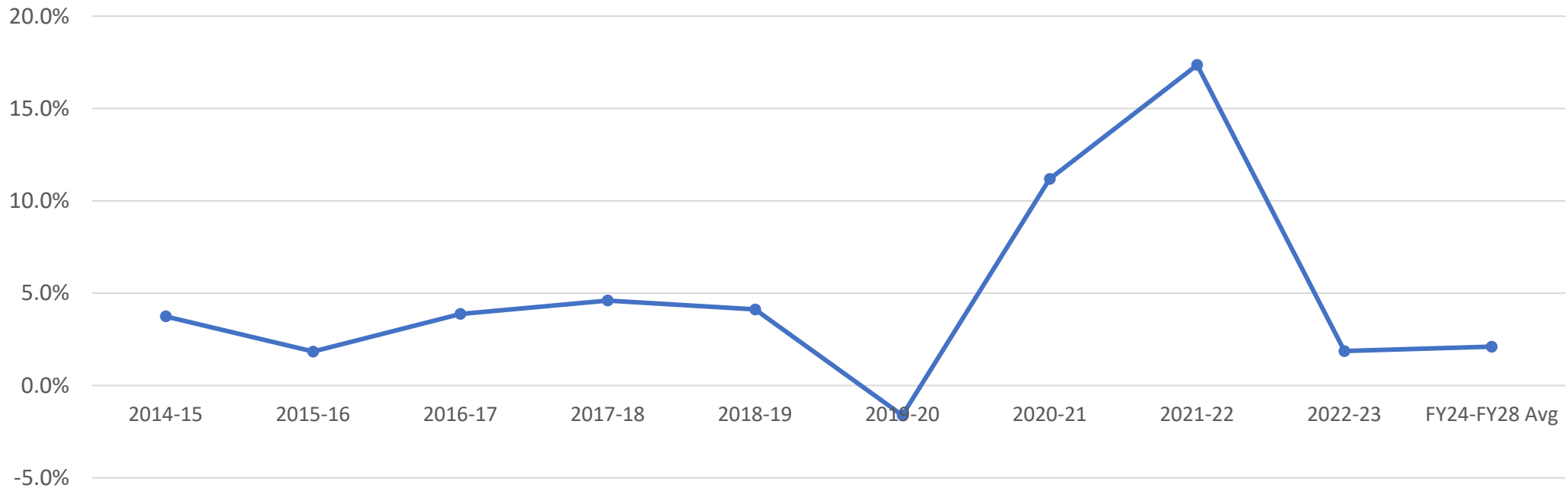


Source: State of California, FY 24-25 Governor's Proposed Budget



STATEWIDE SALES TAX

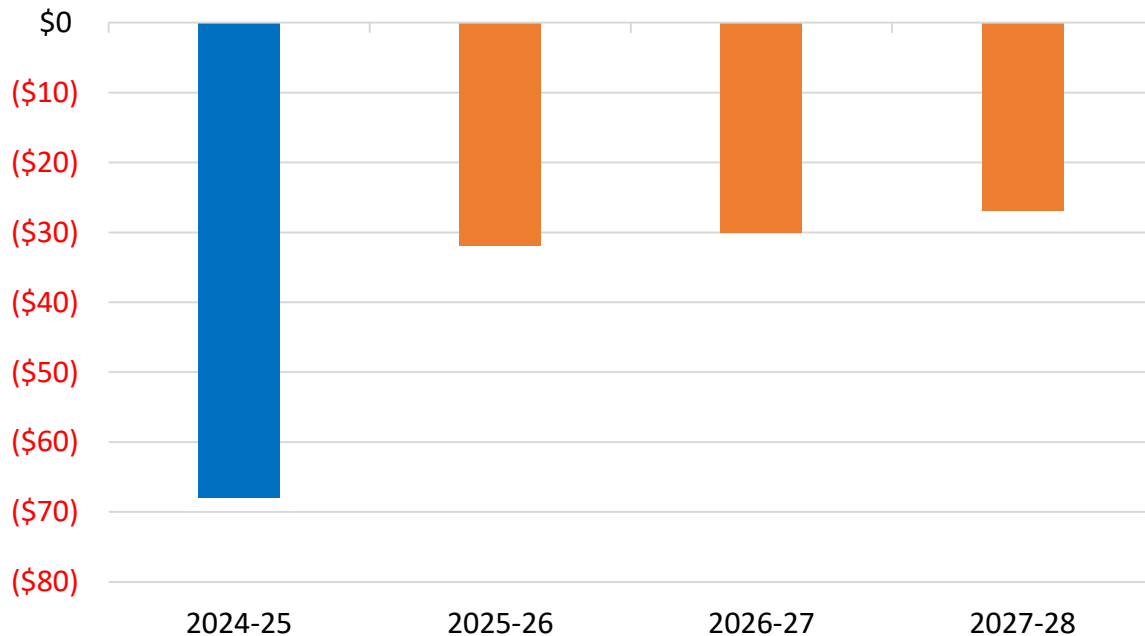
Statewide Sales Tax Growth Rate



Sales tax drives HHSA realignment revenue: \$879.2M, 25.5% of HHSA's Budget

STATE BUDGET OUTLOOK

State Faces Serious Budget Problem in 2024-25, and Significant Operating Deficits in Future Years (In Billions)



(Source: [The 2024-25 Budget: California's Fiscal Outlook](#))

HHSA Items of Interest:

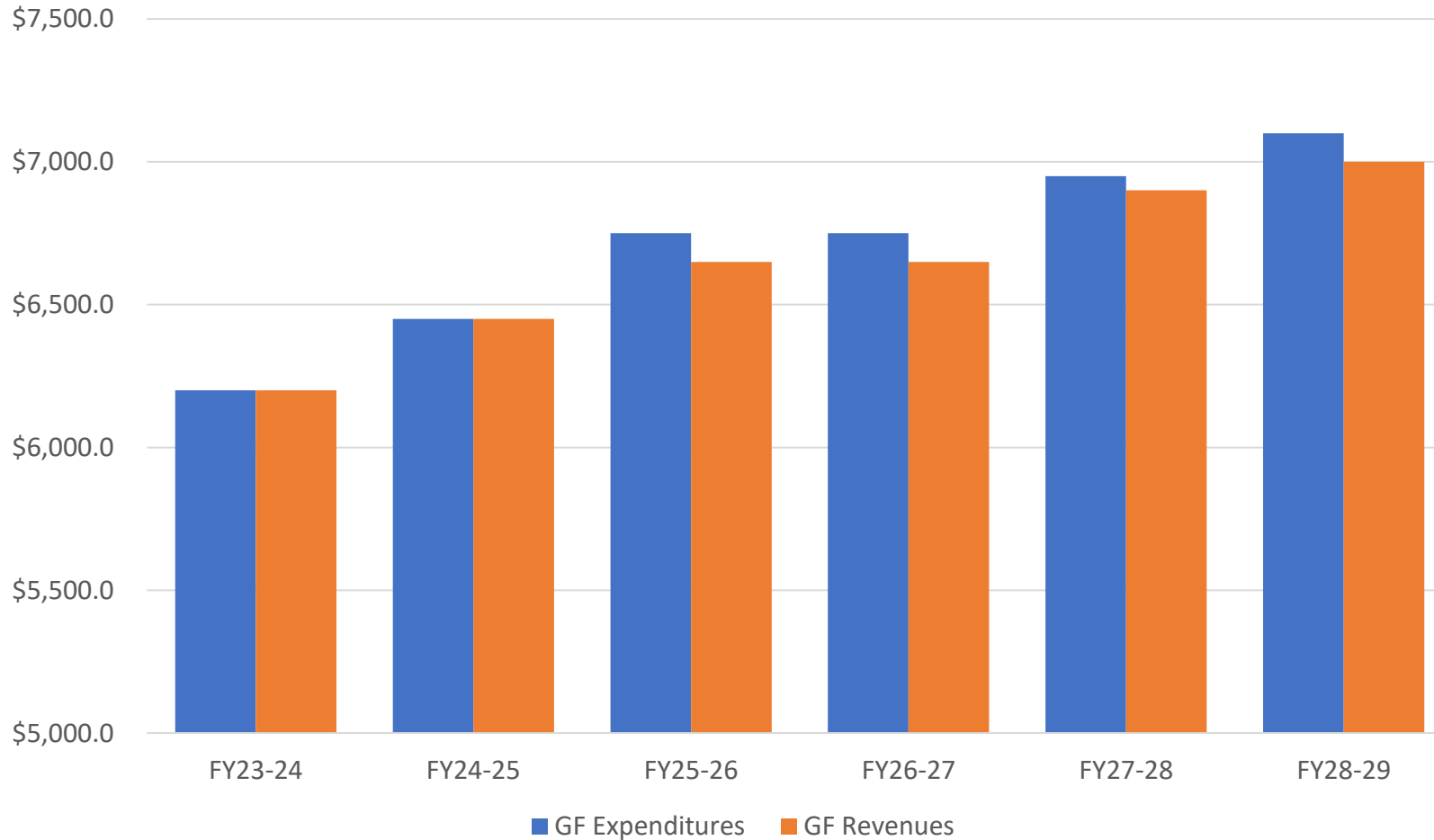
- **Statewide reductions in various programs**
 - CalWORKs Expanded Subsidized Employment
 - CalWORKs Family Stabilization
 - CalWORKs Employment Services Intensive Case Management
 - CalWORKs Single Allocation
 - Family Urgent Response System
- **Delays in various programs**
 - Homeless Housing, Assistance and Prevention
 - Behavioral Health Bridge Housing
 - Behavioral Health Continuum Infrastructure Program
 - Bringing Families Home
 - Housing and Disability Advocacy
 - Home Safe



LIVE WELL
SAN DIEGO

COUNTY FINANCIAL OUTLOOK

GENERAL PURPOSE REVENUE REQUESTS



Cumulative Funding Gap by Fiscal Year

FY 23-24 = \$0.0M
 FY 24-25 = \$0.0M
 FY 25-26 = \$63.5M
 FY 26-27 = \$48.9M
 FY 27-28 = \$76.7M
 FY 28-29 = \$92.9M

Note: Estimated projections as of 2/12/2024. General Fund Outlook assumes the FY 23–24 Adopted General Fund Budget plus Salary & Benefit growth. Expenditure Gap and Revenue Shortfalls reflect requests for General Purpose Revenue. May not reflect non salary program revenue supported changes. Does not include: Enhanced Infrastructure Financing Districts, new affordable housing/homeless solutions, new sustainability initiatives, debt financing CINA projects.

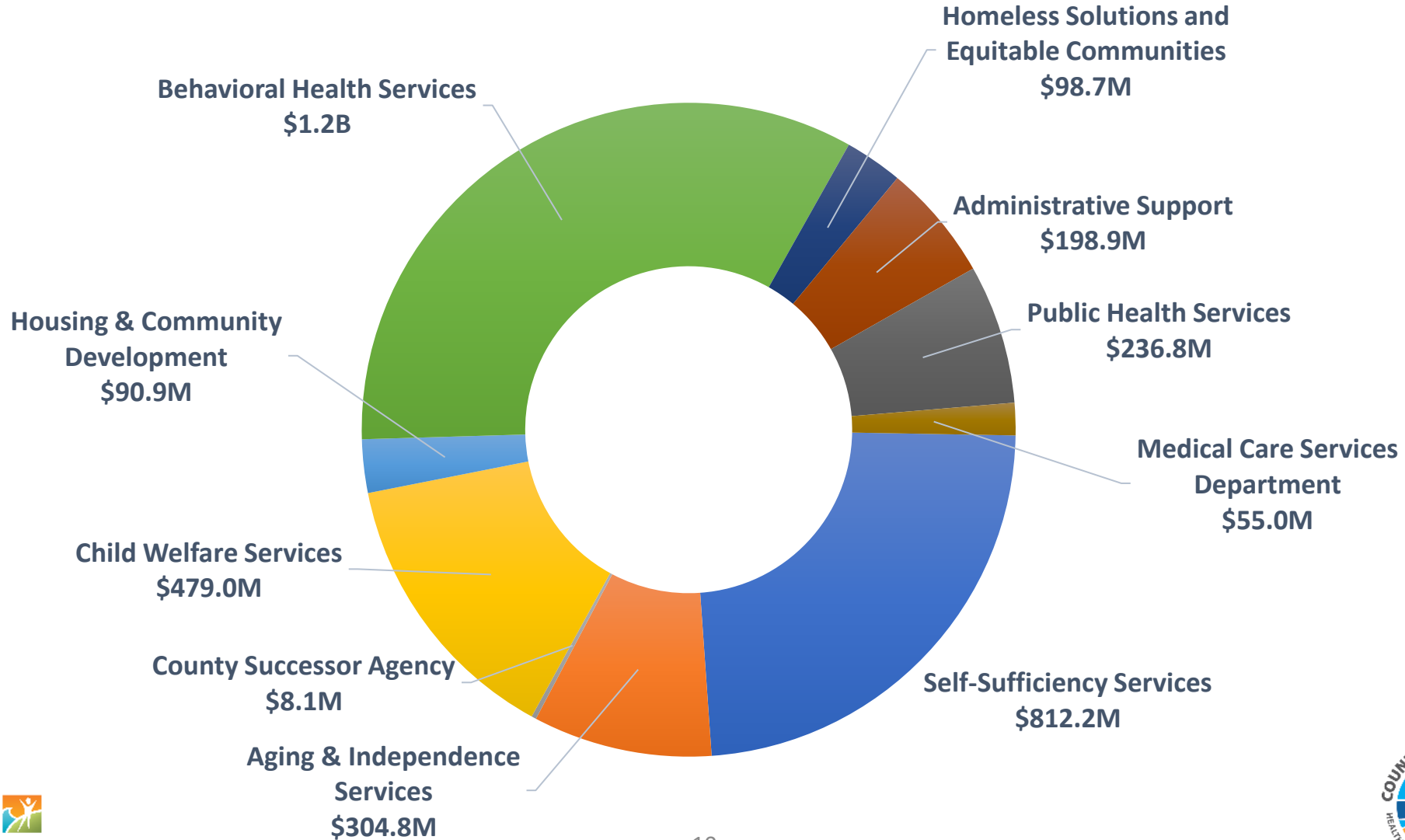


HHSA MITIGATIONS

- Pause non-mandated areas
- Pause/slow position growth where able to in mandated areas and align service levels to State requirements
- Use of one-time resources paired with service reductions in discretionary programs phased in over multiple years as necessary starting with least impact
- Revenue strategies
- Continue longer term strategies to enhance efficiencies and reengineer programs

HHSA BUDGET BY DEPARTMENT: \$3.4 BILLION

Increase of \$243.2 million from FY 2023-2024 Adopted Budget



FY 2024-25 CAO RECOMMENDED BUDGET

BUDGET BY DEPARTMENT: \$3.4 BILLION

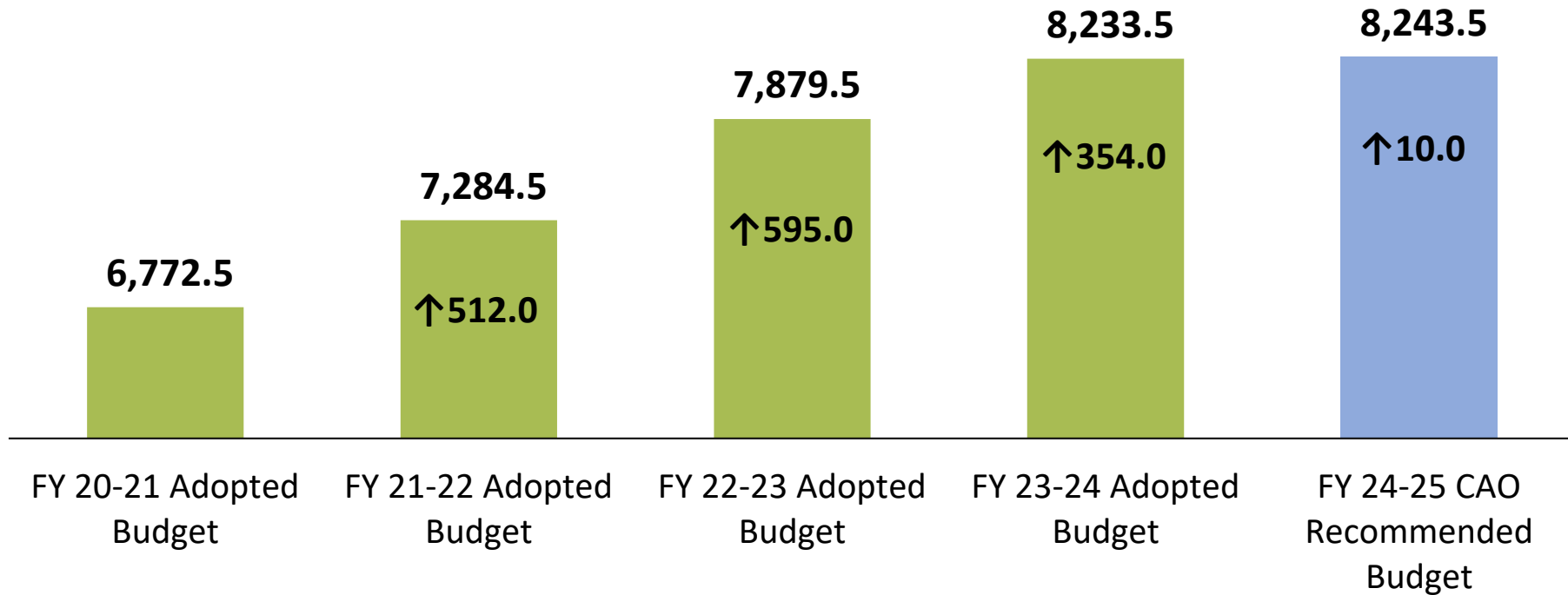
(in Millions)

DEPARTMENT	FY 23/24 ADOPTED		FY 24/25 CAO RECOMMENDED		CHANGE FROM FY 23/24 ADOPTED TO FY 24/25 CAO RECOMMENDED	
	FTE	BUDGET*	FTE	BUDGET*	FTE	BUDGET*
Self-Sufficiency Services	2,845.00	786.0	2,846.00	812.2	1.00	\$26.2
Aging & Independence Services	651.00	281.7	654.00	304.8	3.00	23.1
Behavioral Health Services	1,332.50	1,021.1	1,332.50	1,156.6	-	135.5
Child and Family Well-Being	1,670.00	456.8	1,672.00	479.0	2.00	22.2
Public Health Services	764.00	228.2	775.00	236.8	11.00	8.6
Medical Care Services	215.00	50.4	216.00	55.0	1.00	4.6
Administrative Support	438.00	184.4	430.00	198.9	(8.00)	14.5
Housing and Community Development Services	156.00	99.4	158.00	91.0	2.00	(8.4)
Homeless Solutions and Equitable Communities	162.00	82.1	160.00	98.7	(2.00)	16.6
County Successor Agency	-	7.8	-	8.1	-	0.3
TOTAL	8,233.50	3,197.9	8,243.50	3,441.1	10.00	\$243.2

A LOOK BACK: 5 YEAR TREND

STAFF YEARS (FTES)

22% FTE increase over 5 years



HHSA FY 2024-25 FULL TIME EQUIVALENT GROWTH

Net Increase of 10.00 Full Time Equivalents

- **4.00** in Aging & Independence Services
 - **2.00** for San Diego Veterans Independence Services at any Age (SD-VISA) program
 - **2.00** for modernizing the Mello-Granlund Older Californians Act (OCA) Supportive Services and Nutrition Services
- **4.00** in Public Health Services for Live Well On Wheels
- **2.00** in Housing & Community Development Services for the Housing Choice Voucher program



BUDGET INCREASE \$243 MILLION

Salaries & Benefits up \$98 million

- Negotiated labor agreements and lowered vacancy assumptions
- Current vacancy rate **4.4%** compared to **10.4%** last year

Services & Supplies up \$109 million

- Program investments tied to dedicated federal and State revenue
- Mandated cost increases and new mandated services
- Cost of doing business increases
- Net of decreases for prior year one-time costs

Other Charges up \$16 million

- Growth in General Relief and CalWORKs Child Care

Balance of \$20 million

- Various adjustments primarily for costs funded outside the General Fund with no service impacts and adjustments for prior year one-time capital asset costs

SIGNIFICANT BUDGET ADJUSTMENTS

Behavioral Health Services \$119.3 million

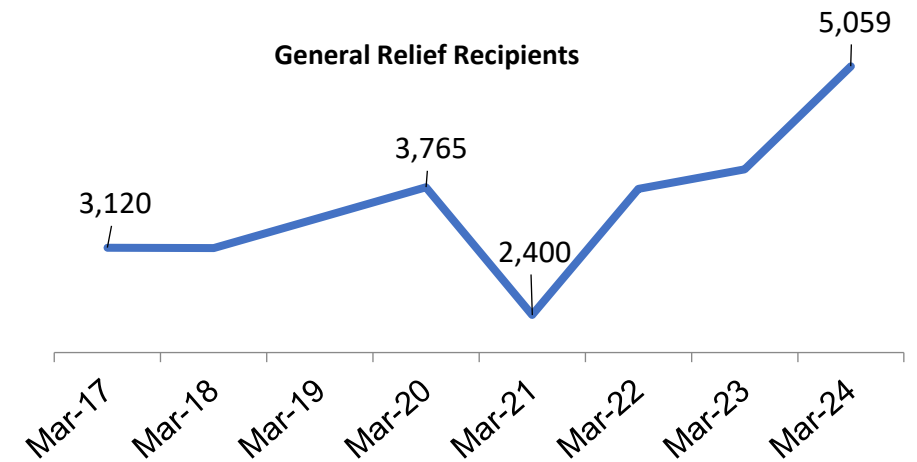
- Behavioral Health Prevention Programs
- Substance Use Services
- Long-Term Care
- Mental Health Inpatient Services
- Mental Health Outpatient Treatment and Support Services
- Workforce
- Involuntary Behavioral Health Treatment (SB 43)



SIGNIFICANT BUDGET ADJUSTMENTS

General Relief - \$11.4 million

- Increased caseload and grants



CalWORKs - Net decrease \$3.2 million

- Increase of **\$6.6** million in Child Care payments
- Decrease of **\$9.8** million across various CalWORKs supportive services programs to align with allocated State funding



SIGNIFICANT BUDGET ADJUSTMENTS

Housing & Homelessness

- **\$10.6** million in new funding for the Innovative Housing Trust Fund (IHTF)
- **\$2.4** million to boost multifamily rental housing in the unincorporated area
- **\$7.8** million to address the needs of those experiencing homelessness within the San Diego Riverbed and Plaza Bonita areas.
- 2nd Safe Parking site expected to open this summer



SIGNIFICANT BUDGET ADJUSTMENTS

Other Support for Vulnerable Populations

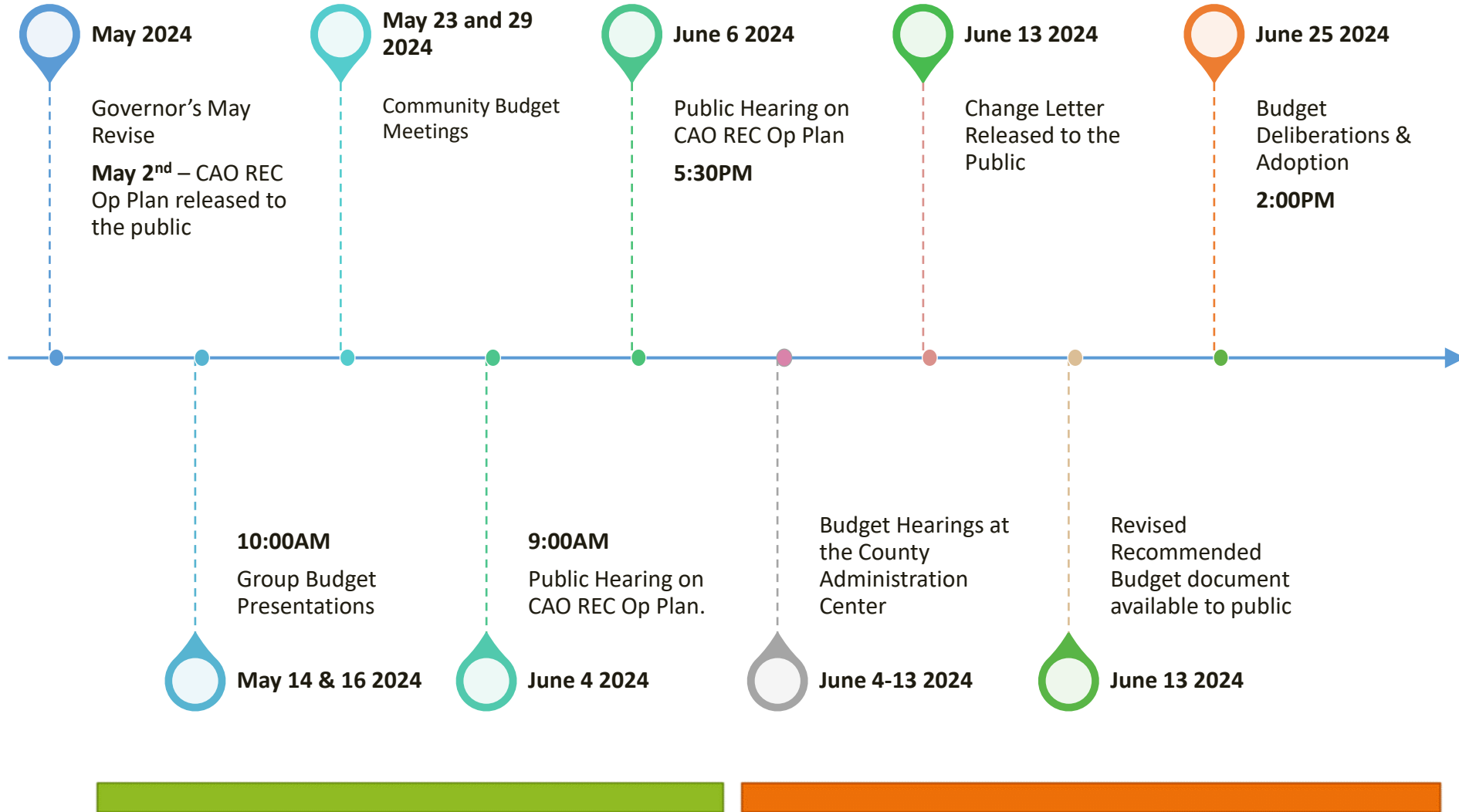
- **\$11.4** million for In-Home Supportive Services
- **\$2.2** million increase to help veterans who need long-term support to avoid institutionalization
- **\$2.0** million increase for child abuse prevention
- **\$2.0** million increase for transitional housing support to youth leaving foster care



County Budget 2024 - 26 | Engage San Diego County



UPCOMING BUDGET EVENTS: KEY DATES



CLOSING REMARKS AND Q&A



*"I realize how helpless and needy they are,
but I'm afraid you still can't claim a human as a dependent."*

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