

COUNTY OF SAN DIEGO



# HHSA

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## FY 2023-24 CAO RECOMMENDED OPERATIONAL PLAN MAY 2023



# AGENDA

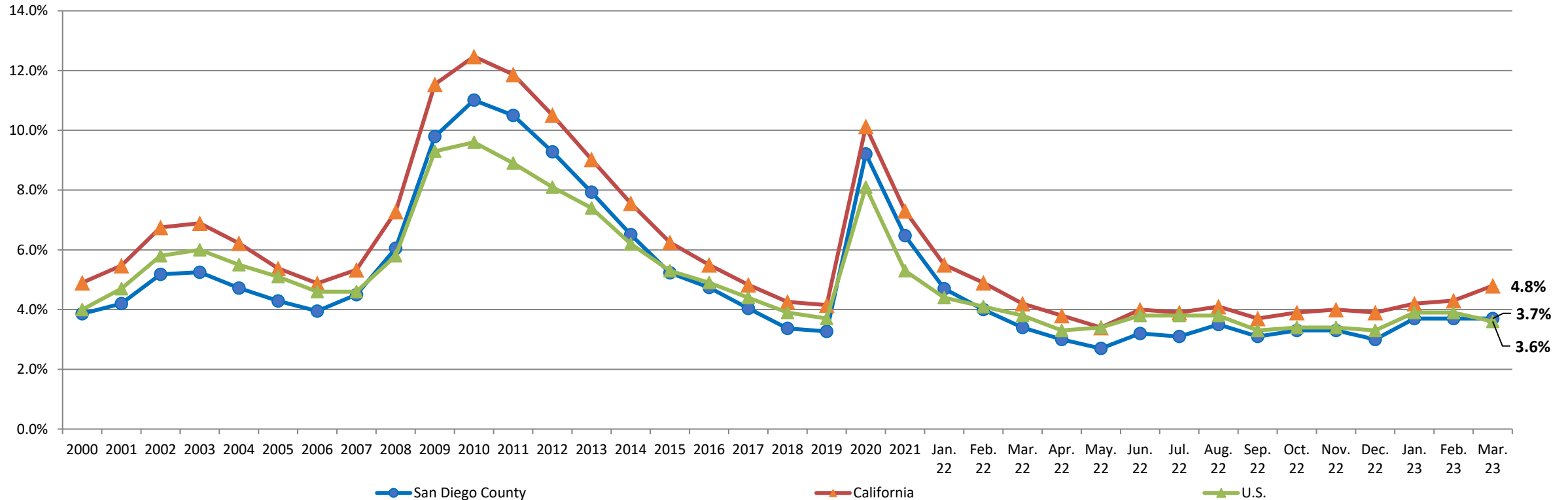
- Economic Updates
- State Budget
- FY 2023-24 CAO Recommended Budget
- Upcoming Budget Events
- Q&A



"I'm afraid our business is getting stale.  
Our numbers have lost their crunch."

# ECONOMIC UPDATES: UNEMPLOYMENT RATES

## Unemployment Rate 2000 through March 2023 Comparison



**Notes:** Data not seasonally adjusted; 2000–March 2023 actuals.

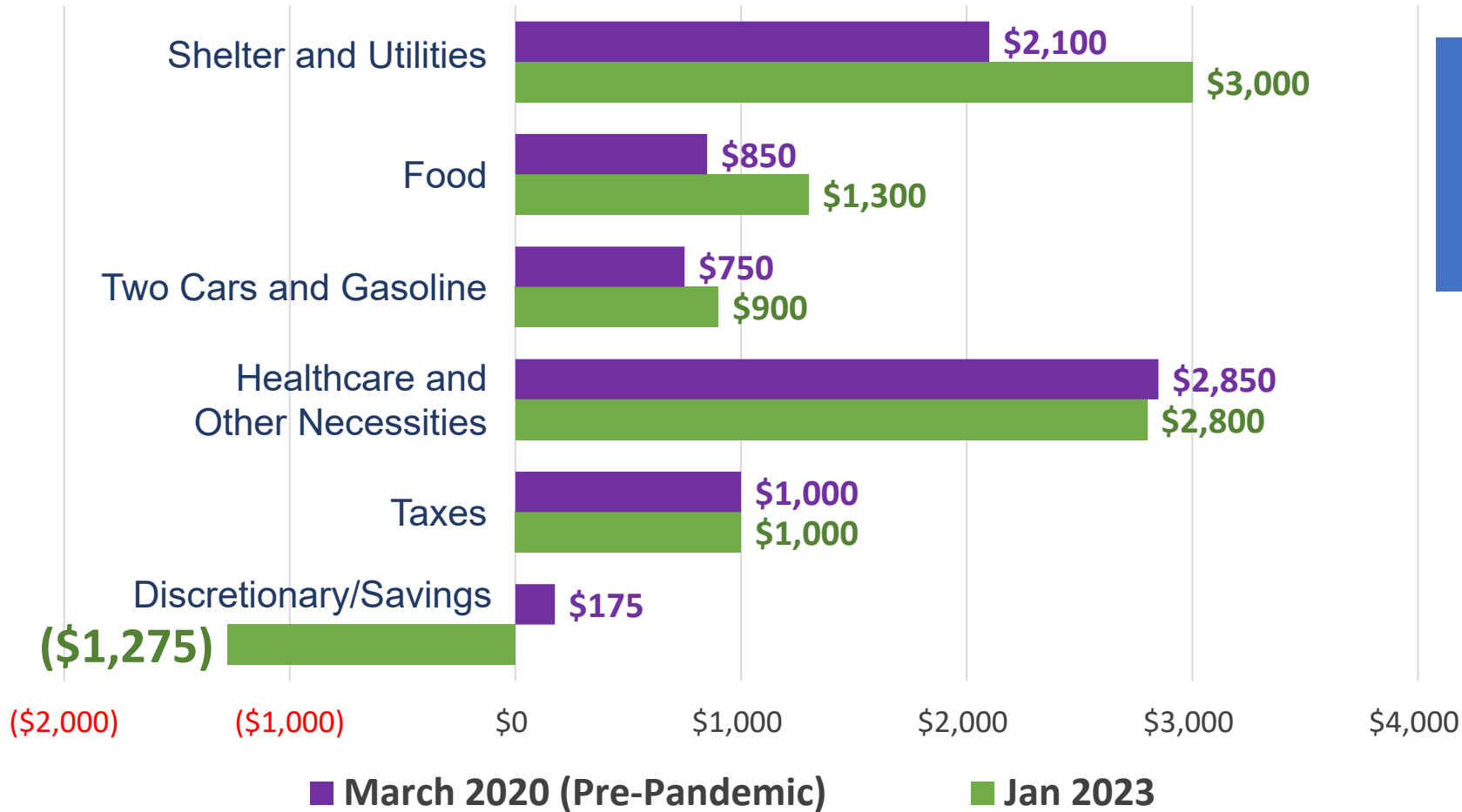
**Sources:** Actuals: California Employment Development Department, US Bureau of Labor Statistics

**Article:** [San Diego rising January unemployment rate](#)



# ECONOMIC UPDATES: COST OF LIVING IN 2023

Monthly Household Spending by Category  
(\$92,700 median household income with 2 adults and 2 children)



Housing and food are **46% higher** than in March 2020

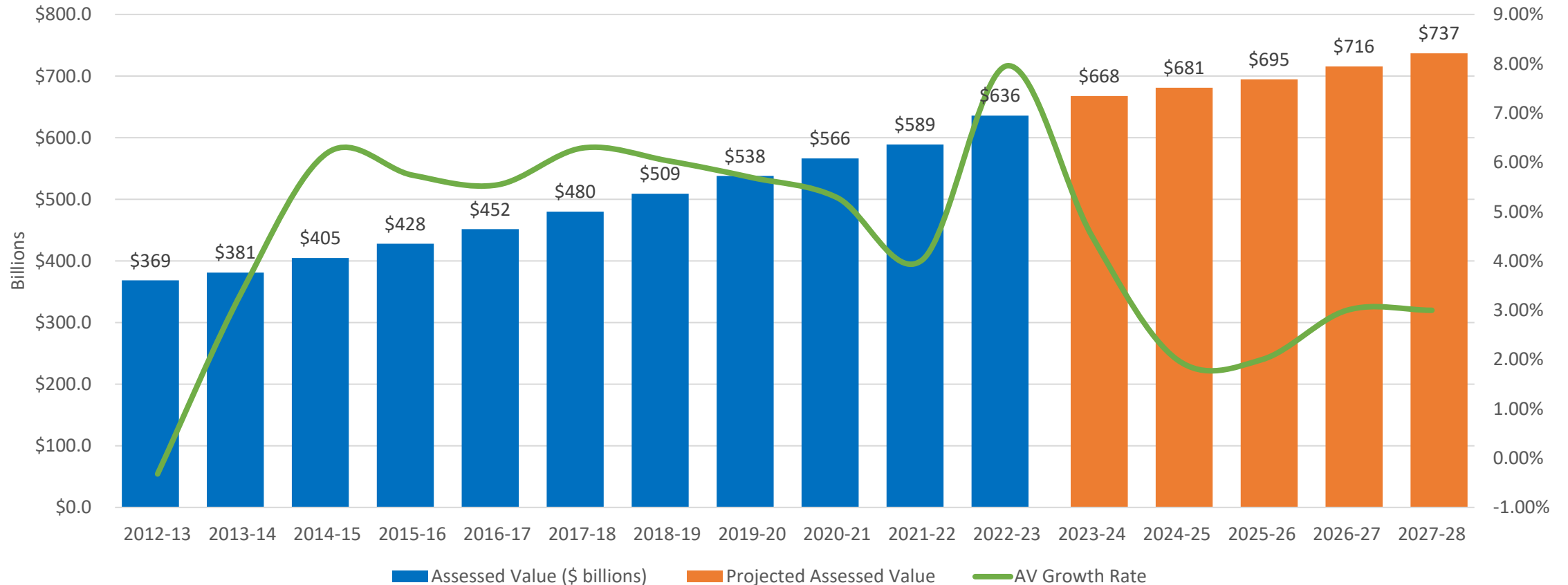
More debt and less savings:  
**monthly loss of \$1,450**

Source: Bureau of Labor Statistics, CPI-U San Diego, Not Seasonally Adjusted (Jan 2023); HUD FY2023 Fair Market Rents; USDA Food Plans (Dec 2022); AAA Daily Gas Tracker, San Diego (2023); IRS; SANDAG Calculations



# ECONOMIC UPDATES: ASSESSED VALUE GROWTH

## San Diego Fiscal Years 2012-13 through 2027-28

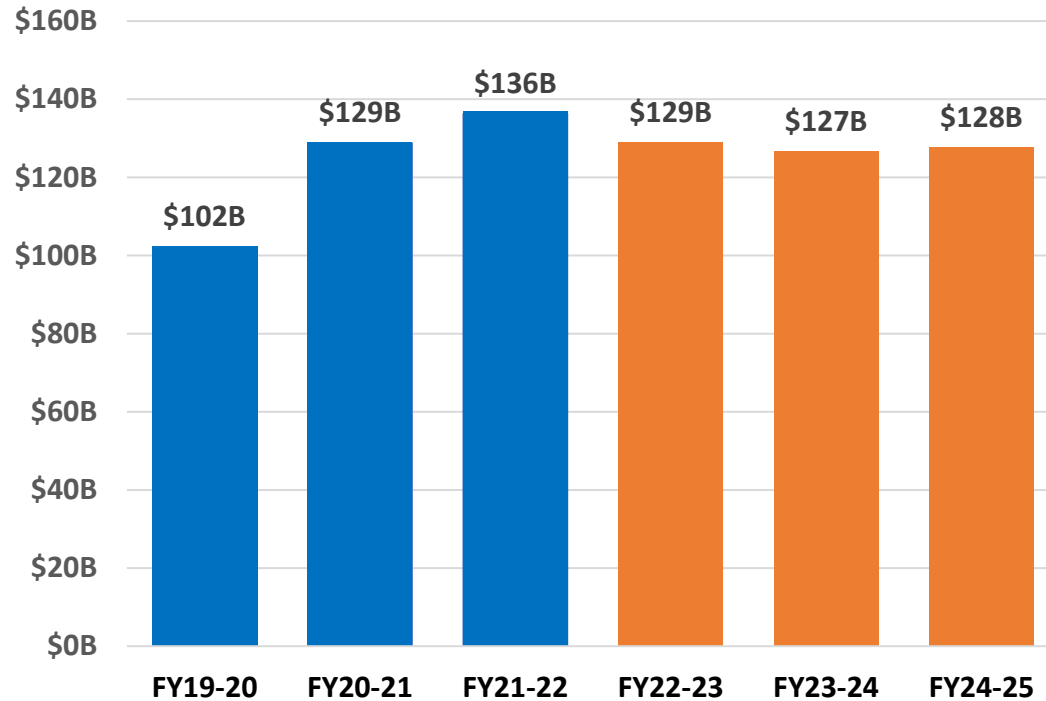


Sources: Auditor & Controller, Property Tax Services annual report ending June 30, 2022; Assessor/Recorder/County Clerk Projections

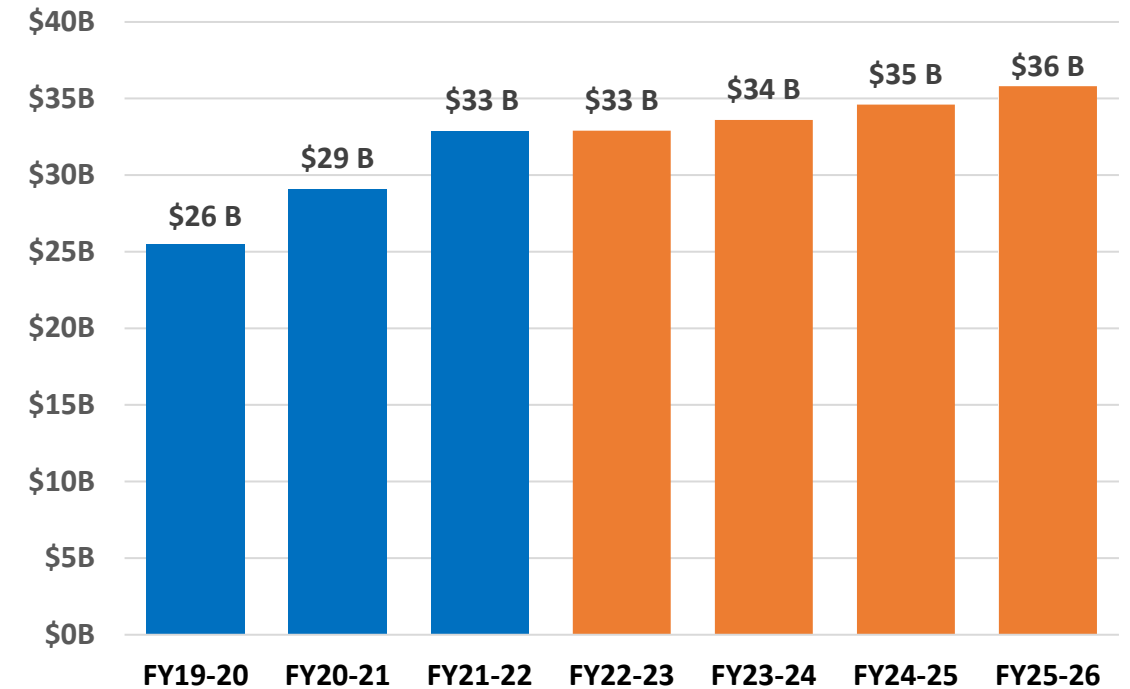


# ECONOMIC UPDATES: STATE REVENUE TRENDS

## State Personal Income Tax Revenue



## California Sales & Use Tax Revenue

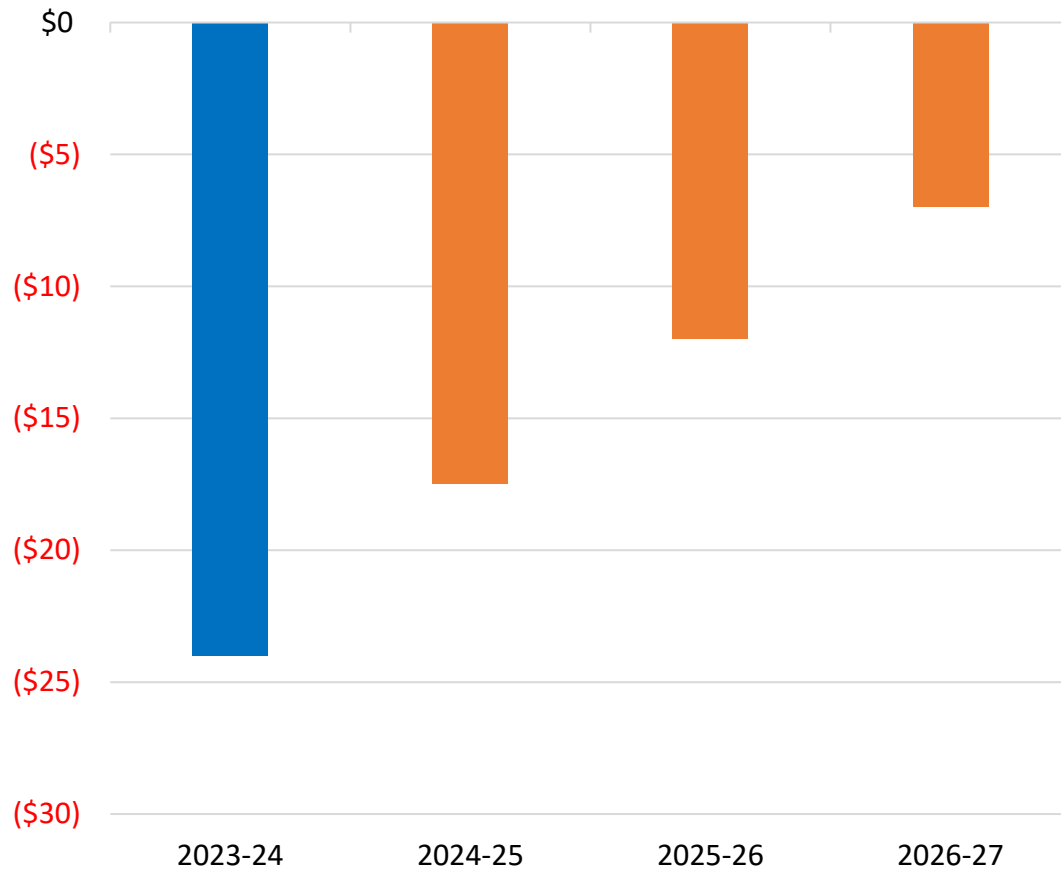


Source: State of California, FY 23-24 Governor's Proposed Budget and FY 22-23 May Revise



# STATE BUDGET: UPCOMING BUDGET

## State Faces Budget Deficits Across Multiyear Period (In Billions)



### HHSA Items of Interest:

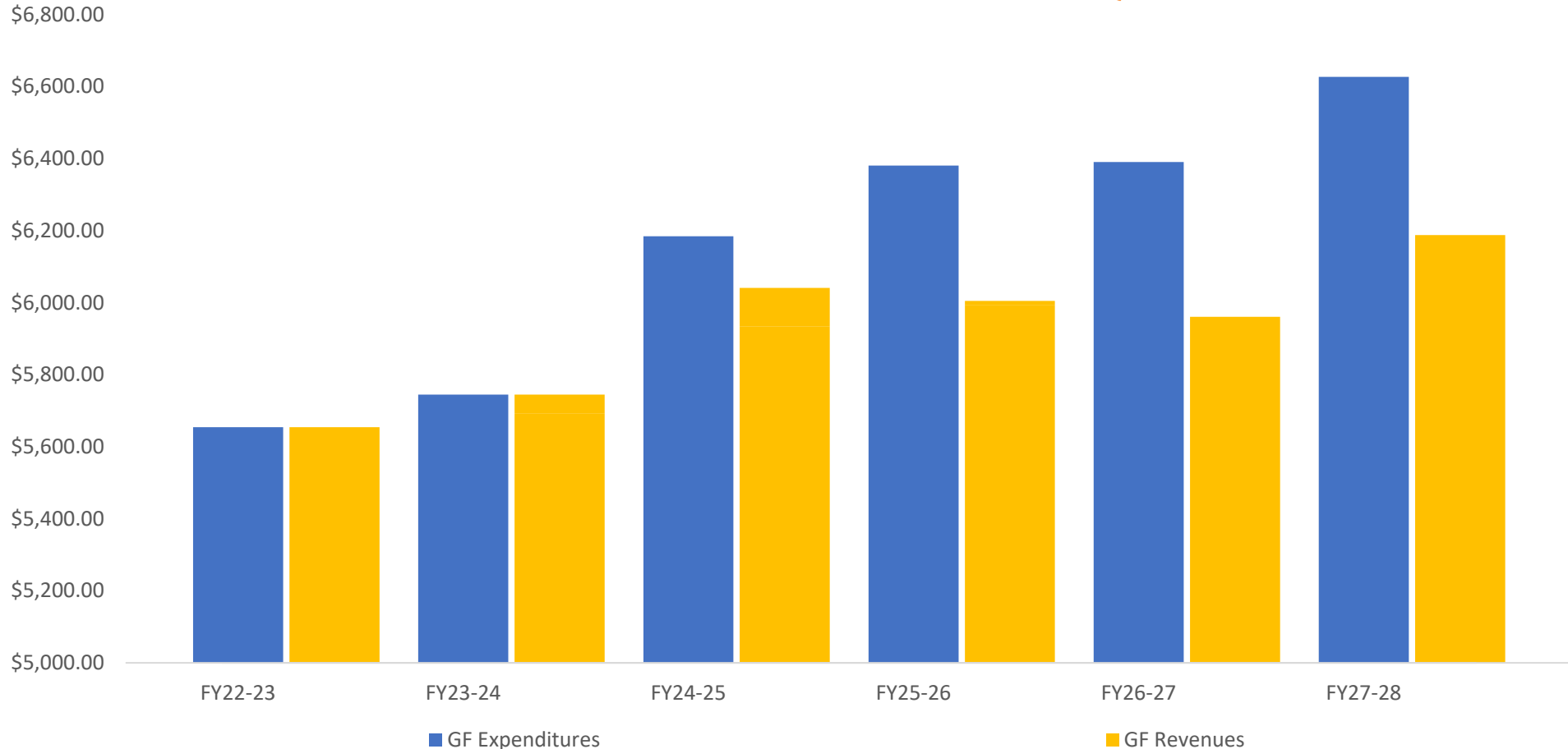
- \$6.1 billion for Behavioral Health Community-Based Continuum Demonstration
- \$191.5 million for Community Assistance, Recovery, and Empowerment (CARE) Act
- \$93 million for Opioid Settlement Fund
- \$1 billion for a fifth round of Homeless Housing, Assistance and Prevention



# COUNTY FINANCIAL OUTLOOK

## General Fund Outlook As of 3/10/2023

## GENERAL PURPOSE REVENUE REQUESTS



### Cumulative Funding Gap by Fiscal Year

FY 23-24 = \$0.0M  
FY 24-25 = \$91.5M  
FY 25-26 = \$216.2M  
FY 26-27 = \$258.0M  
FY 27-28 = \$267.2M

*Note: For illustration purposes only. General Fund Outlook assumes the FY 22-23 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: EIFDs, new affordable housing/homeless solutions, new sustainability initiatives, debt financing CINA projects.*





# FY 2023-24 CAO RECOMMENDED BUDGET: HHSA

## Operating Environment/Risk

Slowing revenue outlook for State and County, inflationary pressures

Staffing pressures for increasing safety net caseloads

Labor packages and retirement

Continue transition of COVID 19 response into ongoing operations

Workforce recruitment

One-time funds to glideslope priority areas, aligning service level expectations

## Opportunities

CARE Court

Opioid Settlement Funds

CalAIM

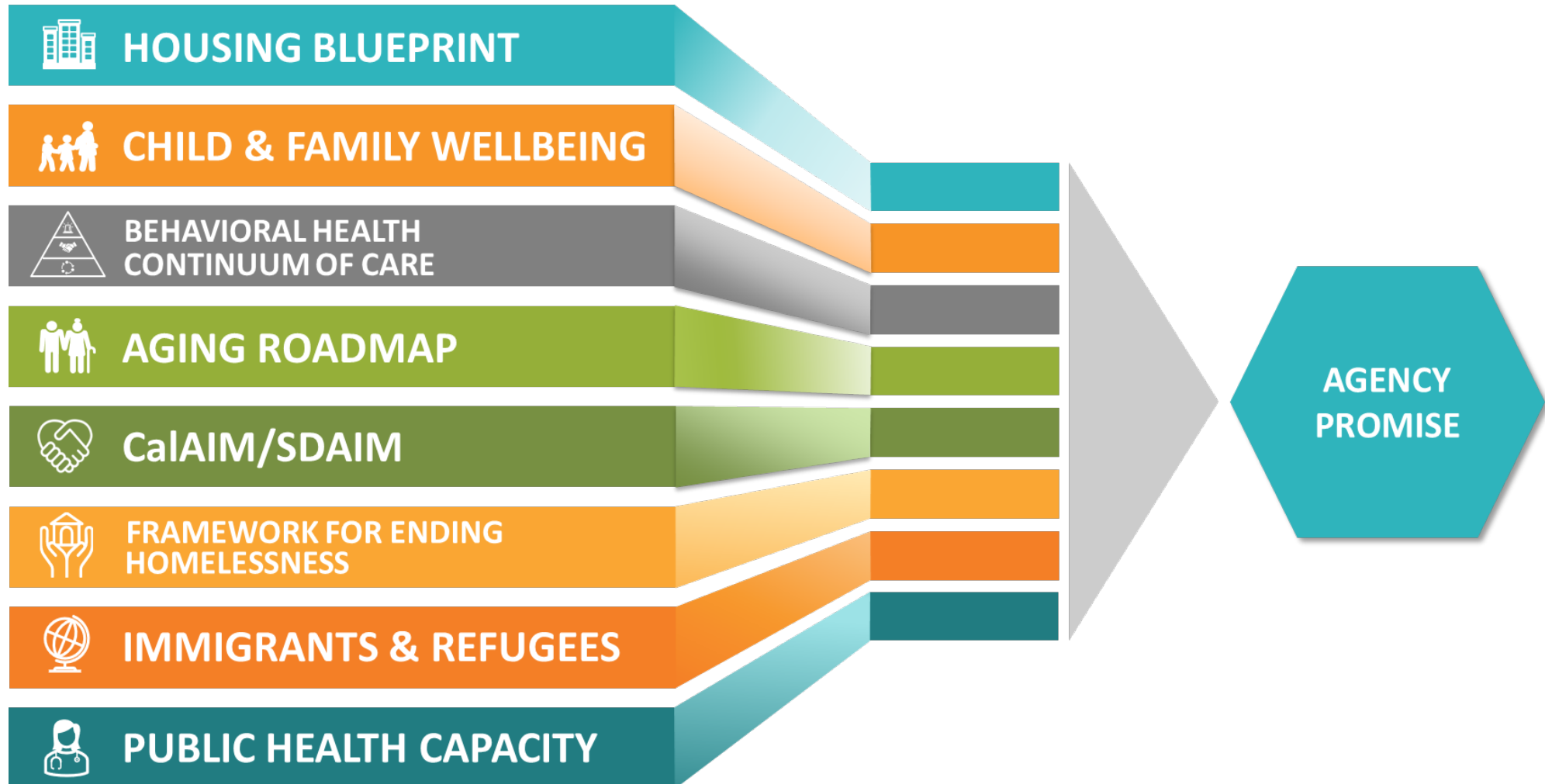
Increased grant opportunities

Continued Budget Equity Assessment Tool and sustainability focus

Agency Promise



# FY 2023-24 CAO RECOMMENDED BUDGET: HHSA



# FY 2023-24 CAO RECOMMENDED BUDGET

## BUDGET BY DEPARTMENT: \$3.2 BILLION

(in Millions)

Department	FY2022-23 Adopted Budget	FY2023-24 CAO Recommended	Change	% Change
Behavioral Health Services	\$899.5	\$1,021.1	\$121.6	13.5%
Self-Sufficiency Services	647.2	786.0	138.8	21.4%
Child and Family Well-Being	442.4	456.9	14.5	3.3%
Aging & Independence Services	238.5	282.6	44.1	18.5%
Public Health Services	221.6	228.2	6.6	3.0%
Administrative Support	176.0	184.4	8.4	4.8%
Housing & Community Development Services	84.3	99.4	15.1	17.9%
Homeless Solutions and Equitable Communities	53.9	77.6	23.7	44.0%
Medical Care Services Department	44.0	48.0	4.0	9.1%
County Successor Agency	7.7	7.8	0.1	1.3%
<b>Total HHSA</b>	<b>\$2,815.1</b>	<b>\$3,192.0</b>	<b>\$376.9</b>	<b>13.4%</b>

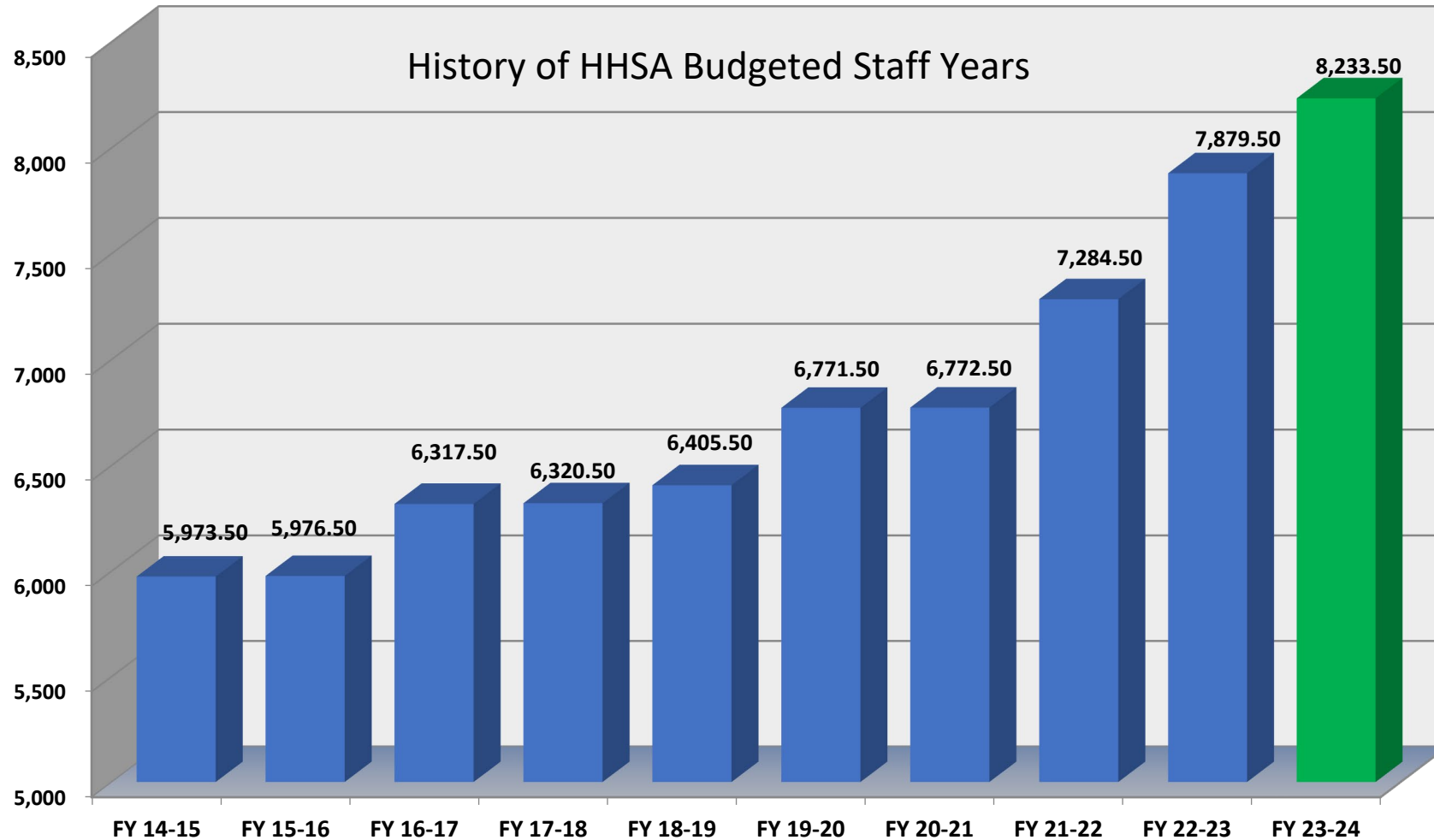
# FY 2023-24 CAO RECOMMENDED BUDGET

## STAFFING BY DEPARTMENT

Department	FY2022-23 Adopted Budget	FY2023-24 CAO Recommended	Change	% Change
Self-Sufficiency Services	2,732.00	2,845.00	113.00	4.1%
Child and Family Well-Being	1,630.00	1,670.00	40.00	2.5%
Behavioral Health Services	1,207.50	1,332.50	125.00	10.4%
Public Health Services	730.00	764.00	34.00	4.7%
Aging & Independence Services	613.00	651.00	38.00	6.2%
Administrative Support	433.00	438.00	5.00	1.2%
Medical Care Services Department	222.00	215.00	-7.00	-3.2%
Homeless Solutions and Equitable Communities	156.00	162.00	6.00	3.8%
Housing & Community Development Services	156.00	156.00	0.00	0.0%
<b>Total HHSA</b>	<b>7,879.50</b>	<b>8,233.50</b>	<b>354.00</b>	<b>4.5%</b>

# FY 2023-24 CAO RECOMMENDED BUDGET

## A LOOK BACK: HHSA STAFFING



# SELF SUFFICIENCY SERVICES FY 23-24 PROPOSED

## Budget

**\$786.0M**

**2,845.0 staff**

## Change

**\$138.8M**

**113.0 staff**

**+21.4%**

**+4.1%**



## Budget Highlights

- 113.00 new positions
- Increased critical Self-Sufficiency Public Assistance benefits and employment and supportive services





# CHILD AND FAMILY WELL-BEING FY 23-24 PROPOSED

## Budget

**\$456.9M**

**1670.0 staff**

## Change

**\$14.5M**

**40.0 staff**

**+3.3%**

**+2.5%**



## Budget Highlights

- Launching of New Department
- 29 new positions (prior to transfers)
- Transition of the San Pasqual Academy to a continuum of care multipurpose campus
- Career Pathways for Foster Youth



# AGING & INDEPENDENCE SERVICES FY 23-24 PROPOSED

## Budget

**\$282.6M**

**651.0 staff**

## Change

**\$44.1M**

**+18.5%**

**38.0 staff**

**+6.2%**

## Budget Highlights

- 66 new positions (prior to transfers) in IHSS, APS, PAPG
- Increased IHSS wages
- Food security & senior nutrition
- Expanded access to digital connectivity and technology among older adults and adults with disabilities





# PUBLIC HEALTH SERVICES FY 23-24 PROPOSED

## Budget

**\$228.2M**

**764.0 staff**

## Change

**\$6.6M**

**34.0 staff**

**+3.0%**

**+4.7%**



## Budget Highlights

- New Public Health Lab
- 25 new positions (prior to transfers)
- *Opioid Settlement Framework and Overdose Data to Action (OD2A) grant*



# MEDICAL CARE SERVICES FY 23-24 PROPOSED

## Budget

**\$48.0M**

**215.0 staff**

## Change

**\$4.0M**

**(7.0) staff**

**+9.1%**

**-3.2%**



## Budget Highlights

- 2 new positions (prior to transfers), including a Chief Dental Officer
- Providing Access and Transforming Health Supports Justice-Involved (PATH JI) grant
- Pathways to Excellence Program



# HOUSING & COMMUNITY DEVELOPMENT SERVICES FY 23-24

## Budget

**\$99.4M**

**156.0 staff**

## Change

**\$15.1M**

**No Change**

**+17.9%**

**0.0%**



## Budget Highlights

- 1 new position (prior to transfers)
- \$25.0M increase for the Innovative Housing Trust Fund
- \$4.6M to support Permanent Local Housing Allocation and HUD entitlement programs





# HOMELESS SOLUTIONS AND EQUITABLE COMMUNITIES FY 23-24

## Budget

**\$77.6M**

**162.0 staff**

## Change

**\$23.7M**

**+44.0%**

**6.0 staff**

**+3.8%**

## Budget Highlights

- 2 new positions (prior to transfers)
- Community Care Coordination – Justice Involved Population
- Local housing, coordinated eviction prevention, and collaborative efforts to address homelessness
- Afghan Refugee Support Services



# BEHAVIORAL HEALTH SERVICES FY 23-24

## Budget

**\$1.0B**

## Change

**\$121.6M**

**+13.5%**

**1332.5 staff**

**125.0 staff**

**+10.4%**



## Budget Highlights

- 99 new positions (prior to transfers)
- Community Assistance, Recovery and Empowerment (CARE) Act implementation
- Investment in enhanced adult and youth mental health treatment services and Mobile Crisis Response Team (MCRT) expansion



# CLOSING REMARKS AND Q&A



“What did you take away from the meeting?”

Amy Thompson

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