

# Proposed SFHSS General Fund Administration Budget FYE 2026 and FYE 2027

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February 13, 2025

# Background and Board Action

- The General Fund Administrative Budget (GF) is the biannual administrative budget guided by the Mayor's budget instructions and priorities
- Based on the City's projected fiscal deficits, Mayor's budget has set \$600K cost reduction target for HSS.
- Mayor's guidance is to use attrition to meet this cost reduction targets
- The proposed budget includes requests by HSS to meet strategic goals meets the Mayor's target
- Recommendation to the Board:
  - APPROVE SAN FRANCISCO HEALTH SERVICE SYSTEM FYE 2026 AND FYE 2027 PROPOSED GENERAL FUND ADMINISTRATIVE BUDGET

# HSS Budgets

## ***General Fund - \$12.7M***

- Targeted ongoing reduction of \$600K
- Rates negotiation and RFPs
- Manage flex funded plans
- Well-Being activities to promote health
- Mental Health EAP services
- Member support for open enrollment and benefit plan transition support

## ***Healthcare Sustainability Fund - \$5.5M***

- Use for member communications, programs to reduce healthcare costs and member well-being programs
- Currently funded with \$4 pmpm charge in benefit costs. Proposed increase to \$6 pmpm in plan year 2026 to keep the fund solvent
- Annual revenue of \$5.2M

# General Fund Budget Highlights

The main changes in the budget are as follows:

- Reduce GF FTEs by 4 vacant positions. We currently have 10 vacant positions and will fill 6 of them.
- Continue First responder EAP program funded by the supported departments - \$333K
- These changes meet the Mayor's GF budget target of \$600K

# General Fund Budget Adjustments

(in thousands)

	Increase/(Decrease) in Expenses		Comments
	FYE 26	FYE 27	
Starting Budget Expenses	13,014	13,407	These are our starting budgets for FYE 26 and 27
<b>Salary Savings by 3.4 vacant FTEs.</b>	(600)	(600)	
<b>Non-Personnel Services - Professional Services</b>	(29)	(21)	Reductions in both years are moving funding from GF to Trust for AON Services and increasing EAP First Responder funding that we will recoup through Work Orders.
<b>Non-Personnel Services - Software Licenses</b>	19	5	The increases are for increased costs for EAP software
<b>Non-Personnel Services - Travel and Training</b>	(4)	3	Reductions in 1st year is due to decreasing costs for trainings. Increases in 2nd year is bringing the training costs back and adding employee reimbursement line for EAP Counselors.
<b>Non-Personnel Services - Other</b>	4	5	Increases in first year are for Oracle Training and Carpet Cleaning. Increases in the 2nd year are for carpet cleaning and EAP Printing.
<b>Materials and Supplies</b>	9	9	Increases are for IT Supplies and Increase in Open Copy Printer Cartridges
<b>Total expenses</b>	(600)	(600)	

# GF Budget FTEs by Division

General fund and total FTEs in FYE 2026 and FYE 2027 are lower than current (FYE 2025) budget to meet target reductions. Actual FTEs are lower than budget due to vacancies

DIVISION	Actual			Budget		
	FYE23	FYE24	FYE25	FYE25	FYE26	FYE27
Administration	3.00	3.00	3.00	3.00	2.00	2.00
Operations	15.00	21.96	20.74	22.07	21.03	21.03
ESA	5.75	5.75	4.75	5.75	4.75	4.75
Finance	8.90	8.90	8.90	8.90	8.90	8.90
EAP	2.00	1.00	1.00	3.00	2.00	2.00
Well-Being	3.00	3.00			-	-
Communications	1.00	1.00				
Other (Temp/Misc)				0.32	1.00	1.08
<b>Total General Fund FTEs:</b>	<b>38.65</b>	<b>44.61</b>	<b>38.39</b>	<b>43.04</b>	<b>39.68</b>	<b>39.76</b>
HSF FTEs	6.35	5.35	9.32	13.35	13.35	12.35
<b>Total</b>	<b>45.00</b>	<b>49.96</b>	<b>47.71</b>	<b>56.39</b>	<b>53.03</b>	<b>52.11</b>

# General Fund Budget

(dollars in thousands)

	FYE 22 Act.	FYE 23 Act.	FYE 24 Budget	FYE 25 Budget	FYE 26			FYE 27		
					Myr. Proposed includes Mid Yr Cuts	HSS Adj	HSS Proposed Budget	Myr. Proposed includes Mid Yr Cuts	HSS Adj	HSS Proposed Budget
General Fund FTE's	43.38	38.65	44.61	43.04	(3.36)	39.68	43.04	(3.28)	39.76	
Healthcare Sustainability Fund FTE's	8.35	6.35	5.35	13.35	-	13.35	13.35	(1.00)	12.35	
<b>Total FTE's</b>	<b>51.73</b>	<b>45.00</b>	<b>49.96</b>	<b>56.39</b>	<b>(3.36)</b>	<b>53.03</b>	<b>56.39</b>	<b>(4.28)</b>	<b>52.11</b>	
<b>Sources</b>										
Charges for Services			9							
Other Revenues	240		460	2,068	580		580	580	580	
Expenditure Recovery	11,889	12,561	13,200	10,614	12,434	(933)	11,501	12,827	(933)	11,894
EAP recovery			193			333	333		333	333
General Fund Support - Carryforward	199	278								
<b>Sources Total</b>	<b>12,328</b>	<b>12,839</b>	<b>13,862</b>	<b>12,682</b>	<b>13,014</b>	<b>(600)</b>	<b>12,414</b>	<b>13,407</b>	<b>(600)</b>	<b>12,807</b>
<b>Operating Expenditures</b>										
<b>Personnel</b>										
Salaries	5,422	5,411	6,309	5,821	6,050	(431)	5,619	6,307	(429)	5,878
Benefits	2,572	2,517	2,614	2,441	2,575	(169)	2,406	2,716	(171)	2,546
<b>Personnel Total</b>	<b>7,994</b>	<b>7,928</b>	<b>8,923</b>	<b>8,262</b>	<b>8,625</b>	<b>(600)</b>	<b>8,025</b>	<b>9,024</b>	<b>(600)</b>	<b>8,424</b>
<b>Non-Personnel Services Total</b>										
Training and Travel	1	26	30	23	38	(4)	35	22	3	25
Software Licenses	144	122	170	70	68	19	87	67	5	72
Contracts	1,847	2,125	2,273	2,202	2,323	(29)	2,294	2,323	(21)	2,302
Other	26	20	50	82	50	4	54	62	5	68
<b>Non-Personnel Services Total</b>	<b>2,017</b>	<b>2,293</b>	<b>2,523</b>	<b>2,377</b>	<b>2,480</b>	<b>(9)</b>	<b>2,471</b>	<b>2,475</b>	<b>(9)</b>	<b>2,466</b>
Materials & Supplies	47	35	44	51	28	9	37	28	9	37
Services of Other Departments	1,855	1,923	2,372	1,992	1,881		1,881	1,881		1,881
<b>Total Expenses</b>	<b>11,913</b>	<b>12,180</b>	<b>13,862</b>	<b>12,682</b>	<b>13,014</b>	<b>(600)</b>	<b>12,414</b>	<b>13,407</b>	<b>(600)</b>	<b>12,807</b>

# Recommendation to the HSB

- APPROVE SAN FRANCISCO HEALTH SERVICE SYSTEM FYE 2026 AND FYE 2027 PROPOSED GENERAL FUND ADMINISTRATIVE BUDGET