



San Francisco  
Department of Public Health

# Mayor's Proposed Budget – FY27 & FY28

## Our City, Our Home Fund

San Francisco Department of Public Health

June 5, 2026

# Mental Health Service Area – Budget Overview

- **Reflects realignments and rebalancing resulting from implementing the Behavioral Health Services Act changes, reviewing Safe Supplies policies, and reviewing SUD navigator pilot**
- **New investments in recovery pathways**
  - ~140-bed expansion of recovery housing programs (\$8.5M/year)
  - ~70-bed expansion of the RESTORE (Rapid Engagement Shelter and Treatment for Opioid Recovery) program that focuses on the most vulnerable populations who require this level of care, including pregnant people (\$6.3M/year)
  - Expanded long-acting injectable (LAI) buprenorphine in permanent supportive housing (PSH) to promote recovery from drug use across 8–10 PSH sites, with on-site dosing to eliminate pharmacy waits (\$2.5M/year)
- **Infrastructure investments to support Breaking the Cycle plan**
  - Investment to build the City’s Medi-Cal billing infrastructure (\$1.5M/year)
  - Adding medical and shelter transport capacity – a 7-day, 16-hour-a-day contracted transport service to enable warm handoffs across treatment and shelter sites (\$2.8M/year)
  - Advancing crisis response training for DPH street response staff and Fire EMS paramedics: 5150 training and field-based assessment (\$0.7M/year)
- **Behavioral health capital projects**
  - Puts \$25M of the one-time fund balance towards closing the remaining funding gaps for the major behavioral health capital projects at Treasure Island and 1660 Mission Street



# Mental Health – Operating Budget

Mental Health Uses	Current Year	Budget Cycle		Out Years	
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Treatment Beds	45.5	61.9	70.6	72.8	74.9
Case Management	17.3	32.5	33.7	34.7	35.7
Assertive Outreach	21.3	29.1	30.3	31.2	32.1
Drop-In Services	4.5	10.1	10.6	10.9	11.3
Overdose Prevention & Substance Use Treatment	6.2	5.9	6.2	6.4	6.5
Operating & Implementation	6.7	8.1	8.8	9.1	9.4
Capital Improvement*	-	25.0	-	-	-
<b>Ongoing spending</b>	<b>101.6</b>	<b>172.7</b>	<b>160.2</b>	<b>165.0</b>	<b>169.9</b>
<b>Sources</b>					
Projected Prop C revenue	107.0	115.0	110.0	116.0	122.0
Projected interest income	5.6	6.3	5.9	5.9	5.9
HSH Prevention funding for PSH	1.9	1.4	0.9	0.4	-
Medi-Cal revenue	2.0	5.4	5.4	5.4	5.4
<b>Ongoing revenue</b>	<b>116.5</b>	<b>128.1</b>	<b>122.2</b>	<b>127.7</b>	<b>133.3</b>
<b>Structural surplus/(shortfall)</b>	<b>14.9</b>	<b>(44.6)</b>	<b>(38.0)</b>	<b>(37.3)</b>	<b>(36.7)</b>

\*\$25M one time transfer to Prop C Acquisition Fund in FY26-27

- New investments beginning in FY 26–27 and FY 27–28:
  - Addition of ~200 recovery and RESTORE beds (\$15M/year in Treatment Beds)
  - \$2.5M/year to expand LAI medication treatment across 8–10 PSH sites
- Mental Health ongoing spending level now proposed at **\$155–165M per year**



# Mental Health – Balancing Plan

Mental Health	Current Year	Budget Cycle			Out Years
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>Mental Health Operations</b>					
Ongoing spending	(101.6)	(172.7)	(160.2)	(165.0)	(169.9)
Ongoing revenue	116.5	128.1	122.2	127.7	133.3
Fund balance (one-time)	100.3	115.1	70.5	32.5	(4.8)
<b>Operations: Year-end surplus/(shortfall)</b>	<b>115.1</b>	<b>70.5</b>	<b>32.5</b>	<b>(4.8)</b>	<b>(41.5)</b>
<b>Mental Health Acquisition</b>					
Capital Improvement	(35.6)	(11.6)	(16.6)	(21.3)	-
Acquisition fund (one-time)	65.8	55.2	43.6	27.0	5.7
<b>Acquisition: Year-end surplus/(shortfall)</b>	<b>30.2</b>	<b>43.6</b>	<b>27.0</b>	<b>5.7</b>	<b>5.7</b>
<b>Total: Year-end surplus/(shortfall)</b>	<b>145.4</b>	<b>114.1</b>	<b>59.5</b>	<b>0.9</b>	<b>(35.8)</b>

- Mental Health service area is **balanced through the two-year budget cycle** by spending down one-time fund balance
- One-time funds run out in FY 28–29: **~\$42M/year funding cliff in FY29-30**
- Approx. \$55M in acquisition funding committed to remaining behavioral health capital projects



# Mental Health – Capital Projects

Proposed budget invests \$25M of Prop C fund balance into two major capital projects:

## 1. Treasure Island

- A. ~300 beds of residential substance use disorder treatment and transitional housing
- B. Construction timeline: late 2026 to late 2028
- C. Est. capital cost: \$72 million (across all funding sources)

## 2. 1660 Mission Street

- A. Programs include:
  - 1. Behavioral Health Access Center (BHAC)
  - 2. Bringing Expanded Access to Medications (BEAM)
  - 3. Behavioral Health Services Pharmacy
  - 4. Sobering Center
- B. Construction timeline: early 2027 to late 2028
- C. Est. capital cost: \$88 million (across all funding sources)



*1660 Mission Street*



**Thank you!**