

# San Francisco Department of Public Health

Behavioral Health Services Director's Update

February 19, 2026

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San Francisco Department of Public Health



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Department of Public Health

# Agenda

- \$17M Planned Budget Reduction
- Next Fiscal Year (FY26-FY28) Proposed Budget
- BHS Workplace Safety & Security



# Budget Update



# Planned \$17M in Community-based Organization (CBO) Reductions



# FY26 and FY27: \$17M Planned Reduction Recap

**\$17M** commitment in community-based organization (CBO) contract reductions effective **July 1, 2026**.

## Background

- In total, DPH CBO spending is **~\$900M**
  - **~\$360M** are Medi-Cal covered and required services (e.g., residential treatment, outpatient services). DPH is required to ensure sufficient access to these behavioral health services. The majority of this spending leverages state and federal revenue.
  - **~\$300M** UCSF affiliation agreement for physicians at ZSFG and other clinical services.
  - DPH focused on the remaining **~\$240M** not Medi-Cal reimbursed for the **\$17M**. This is comprised of **~300** individual **programs and contracts**.
- DPH evaluated these programs on a range of criteria and held multiple CBO stakeholder meetings.

# Proposed \$17M in Reductions

## **UCSF: \$5.8M**

in reductions to the Affiliation Agreement by maximizing revenues and generating efficiencies; bringing a pediatrics program in-house to be done with DPH staff.

## **CBO and Staff Capacity Building, Training and Consulting Services: \$6M**

Eliminate funding for CBO and DPH training/workforce development, capacity building and consulting services that are not required by regulation.

## **Vocational Programs: \$1.3M**

Reduce vocational training programs supporting employment programs for clients recovering from mental health and substance use.

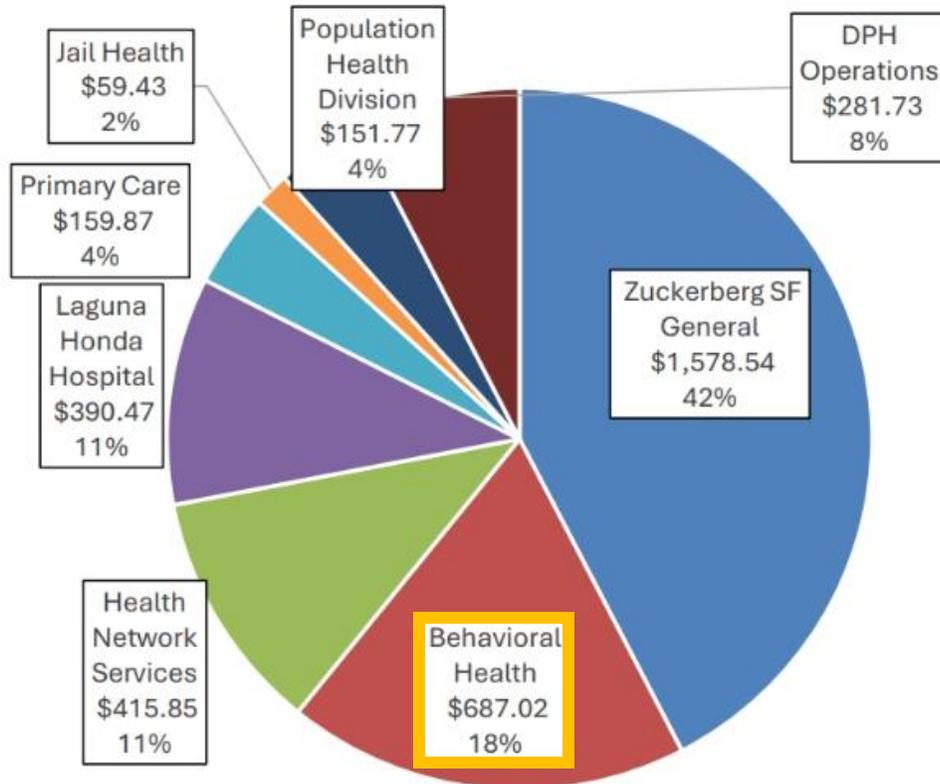
## **Other Reductions: \$3.9M**

Reductions across a variety of services reflecting funding updates and updated services requirements.

# FY26-28 DPH Proposed Budget



# \$687M of SFDPH's \$3.6B Budget in FY26-28 is for Behavioral Health Services



Division	FTEs
Zuckerberg SF General	2,989
Laguna Honda Hospital	1,338
Behavioral Health	797
Health Network Services	605
Jail Health	190
Primary Care	514
Population Health Division	473
Public Health Admin	820
<b>Total</b>	<b>7,725</b>

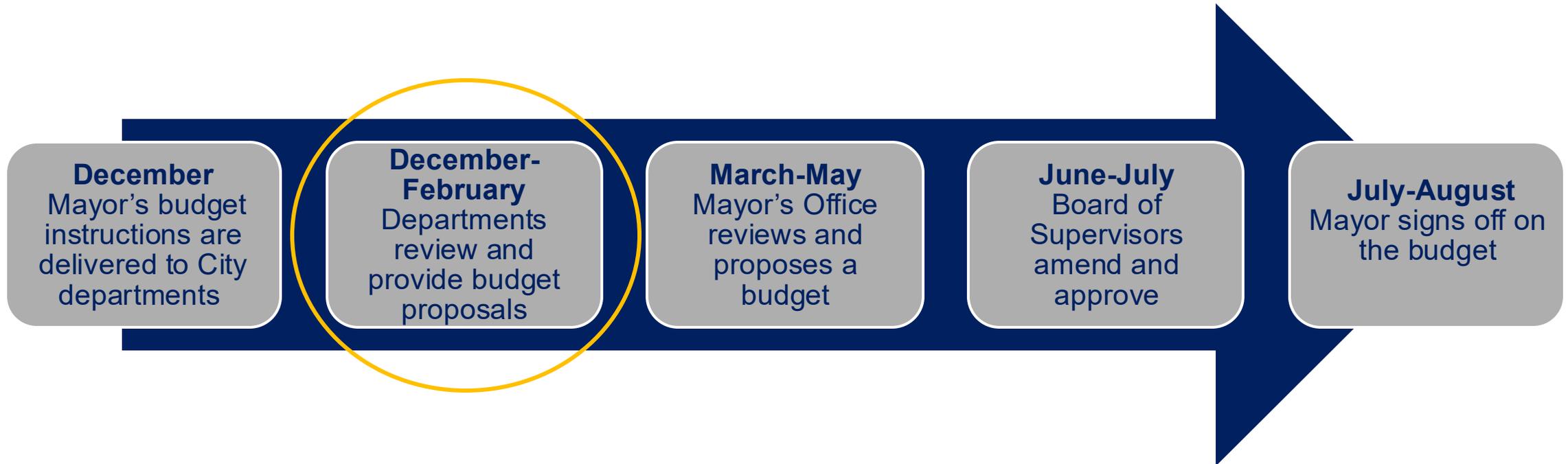
# City Budget Outlook and Mayor's Budget Instructions

- Cost growth of **\$1.8B** surpasses revenue growth of **\$617M** over the next five years.
- Costs outpace City's General Fund revenues, creating an **\$936M** two-year deficit (**\$296M** in FY26-27, **\$640M** in FY27-28).
- Mayor's budget Instructions to all departments: **Reduce spending by \$400M** ongoing through restructured service delivery and targeted program elimination.
- SFDPH budget proposal includes **\$20M** in reductions. DPH expects to receive additional instructions from the Mayor's Office to identify **\$40M** of additional ongoing savings from contracted and staffed programs.

# DPH Priorities for FY26-28 Budget

1. Focus on **core priorities and services**, including implementation of initiatives already funded in prior budgets;
2. Identify alternative **cost-saving measures** to limit the growth of new expenditures;
3. Maximize revenue to offset General Fund supports while fostering **long-term financial stewardship**;
4. Review funding provided to CBOs to maximize strong **outcomes and cost effectiveness**, focused on **direct services to clients**; and,
5. Coordinate with the Mayor's Office on processes they are convening to look at Citywide **savings** ideas and opportunities for **efficiencies** across departments.

# Budget Timeline & Next Steps



- Budget will be submitted to Mayor's Office as statutorily required by **February 23, 2026**.
- Health Commission vote on **March 2, 2026** and any changes submitted to Mayor's Office.
- Mayor Policy guidance around additional \$60M in reductions that will be further specified and presented to Health Commission by the end of April 2026

# **BHS Workplace Safety & Security Update**



# **BHS Commitment to Workplace Safety & Security**

## **Deescalation Training**

Partnered with Crisis Prevention Institute (CPI) to deliver a series of 8-hour de-escalation and disengagement trainings. 300+ BHS employees have participated in the required training. Next series of trainings take place in March.

## **Physical Safety Upgrades**

Implementing critical priorities identified by DPH Leadership such as badge access systems, duress buttons, cameras, and intrusion systems across BHS sites. Four sites near completion (Chinatown North Beach, Mission Mental Health, South of Market Mental Health) and one site in progress (Community Justice Center).

## **BHS Workplace Safety Committee**

Established in January 2025 with the goal of engaging employees in safety planning, share timely updates, and provide escalation pathways. In process of aligning with other workplace safety committees across DPH.

## **Safety Ambassador Presence**

All client locations that provide services for clients will have a safety ambassador present.

**Thank you**