





April 21, 2025

MEMORANDUM

TO: Wala Blegay, Chair
Health, Human Services and Public Safety (HHSPS) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Department of Family Services (DFS)
Fiscal Year 2026 Budget Review

Budget Overview

- The FY 2026 proposed budget for the Department of Family Services (DFS) is \$19,273,900, an increase of \$13,700 or 0.1% over the FY 2025 approved budget. The proposed increase is primarily due to enhancements to existing programs/services grants related to Family Navigator, Local Care Team, Senior Care, Senior Medicare Patrol, Title IIIB Elder Abuse, Title IIIB Guardianship, Title IIIB Ombudsman, and Title IIIC2 Nutrition for the Elderly-Home Delivered Meals Program Income.

Budget Comparison – Expenditures by Fund Type

Fund	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	\$ Change	% Change
General Fund	\$ 6,405,235	\$ 6,871,400	\$ 6,477,200	\$ 6,453,900	\$ (417,500)	-6.5%
Grants	10,510,883	12,023,800	12,020,300	12,455,000	\$ 431,200	3.5%
Special Revenue Funds	361,785	365,000	365,000	365,000	\$ -	0.0%
Total	\$ 17,277,903	\$ 19,260,200	\$ 18,862,500	\$ 19,273,900	\$ 13,700	0.1%

Authorized Staffing Count – All Funds

- In FY 2026, the County staffing complement for DFS is proposed to remain constant at the FY 2025 level of 29 General Fund full-time positions. Four (4) General Fund positions are proposed to be unfunded for FY 2026.

- The General Fund Limited Term (LT) staffing complement increases by ten (10) positions in FY 2026. The 10 new LT positions are part of the Disability Apprenticeship program and are paid for out of the General Fund. These positions were previously 1,000-hour internships, but the classification was changed, and they are now considered LTGF positions.
- In FY 2026, the authorized grant-funded staff complement is proposed to remain at 28 full-time positions, 74 part-time positions, and 47 limited-term grant-funded (LTGF) positions.

Authorized Staffing Count				
	FY 2025 Actual	FY 2026 Proposed	Change Amount	% Change
General Fund Full-Time	29	29	0	0.0%
Grant Fund Full-Time	28	28	0	0.0%
Part-Time	74	74	0	0.0%
Limited Term Grant Funded	47	47	0	0.0%
Limited Term General Fund	0	10	10	100.0%
Total	178	188	10	5.3%

General Fund

- The FY 2026 proposed General Fund budget for DFS is \$6,453,900, a decrease of \$417,500, or -6.1%, under the FY 2025 approved budget. The proposed changes are primarily due to decreases in contractual services for building security due to the anticipated relocation to the new Health Human Services Building, costs for compensation and fringe benefits, and Grant Operating Cash Match, which are being offset by an increase in office automation charges.

Compensation

Expenditures by Category - General Fund

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$2,994,342	\$3,140,400	\$2,979,400	\$3,041,200	\$(99,200)	-3.2%
Fringe Benefits	847,119	916,900	860,400	874,200	(42,700)	-4.7%
Operating	2,563,774	2,814,100	2,637,400	2,538,500	(275,600)	-9.8%
Capital Outlay	—	—	—	—	—	—
SubTotal	\$6,405,235	\$6,871,400	\$6,477,200	\$6,453,900	\$(417,500)	-6.1%
Recoveries	—	—	—	—	—	—
Total	\$6,405,235	\$6,871,400	\$6,477,200	\$6,453,900	\$(417,500)	-6.1%

- In FY 2026, General Fund compensation is anticipated to decrease by -\$99,200 or -3.2%, under the FY 2025 approved budget level, due to annualization of costs related to FY 2025 and anticipated FY 2026 salary adjustments offset by four (4) unfunded positions.

Fringe Benefits

- In FY 2026, General Fund fringe benefits are proposed to decrease by \$42,700, or -4.7%, under the FY 2025 approved budget level, due to a reduction in the fringe benefit rate from 29.2% to 28.7% to align with projected costs.

Operating Expenses

- In FY 2026, General Fund operating expenses are proposed to decrease by \$275,600, or -9.8%, under the FY 2025 approved budget level, primarily due to a reduction in contract services. Funding will continue for contractual services to support agency boards and commissions, adult day care services, goods, and services to support operations of the Dementia Friendly Program, and services for veterans.

Attachment E provides a comprehensive list of proposed operating expenses in response to the *FY 2026 First Round Budget Review Question #20*.

Grants

Expenditures by Category - Grant Funds

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$4,134,032	\$5,550,500	\$5,269,000	\$5,660,600	\$110,100	2.0%
Fringe Benefits	931,920	1,286,100	1,234,200	1,414,700	128,600	10.0%
Operating	5,490,340	5,571,300	5,877,800	5,723,900	152,600	2.7%
Capital Outlay	—	—	—	—	—	—
SubTotal	\$10,556,292	\$12,407,900	\$12,381,000	\$12,799,200	\$391,300	3.2%
Recoveries	—	—	—	—	—	—
Total	\$10,556,292	\$12,407,900	\$12,381,000	\$12,799,200	\$391,300	3.2%

- The FY 2026 proposed grant budget for DFS is \$12,455,000, an increase of 431,200, or 3.6%, over the FY 2025 approved budget. This increase is largely driven by the Senior Care and Title IIIB grants.
- The chart above includes the \$344,200 in County Contribution Cash Match for the grants, which comes out of the General Fund. Once the County Cash Match Contribution has been added, the actual proposed FY 2026 grant budget is \$12,799,200, an increase of \$391,300, or 3.2%, over the FY 2025 budget.
- In FY 2026, funding is provided for 28 full-time positions, 74 part-time positions, and 47 limited-term grant-funded (LTGF) positions. This remains unchanged from the FY 2025 budget. Of the part-time positions, 70 are part of the Foster Grandparent program, and the remaining four (4) support the Elderly Congregant Meal program.

- The Agency does not anticipate any grant funding to be returned in FY 2025.
- Of the grant programs included in the FY 2026 proposed budget, the following four (4) have the largest budgets:
 - *Senior Care* - \$1,937,800
 - *Community Options Waiver* - \$1,406,000
 - *Title III-C1: Nutrition for the Elderly Program Congregate Meals* - \$1,077,500
 - *Title III-B: Area Agency on Aging* - \$835,500
- The Senior Care grant increased by \$600,800 from FY 2025, but the other three (3) grants remain unchanged from last year.

Additional information about grant-funded programs is available on *pages 495-499* of the *FY 2026 Proposed Budget Book*.

Compensation

- In FY 2026, Grant Fund compensation is anticipated to increase by \$110,100, or 2%, above the FY 2025 approved budget level.

Fringe Benefits

- In FY 2026, Grant Fund fringe benefits are proposed to increase by \$128,600, or 10%, above the FY 2025 approved budget level.

Operating Expenses

- In FY 2026, Grant Fund operating expenses are proposed to increase by \$152,600, or 2.7%, over the FY 2025 approved budget level.

Domestic Violence Special Revenue Fund

- The Domestic Violence Fund supports shelter assistance for victims of domestic violence and a specialized work training program for shelter residents. Shelter services include crisis intervention for families affected by domestic violence through emergency shelter, counseling for victims, children, and abusers, a 24-hour hotline, a safe visitation center, community education, legal information, and representation. Services also include an anger management program.
- In FY 2026, the Domestic Violence Fund revenues are proposed at \$365,000, and remain unchanged from the FY 2025 approved budgeted level. This is driven primarily by marriage licenses and permits, which are anticipated to decrease by \$2,000 in FY 2026 and will be offset by an increase in the appropriated fund balance of \$2,000.

Fund Summary

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated	FY 2026 Proposed	FY 2025-2026	
					Change \$	Change %
BEGINNING FUND BALANCE	\$335,489	\$337,869	\$337,869	\$312,869	\$(25,000)	-7.4%
REVENUES						
Marriage Licenses and Permits	\$282,165	\$285,000	\$283,000	\$283,000	\$(2,000)	-0.7%
Appropriated Fund Balance	—	23,000	25,000	25,000	2,000	8.7%
Transfer In - General Fund	82,000	57,000	57,000	57,000	—	0.0%
Total Revenues	\$364,165	\$365,000	\$365,000	\$365,000	\$—	0.0%
EXPENDITURES						
Operating Expenses	\$361,785	\$365,000	\$365,000	\$365,000	\$—	0.0%
Total Expenditures	\$361,785	\$365,000	\$365,000	\$365,000	\$—	0.0%
EXCESS OF REVENUES OVER EXPENDITURES	2,380	—	—	—	—	0.0%
OTHER ADJUSTMENTS	—	(23,000)	(25,000)	(25,000)	(2,000)	8.7%
ENDING FUND BALANCE	\$337,869	\$314,869	\$312,869	\$287,869	\$(27,000)	-8.6%

- In FY 2026, the Domestic Violence Fund revenues are proposed to be divided between two (2) operating contracts, with \$340,000 going to the Family Crisis Center, and the remaining \$25,000 going to Domestic Victims of Human Trafficking Resiliency (Emergency Fund).

Component	FY 2024 Approved Amount	FY 2024 Actual Amount	FY 2025 Approved Amount	FY 2025 YTD Amount	FY 2026 Proposed Amount
Family Crisis Center	\$340,000	\$340,000	\$340,000	\$340,000	\$340,000
DVHT Resiliency (Emergency) Fund	\$25,000	\$21,784	\$25,000	\$25,000	\$25,000
Other Domestic Violence Initiatives	\$25,000	\$0	\$0	\$0	\$0
TOTAL	\$390,000	\$361,784	\$365,000	\$365,000	\$365,000

- The ending fund balance for the Domestic Violence Special Revenue Fund is proposed at \$287,869 in FY 2026.

Staffing

- As of March 1, 2025, DFS reported the following:
 - Eight (8) General Fund full-time vacancies, representing a vacancy rate of 27.5%.
 - Five (5) full-time Grant-funded vacancies, representing a vacancy rate of 17.9%.
 - One (1) grant-funded part-time vacancy; and
 - Eighteen limited-term grant-funded vacancies, representing a limited-term grant-funded vacancy rate of 33%.

Performance Management

- The Aging and Disabilities Services Division is restructuring and realigning its programs and services. This will promote greater collaboration throughout the division and across programs. There are now three (3) units within the division. They are:
 - Community Services and Emergency Preparedness;

- Client Services and Planning; and
 - Advocacy and Volunteerism.
- The Department had improved its efforts to fill vacancies with the hire of a Human Resources Assistant; however, the HR Manager received a promotional opportunity with OHRM and resigned in December 2024. The Department is currently awaiting the close of the vacancy announcement to obtain the candidate list for interviewing. The Department continues to meet bi-weekly with OHRM to review and strategize on methods of filling remaining vacancies. Year to date, the Department has filled six (6) vacancies during FY 2025 and has recently tendered offer letters to six (6) additional candidates. These are grant-funded hires within their Medicaid Waiver grant program.
- Select Program status updates:
 - The Department submitted a request to convert 12 positions within the Medicaid Waiver grant program from LTGF to merit positions. The request was not approved due to budget constraints.
 - Although there remains a higher level of attrition for LTGF staff, the Department has been able to reduce the time required to fill these positions.

Facilities

- The Regional Health and Human Services Center's ribbon-cutting ceremony was on April 1, 2025. DFS plans to move in shortly thereafter. DFS Senior Leadership, along with additional key staff, has toured the building and identified locations for staff seating.

Challenges in FY 2025 and Beyond

Staffing & Vacancy

- The overall vacancy count is still above the desired level. It remains extremely difficult to maintain a fully staffed Community Options Waiver program, as local jurisdictions continue to hire trained and experienced members of DFS staff. This directly impacts their ability to bill, increase revenue, and provide much-needed services in the community.
- Maintaining LTGF staff remains a challenge, as does addressing staffing shortages due to resignations and retirements. The Department has a significant number of LTGF positions that offer limited health benefits, no leave benefits, and no pension. Many staff resign to obtain permanent, full-time opportunities that provide leave and retirement benefits.
- In addition, it has also been challenging to obtain qualified candidates to fill certain critical positions like the Counselor III and Executive support staff.