



April 30, 2026

MEMORANDUM

TO: Wanika B. Fisher, Esq., Chair
Public Safety, Health and Human Services Committee (PSHHS)

THRU: Sylvia King *CK*
Senior Legislative Budget Officer

FROM: David Noto *DN*
Legislative Budget and Policy Analyst

RE: Department of Social Services
Fiscal Year 2027 Budget Review

The Department of Social Services (DSS) is a quasi-State agency and receives most of its funds and personnel directly from the State. These funds are not reported in the County Budget because they are not grants, but direct funding. This Report focuses on the County's portion of the Department's overall budget unless specified otherwise.

Budget Overview

The FY 2027 proposed budget for the Department of Social Services (DSS) is \$27,933,600, a decrease of -\$2,022,500, or -6.8%, under the FY 2026 approved budget. This is primarily due to reductions in grants in the Community Programs Division.

The Department does not anticipate the need to submit a supplemental budget request for FY 2026.

Budget Comparison – Expenditures by Fund Type

Expenditures by Fund Type

Fund Types	FY 2025 Actual		FY 2026 Budget		FY 2026 Estimate		FY 2027 Proposed	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
General Fund	\$9,356,200	38.4%	\$9,708,400	32.4%	\$9,930,100	36.4%	\$10,116,500	36.2%
Grant Funds	15,025,168	61.6%	20,247,700	67.6%	17,357,900	63.6%	17,817,100	63.8%
Total	\$24,381,368	100.0%	\$29,956,100	100.0%	\$27,288,000	100.0%	\$27,933,600	100.0%

Staffing

- In FY 2027, the County staffing complement for DSS is proposed to remain at the FY 2026 level of 29 General Fund full-time positions, 27 Grant-Funded full-time positions, and 202 Limited Term Grant Funded positions.

Authorized Staffing Count			
	FY 2026 Budget	FY 2027 Proposed	Change Amount
Full-Time	56	56	0
Limited term	202	202	0
Total	258	258	0

- As of March 2026, the Department had six (6) General Fund vacancies, which equates to a 20% vacancy rate. The Department is currently recruiting for all six (6) positions.
- As of March 2026, the Department had nine (9) Grant-Funded full-time vacancies, representing a vacancy rate of 33%. The Department is in the process of converting four (4) Limited Term Grant Funded (LTGF) positions into merit positions and expect them to be filled by the end of FY 2026. The Department does not anticipate converting any LTGF positions to merit in FY 2027.
- As of March 2026, the Department had 79 LTGF vacancies. This represents a LTGF vacancy rate of 39%. Of these vacant positions, 48 are unfunded.
- In addition to the County portion of the Department’s staff, 427 full-time positions are authorized and funded by the state of Maryland. As of March 2026, 37 of the State positions were listed as vacant, representing a vacancy rate of 9%. However, the number of full-time positions receiving direct state funding decreased from 448 in FY 2026 to 427 in FY 2027.
- The estimated salary lapse for these vacant positions is \$327,000.

Actual Staffing by Division								
Division	FY 2026 Actual Filled Positions (YTD)				FY 2027 Proposed Filled Positions			
	County: General Fund		Grant Funded		County: General Fund		State Funded	
	FT	LT	FT	LT	FT	LT	FT	LT
Community Programs	9	10	24	1	9	10	24	1
Child, Adult, and Family Services	7	0	6	191	7	0	6	191
Family Investment	0	8	75	185	0	8	75	185
Local General Administration	8	0	18	21	8	0	18	21
TOTAL	24	18	123	398	24	18	123	398
<i>YTD as of: 3/9/26</i>								
<i>Note: please include full-time, part-time and limited term positions</i>								

General Fund

The FY 2027 proposed General Fund budget for the Department of Social Services is \$10,116,500, an increase of \$408,100, or 4.2%, over the FY 2026 approved budget. In FY 2027, the General Fund proposed spending is comprised of \$3,157,500 in compensation, \$674,500 in fringe benefits, and the \$6,284,500 in operating expenses.

Expenditures by Category - General Fund

Category	FY 2025 Actual	FY 2026 Budget	FY 2026 Estimate	FY 2027 Proposed	Change FY26-FY27	
					Amount (\$)	Percent (%)
Compensation	\$2,823,602	\$2,867,300	\$2,638,900	\$3,157,500	\$290,200	10.1%
Fringe Benefits	659,907	764,500	1,165,100	674,500	(90,000)	-11.8%
Operating	5,872,691	6,076,600	6,126,100	6,284,500	207,900	3.4%
Capital Outlay	—	—	—	—	—	—
SubTotal	\$9,356,200	\$9,708,400	\$9,930,100	\$10,116,500	\$408,100	4.2%
Recoveries	—	—	—	—	—	—
Total	\$9,356,200	\$9,708,400	\$9,930,100	\$10,116,500	\$408,100	4.2%

Compensation

- In FY 2027, compensation expenditures increase by 10.1% over the FY 2026 budget due to the annualization of FY 2026 and planned FY 2027 salary adjustments. Funding is provided for State salary supplements and grant cash match funding. Compensation costs include funding 29 full-time positions and remain unchanged from the previous fiscal year.

Fringe Benefits

- In FY 2027, General Fund fringe benefits decrease by \$90K, or -11.8%, under the FY 2026 budget to align with compensation adjustments and anticipated costs.

Operating Expenses

- Operating expenditures increase by \$207,900, or 3.4%, over the FY 2026 approved budget due to an increase in county-wide OIT charges, travel and training costs, membership fees, and general office supply costs.
- Funding continues to support the Prince George’s Child Resource Center and security for the shelters. Over 70% of this increase is due to the annualization of FY 2026 and planned FY 2027 salary adjustments. The Office of Strategic Partnerships and Community Solutions, which supports the community resource advocate program within Prince George’s County Public Schools, also received an increase in funding from the General Fund.

See table of expenditures on the next page.

Commitment Item	FY 2026 Budget	FY 2026 Estimate	FY 2027 Proposed	Comments
Telephone	\$ 25,000	\$ 25,000	\$ 25,000	
Utilities	\$ -	\$ 5,000	\$ -	Variance reflects YTD data for cable charges
Office Automation	\$ 425,100	\$ 425,100	\$ 442,200	Variance reflects countywide OIT charges
Training	\$ 23,000	\$ 11,200	\$ 23,000	
Advertising	\$ 1,200	\$ 200	\$ 1,200	
Travel: Non-Training	\$ 1,800	\$ -	\$ 4,000	Increase in proposed amount due to the decrease in grant funding
Membership Fees	\$ 600	\$ 400	\$ 900	Increase in proposed amount due to membership renewal costs not funded through grant funding
Mileage Reimbursement	\$ 2,000	\$ 2,000	\$ 2,000	
General & Administrative Contracts	\$ 32,400	\$ 45,400	\$ 38,200	Proposed amount reflects the cost after renegotiation of contracts
Operating Contracts	\$ 4,719,000	\$ 4,770,100	\$ 4,789,300	Proposed amount reflects the cost after renegotiation of contracts
Security Services	\$ 2,000	\$ -	\$ -	
General Office Supplies	\$ 46,900	\$ 43,700	\$ 60,100	Increase in proposed amount to offset decrease in grant funding for operating supplies
Office and Operating Equipment Non-Capital	\$ -	\$ -	\$ 7,400	Funding supports needs previously covered by grant funding, which are now being transitioned to the General
Other Operating Equipment	\$ -	\$ 400	\$ -	
Vehicle Equipment Repair/Maintenance	\$ 81,200	\$ 81,200	\$ 87,500	Mandated fleet charge
Gas and Oil	\$ -	\$ 2,600	\$ 3,500	Funding aligns with current spending trends
Office/Building Rental/Lease	\$ 293,600	\$ 220,000	\$ 306,400	Funding supports anticipated lease costs that support community programs
Subgrantee Awards	\$ 422,800	\$ 493,800	\$ 493,800	Increase reflects subgrantee award allocations to support program delivery, consistent with anticipated funding levels and service needs
TOTAL	\$ 6,076,600	\$ 6,126,100	\$ 6,284,500	

Grants

Expenditures by Category - Grant Funds

Category	FY 2025 Actual	FY 2026 Budget	FY 2026 Estimate	FY 2027 Proposed	Change FY26-FY27	
					Amount (\$)	Percent (%)
Compensation	\$6,493,200	\$8,034,000	\$8,700,900	\$8,058,500	\$24,500	0.3%
Fringe Benefits	957,800	1,485,200	1,530,900	1,534,900	49,700	3.3%
Operating	7,681,435	11,312,200	7,676,000	8,773,600	(2,538,600)	-22.4%
Capital Outlay	—	—	—	—	—	
SubTotal	\$15,132,435	\$20,831,400	\$17,907,800	\$18,367,000	\$(2,464,400)	-11.8%
Recoveries	—	—	—	—	—	
Total	\$15,132,435	\$20,831,400	\$17,907,800	\$18,367,000	\$(2,464,400)	-11.8%

- The FY 2027 proposed grant budget for the Department of Social Services is \$18,367,000, a decrease of -\$2,464,400, or -11.8%, below the FY 2026 approved budget. The chart above includes the \$549,900 County Obligation Cash Match for the grants, which is funded by the General Fund.
- This decrease is primarily associated with reduced funding for the Office of Home Energy Programs (MEAP), the Office of Strategic Partnership and Community Solutions, the Permanent Housing Program for People with Disabilities (HELP), the Transitional Housing Program and other programs in the Community Services Division.
- Major sources of funds in the FY 2027 proposed grant budget include:

Welfare Reform-Work Opportunities/Block Grant Funds Programs 02, 08, 10	\$ 4,516,400.00
Office of Strategic Partnerships and Community Solutions (formerly Crisis Intervention Public School Network)	\$ 2,400,000.00
Homelessness Solutions	\$ 2,000,000.00
Affordable Care Act-Connector Program	\$ 1,700,000.00
Office of Home Energy Programs (MEAP & EUSP)	\$ 1,650,000.00
Interagency Family Preservation	\$ 1,065,000.00

- The Department does not anticipate returning any grant money in FY 2026.

Program Management

- In FY 2026, the Department hired a new Director. The Director’s office was reorganized to include the Director’s Special Assistant, the Special Coordinator, the Communications team, and the Hispanic Liaison. The Department is also exploring a potential transition of the Community Services Division to the County Executive’s Office. This transition would focus on improving services for residents experiencing homelessness and food insecurity. The fiscal implications of this potential change are under review.

- This transition could expand the County’s food security effort to include dedicated funding for food acquisition and staffing, expand clinical case management and targeted rapid exit/rehousing at all emergency shelters, staff two drop-in centers, establish a skilled Housing Problem Solving team, and increase flex funds.

Challenges in FY 2027

Funding

- The untimely approval of contracts has been reported as having a detrimental effect on the Department's ability to deliver services.
- The Department continues to work to streamline the contracting process and enhance efficiency.
- Additionally, the timing of funding award notifications and recent organizational leadership transitions has contributed to operational challenges during FY 2026.

Federal Policy Changes

- The Department is required to maintain a Homeless Continuum of Care (CoC) structure in order to access federal and state homeless funding and all funding has a match requirement.
 - The federal changes to the Department of Housing and Urban Development’s (HUD) Notice of Funding Opportunity (NOFO) will significantly impact the Prince George’s County CoC, by shifting the structural requirements from a “Housing First” model to a “Treatment First” and personal accountability framework.
 - Under the most recent 2025-2026 federal guidance, which is facing legal challenges, resulting in a temporary return to the FY 2024-2025 standards, HUD has sought to reduce the protection of existing permanent housing projects, by capping them at 30% of the Annual Renewal Demand and lowering Tier 1 funding protections from approximately 90% to 30%.
 - For the Department, this necessitates a fundamental restructuring of the local CoC, to prioritize transitional housing and supportive services over permanent supportive housing, while strictly adhering to new federal mandates regarding participation in supportive services and the prohibition of harm-reduction practices.
 - Consequently, Prince George's County CoC must adapt its governance charter and ranking policies to remain competitive in a national landscape where 70% of funding is now fully discretionary and tied to federal policy alignment.