



April 15, 2025

MEMORANDUM

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

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Department of Social Services
Fiscal Year 2026 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. In FY 2026, DSS's Total Budget, inclusive of direct State funds accounts, is \$76,479,615, with \$46,173,415 funded directly by the State.

Budget Overview

The FY 2026 proposed budget for the Department of Social Services (DSS) is \$29,722,500, a decrease of -\$293,900, or -1.0%, under the FY 2025 approved budget. This is primarily due to reductions in the general fund operating expenditures in training, contracts, and office building rental to align with projected costs.

The Department anticipates an FY 2025 supplemental request of approximately \$394,000 in General Funds, which stems from factors such as rising expenses in operating funds and to support the annualization of FY 2025 salary adjustments.

Budget Comparison – Expenditures by Fund Type

Fund	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed	\$ Change	% Change
General Fund	\$ 8,240,235	\$ 9,988,800	\$ 9,708,400	\$ (280,400)	-2.8%
Grants	\$ 14,755,644	\$ 20,027,600	\$ 20,014,100	\$ (13,500)	-0.1%
Total	\$ 22,995,879	\$ 30,016,400	\$ 29,722,500	\$ (293,900)	-1.0%

Authorized Staffing Count – All Funds

- In FY 2026, the County staffing complement for DSS is proposed to remain at the FY 2025 level of 29 General Fund full-time positions, and the Grant-Funded full-time positions are proposed to increase to 27 positions, a reallocation of four (4) LTGF positions to full-time Grant-Funded merit-based positions. As such, the total number of LTGF positions will decrease to 202 in FY 2026.

Authorized Staffing Count			
	FY 2025 Budget	FY 2026 Proposed	Change Amount
Full-Time	52	56	4
Limited term	206	202	-4
Total	258	258	0

General Fund

In FY 2026, the General Fund proposed spending is comprised of \$2,867,300 of funds allocated for compensation, \$764,500 allocated for fringe benefits, and the remaining \$6,076,600 allocated for operating expenses.

Expenditures by Category - General Fund

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$2,143,128	\$2,887,400	\$3,171,500	\$2,867,300	\$(20,100)	-0.7%
Fringe Benefits	589,012	747,800	765,000	764,500	16,700	2.2%
Operating	5,508,095	6,353,600	6,446,200	6,076,600	(277,000)	-4.4%
Capital Outlay	—	—	—	—	—	—
SubTotal	\$8,240,235	\$9,988,800	\$10,382,700	\$9,708,400	\$(280,400)	-2.8%
Recoveries	—	—	—	—	—	—
Total	\$8,240,235	\$9,988,800	\$10,382,700	\$9,708,400	\$(280,400)	-2.8%

- The FY 2026 proposed General Fund Budget for DSS is \$9,708,400, a decrease of -\$280,400, or -2.8%, under the FY 2025 Approved Budget. This is primarily due to net decreases in operating costs for training, contracts, and office building rental to align with projected costs, which are being partially offset by increases in spending for improving security at two (2) shelters and providing funding for Child Welfare Services and Family Connects program.

Compensation

- In FY 2026, Proposed General Fund compensation expenditures decreased by -\$20,100, or -0.7%, under the FY 2025 Approved Budget due to the annualization of FY 2025 and planned FY 2026 salary adjustments, offset with positions that will be directly charged to grant programs in FY 2026. Funding is provided for State salary supplements and grant cash match funding.

- In FY 2026, compensation costs include funding 29 full-time positions and remains unchanged from the previous fiscal year.

Fringe Benefits

- In FY 2026, General Fund fringe benefit expenditures are proposed to increase by \$16,700, or 2.2% above the FY 2025 Approved Budget level, to align with compensation adjustments and anticipated costs.

Operating Expenses

- Operating expenditures will decrease by -\$277,000, or -4.4%, under the FY 2025 approved budget level, to \$6,076,600 due to a reduction in contract services and building rental.
- Additional operating funding is provided for two (2) new security guards at the Promise Place and Shepherd's Cove shelter due to several attempted break-ins, all of which occurred outside of the facility. Funding continues to support the Prince George's Child Resource Center – Family Connects Program and renovations for the shelters.

Operating Expenses				
Commitment Item	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	\$ Change
Telephone	\$ 25,000	\$ 23,000	\$ 25,000	\$ -
Utilities	\$ -	\$ 6,000	\$ -	\$ -
Office Automation	\$ 374,900	\$ 374,900	\$ 425,100	\$ 50,200
Training	\$ 34,000	\$ 34,000	\$ 23,000	\$ (11,000)
Advertising	\$ 1,200	\$ 700	\$ 1,200	\$ -
Travel: Non-Training	\$ 4,000	\$ 3,000	\$ 1,800	\$ (2,200)
Membership Fees	\$ 600	\$ 600	\$ 600	\$ -
Mileage Reimbursement	\$ 900	\$ 900	\$ 2,000	\$ 1,100
General & Administrative				
Contracts	\$ 32,400	\$ 18,200	\$ 32,400	\$ -
Operating Contracts	\$ 4,966,500	\$ 4,869,100	\$ 4,794,900	\$ (171,600)
General Office Supplies	\$ 29,000	\$ 31,300	\$ 29,000	\$ -
Non-Capital Office & Operating Equipment	\$ 7,400	\$ 27,400	\$ 7,400	\$ -
Vehicle Equipment				
Repair/ Maintenance	\$ 77,500	\$ 130,800	\$ 81,200	\$ 3,700
Gas and Oil	\$ -	\$ 8,300	\$ 14,000	\$ 14,000
Office/ Building Rental/ Lease	\$ 306,400	\$ 421,900	\$ 145,200	\$ (161,200)
Interagency Charges	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -
Adjustment to align to ACFR	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
Grants/ Contributions	\$ 493,800	\$ 493,800	\$ 493,800	\$ -
Miscellaneous	\$ -	\$ 2,300	\$ -	\$ -
Other Operating				
Equipment Repair/ Maintenance	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,353,600	\$ 6,446,200	\$ 6,076,600	\$ (277,000)

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	\$6,294,493	\$8,129,900	\$8,080,800	\$8,034,000	\$(95,900)	-1.2%
Fringe Benefits	932,412	1,232,000	1,255,500	1,485,200	253,200	20.6%
Operating	7,354,392	11,234,400	11,275,000	11,078,600	(155,800)	-1.4%
Capital Outlay	201,526	—	—	—	—	
SubTotal	\$14,782,823	\$20,596,300	\$20,611,300	\$20,597,800	\$1,500	0.0%
Recoveries	—	—	—	—	—	
Total	\$14,782,823	\$20,596,300	\$20,611,300	\$20,597,800	\$1,500	0.0%

- The FY 2026 proposed grant budget for the Department of Social Services is \$20,014,100, a decrease of \$13,500 below the FY 2025 approved budget. The chart above does not include the \$583,700 County Obligation Cash Match for the grants, which comes out of the General Fund. Once the County Cash Match Obligation has been added, the complete proposed FY 2026 grant budget is \$20,597,800, an increase of \$1,500 over the FY 2025 Approved Budget.
- This increase is primarily associated with the additional funding for programs in the Community Services Division.
 - Continuum of Care Planning Project-1, Homelessness Solutions, Maryland Emergency Food Program, Office of Home Energy Programs, Office of Home Energy Programs, Office of Strategic Partnership and Community Solutions, Permanent Housing Program for People with Disabilities, Child Advocacy Support Services and Child and Advocacy Multidisciplinary Team Facilitator Program.
- Major sources of funds in the FY 2026 proposed budget include:
 - Welfare Reform - Work Opportunities
 - Office of Strategic Partnerships and Child Advocacy
 - Homelessness Solutions
 - Office of Home Energy Programs Maryland Energy Assistance Program & Electric Universal Service Program
- The Department does not anticipate returning any grant money in FY 2025.
- Of the grant-funded programs included in the FY 2026 Proposed Budget, the following seven (7) have the largest budgets:
 - *Welfare Reform Work Opportunities/Block Grant Funds Program 02, 08, 10* – \$4,516,400
 - *Office of Strategic Partnerships and Community Solutions (formerly Crisis Intervention Public School Network)* – \$2,542,700

- *Homelessness Solutions* – \$2,710,000
- *Affordable Care Act-Connector Program* – \$1,700,000
- *Office of Home Energy Programs – Maryland Energy Assistance Program (MEAP) Electric Universal Service Program (EUSP)* – \$1,750,000
- *Interagency Family Preservation* - \$1,065,000
- *Youth Homelessness Systems Improvement* - \$1,250,000

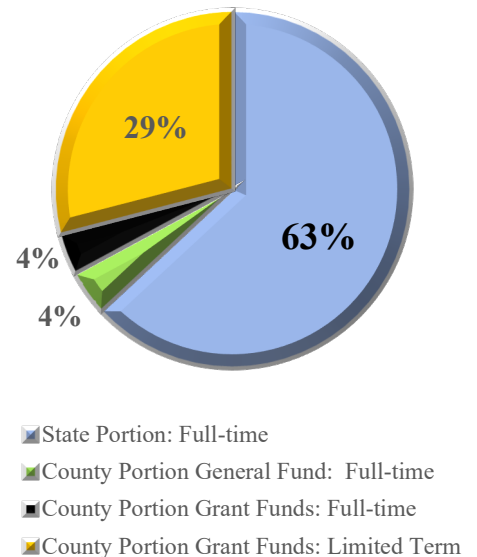
Staffing

- In FY 2026, funding is proposed for 27 grant-funded full-time and 202 limited-term grant-funded (LTGF) positions. Four (4) limited-term grant-funded positions were converted to full-time positions in FY 2026.

Grant Program Funds Authorized Staffing Count					
Grant Funded	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed	Change Amount
Full-Time	5	15	23	27	4
Limited term	224	214	206	202	-4
Total	229	229	229	229	0

- As of March 2025, the Department had four (4) General Fund vacancies, which equates to a 14% vacancy rate. These vacancies have been budgeted for in FY 2025, and the Department is currently recruiting for three (3) of those positions.
- As of March 2025, the Department had nine (9) Grant-Funded full-time vacancies, representing a vacancy rate of 39%. Eight (8) of these positions are in the process of conversion.
- As of March 2025, the Department had 92 LTGF vacancies. This represents a LTGF vacancy rate of 44%. Of these vacant positions, 54 are Community Developer 1G positions.
- In addition to the County portion of the Department's staff, 448 full-time positions are authorized and funded by the state of Maryland. As of March 2025, 62 of the State positions were listed as vacant, representing a vacancy rate of 14%.
- The estimated salary lapse for these vacant positions is \$5.8 million.

FY 2026 Proposed Staffing by Funding Source (State and County Positions)



(Table on next page)

Actual Staffing by Division												
Division	FY 2023 Actual Filled Positions				FY 2024 Actual Filled Positions				FY 2025 Actual Filled Positions			
	County: General Fund	Grant Funded		State Funded	County: General Fund	Grant Funded		State Funded	County: General Fund	Grant Funded		State Funded
	FT	FT	LT	FT	FT	FT	LT	FT	FT	FT	LT	FT
Community Programs	5	2	21	0	8	6	21	0	9	10	43	1
Child, Adult, and Family Services	8	0	6	153	8	2	9	163	7	1	11	176
Family Investment	0	1	63	169	0	1	71	190	0	3	46	188
Local General Administration	7	0	18	19	8	0	14	20	9	0	14	21
Other	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	20	3	108	341	24	9	115	373	25	14	114	386
YTD as of: 3/28/25												
Note: Please include full-time, part-time and limited-term positions												

Information Technology

- The Department has fully implemented “MD THINK,” the software framework that supports online application collections, document uploads, case processing, and reporting. The agency continues to work closely with the State to address ongoing system challenges as they arise.

Facilities

- There were no changes to the main office facilities in FY 2025; however, the Department continues to work with the Office of Central Services (OCS) on the planned relocation to the new Health and Human Services Building (HHSB).

Performance Management

- In FY 2025, the Department implemented several improvements to their response systems, including, but not limited to:
 - The addition of a management position to oversee staff assigned to community-based sites throughout the County to ensure consistency of operations.
 - Re-imagined the role of their three crisis navigators (one in each of our core public serving offices) to more effectively support customers with complex needs.
 - Expansion of outreach and community engagement through the establishment of a centralized communications office.
 - Establishment of a Direct Kinship Unit working with youth placed with kin (including extended bio and families of choice) to serve the unique needs of these youth.
- Select Program status updates:
 - 10-year strategic plan to end homelessness: The Department launched Phase Two of the Continuum of Care strategic planning process in December of 2024 and is on track to publish the final plan by June 30, 2025.

- “I Am Resilient: A Youth Homelessness Prevention Plan” - The Department’s partnership with Sasha Bruce Youthwork is currently in year two of the three-year pilot.
- Youth Homelessness Systems Improvement (YHSI) partnership application with the State of Maryland—The State of Maryland was awarded the YHSI grant in June 2024, and work plan negotiations were finalized with Housing and Urban Development at the end of January 2025. The State held a kickoff meeting on February 12, 2025, and the Department is actively engaged in the planning.
- Department's 5-year strategic plan - The Department is currently in the final phase of developing a new 5-year strategic plan and anticipates releasing it and providing training starting in June 2025.
- The Department participated in a Health, Education and Human Services work team to review system challenges and make recommendations for modifications to the contracting workflow. The Department is currently partnering with the Office of Procurement to test and refine newly emerging processes and procedures resulting from that work to continue to improve desired outcomes.

Challenges in FY 2025 and Beyond

Funding

- 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 Department will not be able to maintain continuity of services at the same level if they experience funding shortfalls over the next two (2) years.

Staffing & Vacancy

- DSS has integrated a larger network of candidate-generating partnerships and strategies to address the staffing crisis that has continued since FY 2023. Nonetheless, DSS continues to struggle with recruiting and retaining State, and County-funded positions, including General Fund and grant-funded positions.
- Vacancy rates for LTGF positions continue to be high, which is a recognized problem across the country. Many LTGF employees leave seeking more competitive salaries and full benefits from other agencies throughout the Metro DC region.