

FY 2025-26 Budget Update
November 18, 2025

Social Services

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COUNTY
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FUTURE



Summary

- Board direction to return today as continuation of October 7 hearing
 - Eliminate layoffs in current year – 65 had been proposed
 - Eliminate funding for vacant positions – 58 positions
 - Reduce other spending to match revenues
- Today's hearing
 - Cost reduction strategies
 - Budget revision based on updated projections
 - FY 2025-26 update
 - Look ahead to FY 2026-27

Cost Reduction Strategies

- Explore opportunities for DSS staff to work with justice-involved individuals to leverage alternate funding:
 - To assist with Medi-Cal eligibility determinations and enrollment
 - To work on re-entry care management services
- Union concessions
 - Tentative agreements reached with SEIU Local 620 & 721
 - Potential \$250K savings over course of 12 months
- Continue to hold vacancies
- Spending controls and rigorous fiscal review

Budget Revision

- Maintains funding for all filled positions
- Six main actions:

Removes funding for 58 vacant positions	\$1.4M
Adjusts salary savings to reflect attrition trends	\$1.8M
Reduces realignment revenues to match state projections	\$1.5M
Increases budget for cash assistance (foster care and adoptions)	\$1.3M
Reduces contracted services for CWS	\$1.1M
Reduces one-time revenues drawn down in FY 2024-25	\$1.75M

- Includes \$2.3M transfer from General County Programs as backstop should other reduction measures fall short

Update since 10/7

- Additional revenue shortfall anticipated adding \$500K to current year budget gap
- DSS will continue to monitor and refine projections throughout the year
- DSS may return later in the year with another budget revision, which would incorporate alternate funding, union concessions, and other adjustments to reflect updated projections

FY 2026-27 and Beyond

- **\$10M+** gap next year
 - CalFresh administration cost-sharing formula change – **\$2.6M**
 - Depletion of General County Programs one-time funding – **\$2.8M**
 - Ongoing annual cost of 65 filled positions – **\$4.8M**
- Reduction strategies will be proposed during budget development and April budget workshops
- DSS anticipates layoffs in excess of the 65 that had been proposed in the current year

Recommended Actions

That the Board of Supervisors:

- a) Receive and file an update on the Department of Social Services (DSS) budget and fiscal outlook;
- b) Approve Budget Revision #0010875 that adjusts revenues and expenditures to expected levels and removes funding for 58 vacant positions; and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended actions consist of organizational, administrative, or fiscal activities of government that will not result in direct or indirect physical changes in the environment.