

9. Consider approval of the Proposed 2025-26 Budget for the Human Services Department, including any supplemental materials, and take related actions, as outlined in the referenced budget documents, and as recommended by the County Executive Officer ( )



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** Human Services Department

**Subject:** Proposed 2025-26 Budget for Human Services Department

**Meeting Date:** June 3, 2025

**Formal Title:** Consider approval of the Proposed 2025-26 Budget for the Human Services Department, including any supplemental materials, and take related actions, as outlined in the referenced budget documents, and as recommended by the County Executive Officer

### Recommended Action

Approve the Proposed 2025-26 Budget for the Human Services Department, including any supplemental materials, as provided in the referenced budget documents:

- [Proposed Budget](#)
- [Supplemental Budget](#)
- [Fixed Assets](#)
- [Continuing Agreements List](#)
- [Unified Fee Schedule](#)

### Executive Summary

The Proposed 2025-26 Budget with Supplemental changes for the Human Services Department supports six divisions: Social Services, Entitlements, Housing for Health, Workforce Innovation and Opportunities Act, Veteran's Services, and Public Guardian with funded staffing of 580.0 full-time equivalent (FTE) positions.

### Discussion

The mission of the Human Services Department (HSD) is to strengthen our community by protecting the vulnerable, promoting self-sufficiency, alleviating poverty, and improving the quality of life. Department and division operational objectives are shown in the Proposed 2025-26 Budget document and 2025-27 Operational Plan. Both are available online at: [www.SCCVision.us](http://www.SCCVision.us)

The HSD Proposed Budget includes negotiated salary and benefit increase as well as a change in facility charges to properly reflect the cost of facility services and utilities. Also included is a capital project contribution that provides \$1,000,000 for the 1400 Emeline Avenue HVAC replacement project, included in the [2025-30 Capital Improvement Plan \(CIP\)](#).

The HSD Supplemental Budget increases funding for Housing Opportunities for Persons with AIDS (HOPWA), HomeSafe, and Housing Disability and Advocacy Program (HDAP) grants in the Housing for Health division, corrects budget objects for HSD copiers to appropriately classify them as leased machines, establishes needed appropriations for CalFresh Employment Training (CFET) pass-throughs, and transfers and reclasses a position in the Social Services division.

Anticipated impacts from state or federal funding include changes to Medi-Cal eligibility rules for undocumented immigrants, implementation of work requirements for Medi-Cal and CalFresh participants, elimination of In-Home Supportive Services (IHSS) for undocumented adults, and reduced homeless prevention and supportive housing

funding.

The budget reflects important service changes, including preparing the Comprehensive Prevention Plan for Child Welfare, reduced funding for homeless prevention programs and services and implementing a new Child Welfare System record-keeping software program.

In the HSD Proposed Budget, funded staffing totals 580.0 FTE positions with the deletion of the following positions: 3.0 FTE Personnel Technicians who will be transferred to the Personnel Department, with HSD continuing to fund the positions. Additionally, limited term positions are being extended to June 30, 2027 for 6.0 FTE positions: 3.0 Social Worker I/II, 2.0 Program Coordinator, and 1.0 Departmental Administrative Analyst. Finally, 1.0 FTE Benefit Representative position is being reclassified to a Benefit Representative Supervisor to assist with an increase in Fair Hearings for clients who appeal their benefit eligibility determinations. Lastly, the HSD Supplemental Budget includes the transfer of 1.0 FTE Benefit Representative position from the Employment and Benefit Services division and reclass of the position to a Benefit Representative Supervisor in Administration to assist with Fair Hearings.

Budgeted funding will continue to support ongoing staff work, including providing safety net services to meet the basic needs of individuals and families, ensuring the protection of children, the elderly, and dependent adults, and providing job search assistance and job training opportunities to help job seekers become self-sufficient.

Over the next fiscal year, the department will be focused on analyzing and implementing potential State and Federal funding and program changes to safety net services and housing and homelessness prevention programs. New operational objectives include increasing the CalWORKs participant graduation rate, continuing work on the Master Plan on Aging, CalAIM implementation for the justice-involved population, and partnering with other departments on client consent and data sharing.

### **Financial Impact**

The HSD Proposed Budget with Supplemental changes includes \$194,725,756 in expenditures offset by \$165,892,560 in revenues, \$26,833,197 in General Fund contribution, and \$2,000,000 in District Sales Tax contribution. This reflects a total expenditure decrease of \$9,671,060 or 4.7% from the Fiscal Year 2024-25 Adopted Budget.

### **Strategic Initiatives**

Equity Framework - Plans, Policies & Budgets  
Operational Plan - Comprehensive Health & Safety  
Climate Action - Government Operations

### **Submitted By:**

Randy Morris, Director of Human Services

### **Recommended By:**

Carlos J. Palacios, County Executive Officer

### **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.



# Human Services

## 2025-26

### Proposed Budget

June 3, 2025

**Randy Morris**, Director

**Kimberly Petersen**, Deputy Director

**Trish Daniels**, Admin Services Director



# Presentation Overview



Our Mission



How We are Organized



Budget Overview



Fiscal & Staffing Details



Federal/State Risks & Emerging Issues



Request & Questions



## **Our Mission**

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The Human Services Department (HSD) strengthens our community by protecting the vulnerable, promoting self-sufficiency, alleviating poverty, and improving the quality of life.

# Divisions & Services



## Adult & Long Term Care

- \$8.9M to 2,374 Vets/Survivors
- 3,910 Individuals w/IHSS
- 2,194 APS Cases



## Family & Childrens'

- 2,334 Reports
- 846 Investigations
- 182 in Care



## Employment & Benefits

- 85,607 Medi-Cal
- 44,401 CalFresh
- 1,676 Employment Svcs



## Housing for Health

- 4,635 Individuals Served
- 1,384 People Housed
- 5,198 Vouchers

**1 in 3 County Residents Served**



# HSD Accomplishments

- ✓ MC Immigrant outreach
- ✓ Homelessness / Housing funding
- ✓ Father Engagement
- ✓ Master Plan for Aging Collaboration
- ✓ Contract management
- ✓ HSD public data dashboard



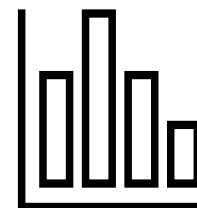


# Summary of Proposed Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
<b>Revenues</b>	\$179,373,489	\$165,892,559	(\$13,480,930)	-7.5%
<b>Expenses</b>	\$204,396,816	\$194,725,756	(\$9,671,060)	-4.7%
<b>District Sales Tax Contribution</b>	\$2,000,000	\$2,000,000	\$0	0%
<b>General Fund Contribution</b>	\$23,023,327	\$26,833,197	\$3,809,870	7%
<b>Funded Staffing</b>	583.00	580.00	(3.00)	-0.5%

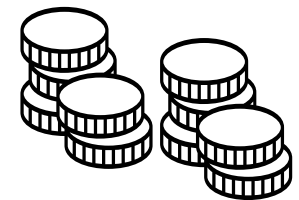
# Major Revenue Changes

	Amount	Description of change in revenue
↓	\$465,129	CDSS Grants
↓	\$8,000,000	State Funding for Harvey West Studios
↓	\$4,250,000	Housing & Disability Advocacy Program TSI



# Major Expense Changes

	Amount	Description of change in expenditure/expense
↓	\$ 8,000,000	Harvey West Studios (1x Funding)
↓	\$ 4,250,000	Harvey West Studios Ongoing Rental Subsidies
↑	\$ 1,000,000	Measure K Housing Support
↑	\$ 1,500,000	Navigation Centers & South County Prevention Services
↑	\$ 815,000	IHSS Wages



# State May Revise Update

## Medi-Cal

- ABD Asset tests reinstated
- Undocumented Immigrants

## Child Welfare

- FURS
- Emergency Child Care Bridge

## IHSS

- Provider OT & Travel Costs
- Undocumented Adults
- CFCO Administrative Fees

## Housing

- Elimination of CDSS Grants
- One time funding
- Administrative Burden

# Federal Funding Risks

## Budget Impacts

- 1/3 of State Budget
- 43% of HSD Revenue

## Housing

- 40 - 50% Reduction in Spending
- Rental Assistance Programs

## Medicaid (Medi-Cal)

- Work Requirements
- Penalty for Undoc Coverage
- 2x per year renewals

## SNAP (CalFresh)

- New State Match
- Reduced administrative rate
- Work Requirements

# Emerging Issues

- Unfunded Mandates Growing
- Unsustainable Housing Costs
- CalAIM Implementation
- Rapidly Aging Demographic
- Transparency & Communication



# Human Services Department

Approve the Proposed Budget for HSD, including any Supplemental Materials, which includes

- Revenues of \$165,892,559
- Expenses of \$194,725,756
- General Fund Contribution of \$26,833,197
- District Sales Tax Contribution of \$2,000,000
- Staffing of 580 funded FTEs







# Thank you

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## Questions?

