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SFY27 Department for Children and Families Budget Presentation

**Sandi Hoffman, Interim Commissioner
Megan Smeaton, Chief Financial Officer**



Dept. for Children & Families **Mission**

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DCF's Mission...

is to foster the healthy development, safety, well-being, and self-sufficiency of Vermonters.

We provide benefits, services, and supports to some 200,000 Vermonters every year, including children, youth, families, older Vermonters, and people with disabilities.

DCF Positions in Base Budget: 1,004

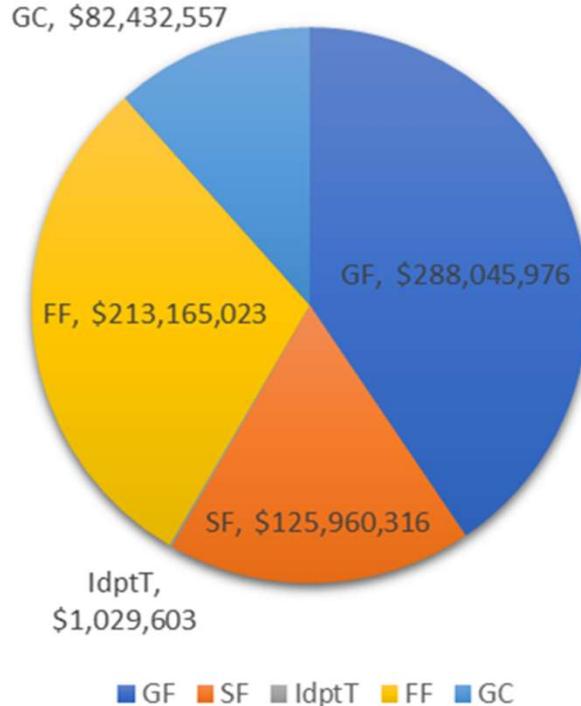


Agency of Human Services – Dept. for Children and Families FY 2027 Governor's Recommend Budget

Changes to the SFY26 base appropriation:

- 4.7% Increase to SFY26 Budget
- 6.6% Decrease to Special Fund
- 14.3% Increase to General Fund
- Comprehensive \$31.4M (\$21.2M base; \$10.2M 1x) housing initiative designed to create additional shelter capacity & better serve Vermonters experiencing homelessness

Governor's Recommend DCF SFY27 Budget (\$)



Agency of Human Services – Dept. for Children and Families FY 2027 Governor's Recommend Budget

| Funding Source | SFY26 AS Passed | Proposed Adj | SFY27 DCF Total Gov Rec |
|---------------------|-----------------------|----------------------|-------------------------|
| General Fund | 252,110,116 | 35,935,860 | \$ 288,045,976 |
| Special Fund | 134,838,390 | (8,878,074) | \$ 125,960,316 |
| Inter-Dept Transfer | 868,905 | 160,698 | \$ 1,029,603 |
| Federal Fund | 206,740,219 | 6,424,804 | \$ 213,165,023 |
| Global Commitment | 84,387,554 | (1,954,997) | \$ 82,432,557 |
| Total | \$ 678,945,184 | \$ 31,688,291 | \$ 710,633,475 |

DCF's Major Federal Funding Sources

FSD

CDD

ESD

Other

| | | | |
|---|--|--|--|
| <ul style="list-style-type: none">• Title IV-E• Medicaid/Global Commitment | <ul style="list-style-type: none">• Child Care Development Fund (CCDF)• Preschool Development Grant (PDG) | <ul style="list-style-type: none">• Supplemental Nutrition Assistance Program (SNAP)• Temporary Assistance to Needy Families (TANF) | <ul style="list-style-type: none">• Title IV-D (OCS)• Social Security Insurance (DDS) |
|---|--|--|--|

DCF's Largest Federal Funding Sources

DCF Federal Funding Sources – Over \$10M earned in SFY25:

- Supplemental Nutrition Assistance Program (SNAP) – ESD (\$59.9M)
- Child Care Development Fund (CCDF) – CDD (\$35.3M)
- Title IV-E – FSD (\$25.9M)
- Low Income Heating & Energy Assistance Program – ESD & OEO (\$24.6M)
- Temporary Assistance for Needy Families (TANF) - ESD and FSD (\$15.9M)
- Title IV-D – OCS (\$10.3M)

DCF Federal Funding Sources – Over \$7M in SFY26:

- Preschool Development Grant (PDG) – CDD (\$7.8M)
- Social Security – DDS (\$7.7M)
- Summer EBT – ESD (\$7.1M)

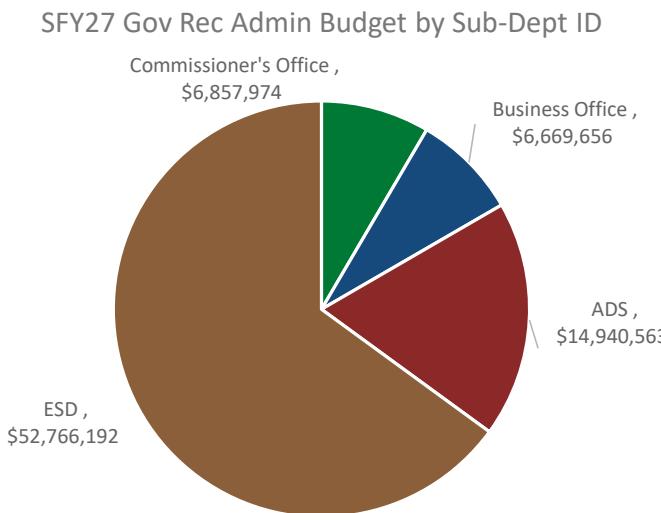
Highlights: DCF Initiatives and Adjustments in SFY26

| Caseloads | Pressures | Initiative | Other |
|--|--|--|---|
| <ul style="list-style-type: none">• FSD: Subsidized Adoptions & Substitute Care• ESD: Reach Up, Support Services, GA Personal Needs & Incidentals (PNI), Aid for the Aged Blind and Disabled (AABD), and 3SquaresVT | <ul style="list-style-type: none">• Agreement reductions to address funding limitations in:<ul style="list-style-type: none">• Admin• FSD• CDD• GA• Reach Up | <ul style="list-style-type: none">• Governor's Housing Initiative• Transportation Contract Adj• OEO base HOP Agreement Growth & Baseline funding for Extreme Cold Weather Shelters | <ul style="list-style-type: none">• Pay Act & Benefit Adj• Internal Service Fund• Private Non-Medical Institution(PNMI) Inflation Adj• Child Care Special Fund Revenue Adj |

SFY26 Proposed One-Time Appropriations



- Temporary Secure Treatment Facility funding (\$4M)
- Housing Initiative (\$21.2M)



| Funding Source | Proposed Budget |
|---------------------|----------------------|
| General Fund | \$ 55,488,099 |
| Special Fund | \$ 2,695,360 |
| Inter-Dept Transfer | \$ 627,003 |
| Federal Fund | \$ 20,162,623 |
| Global Commitment | \$ 2,261,300 |
| Total | \$ 81,234,385 |

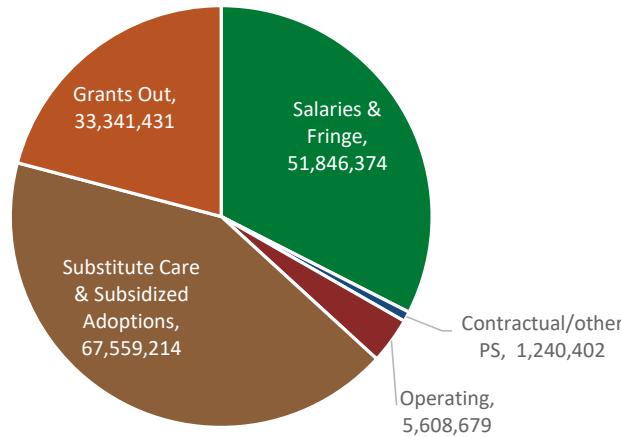
Administration & Economic Services

Admin is composed of four sub-budgets: Commissioner's Office, Business Office, ESD Admin, and IT costs. ESD Admin includes salaries for all ESD staff and operating funds as well as an assortment of grants (mostly SNAP related).

SFY27 Summary & Highlights:

- SNAP Admin Federal Share Reduction -\$4.5M
- IE&E Noticing Solution Maintenance & Operation -\$600K
- Administrative Efficiencies – (\$127K)
- Federal end to SNAP Ed program – (\$437K)
- 211 Hours of Operation Reduction – (\$332K)

SFY27 FSD Gov Rec Base by Major Operating Bucket



| Funding Source | Proposed FSD Budget |
|---------------------|-----------------------|
| General Fund | \$ 68,250,578 |
| Special Fund | \$ 729,150 |
| Inter-Dept Transfer | \$ 15,000 |
| Federal Fund | \$ 37,280,968 |
| Global Commitment | \$ 53,320,404 |
| Total | \$ 159,596,100 |

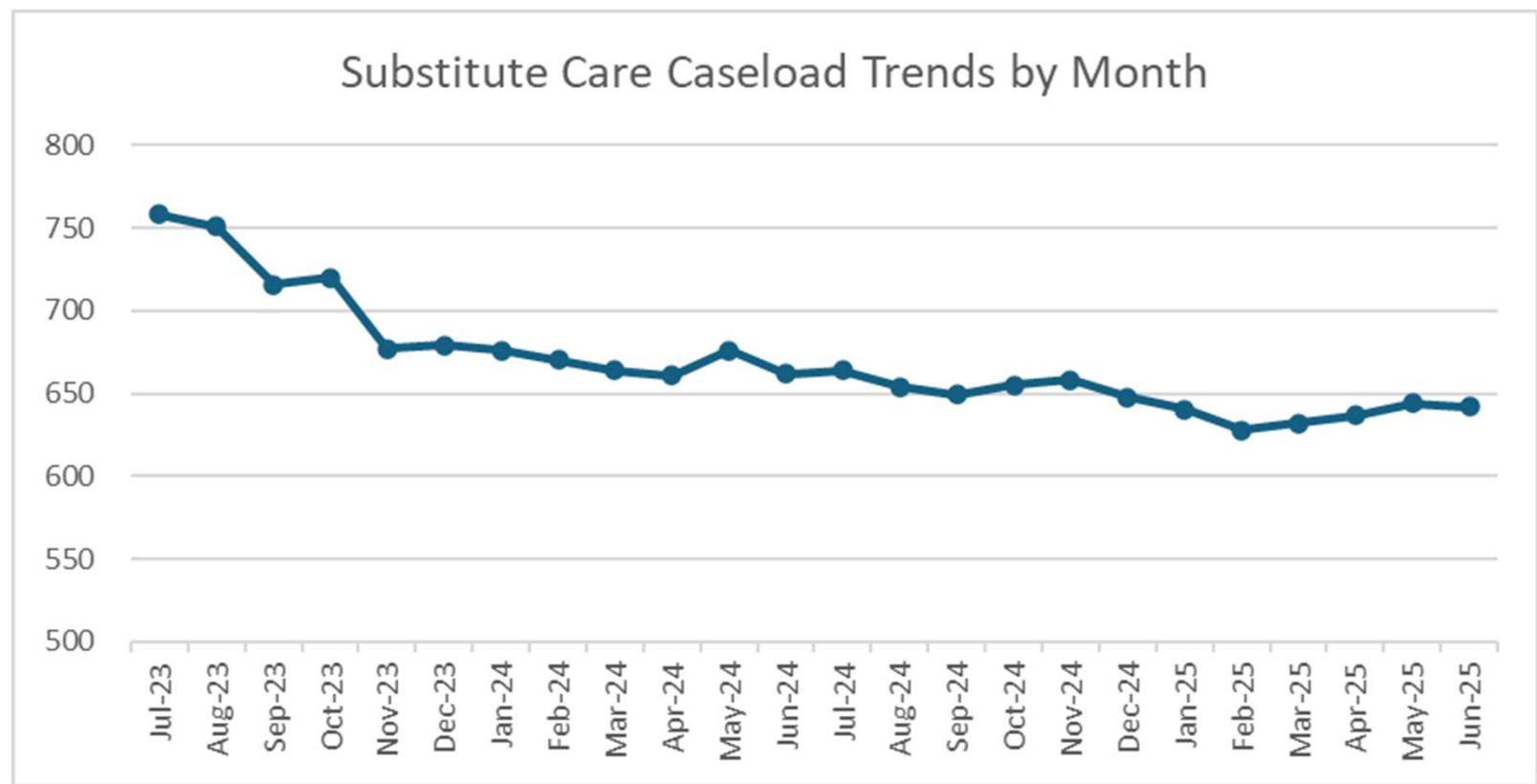
Family Services Division

FSD works in partnership with families, communities and others to make sure children and youth are safe from abuse, their basic needs are met and youth are free from delinquent behavior. They also ensure families are supported to achieve these goals.

SFY27 Summary & Highlights:

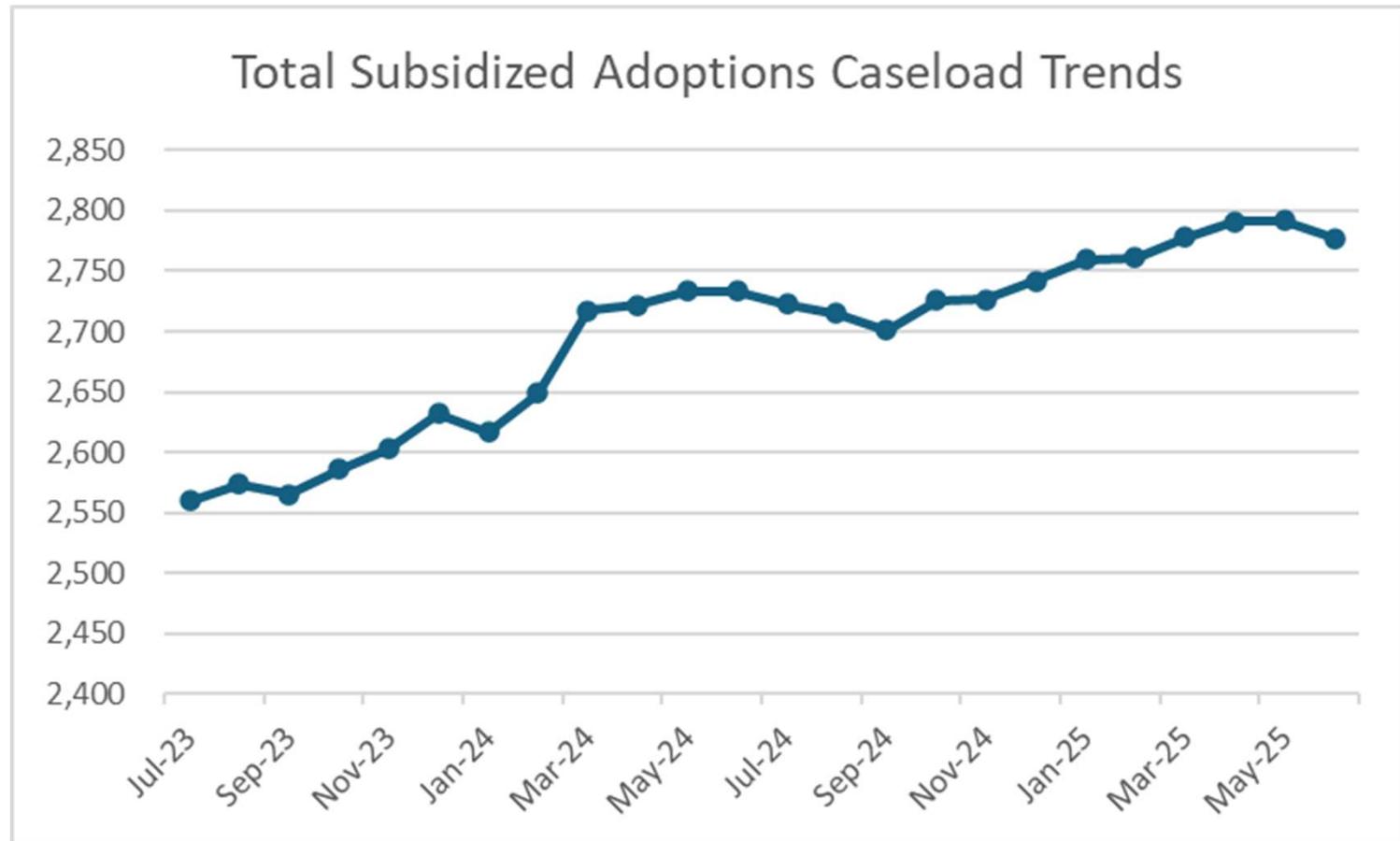
- PNMI Inflation Factor - \$1.1M
- Transportation Contract Pressures - \$1M
- Caseload Adjustments - \$312K
- Post-Permanence Program Reduction – (\$293K)
- Elimination of Nurturing Parent Program – (\$194K)
- FFPSA Funding Reductions– (\$1.7M)

FSD Sub. Care & Sub. Adopt Caseload Trends

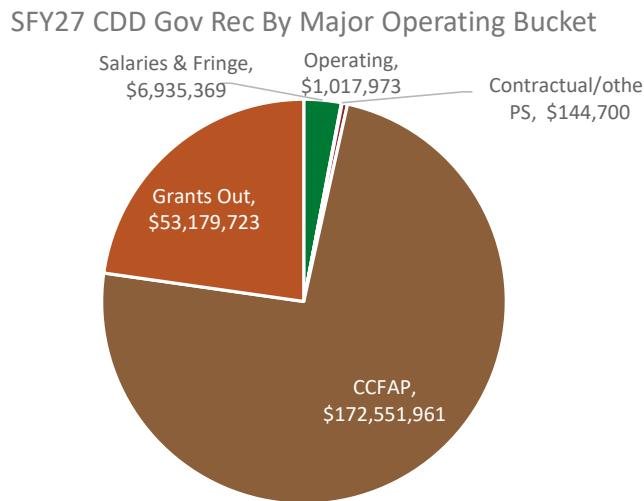


A decrease in Substitute Care (SubCare) caseloads, such as we've seen over the past two years, means that fewer youth are coming into DCF custody. This is paired with an increase in Subsidized Adoptions...

FSD Sub. Care & Sub. Adopt Caseload Trends



...which means that more youth are finding their permanent homes.



Child Development Division

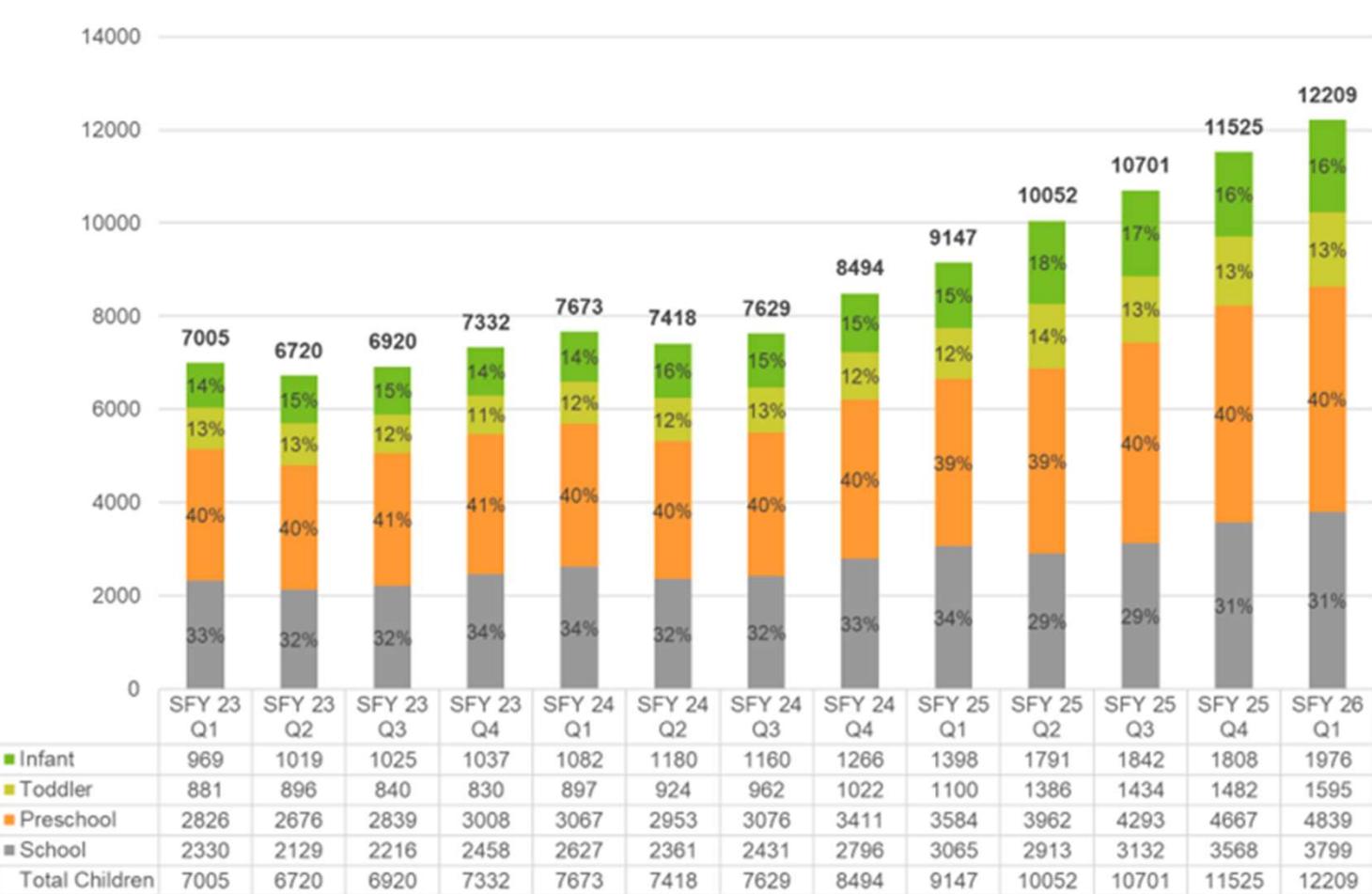
CDD improves the well-being of Vermont children by developing and administering a continuum of high-quality, comprehensive child development and family support services that promote health and well-being, school readiness and foundations for lifelong success

| Funding Source | Proposed CDD Budget |
|---------------------|-----------------------|
| General Fund | \$ 70,164,506 |
| Special Fund | \$ 106,679,803 |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 42,948,970 |
| Global Commitment | \$ 14,036,447 |
| Total | \$ 233,829,726 |

SFY27 Summary & Highlights:

- Child Care Special Fund Adjustment - \$6.2M GF
- Agreement Eliminations – **(\$1.3M)**
- Agreement Utilization Reductions– **(\$323K)**

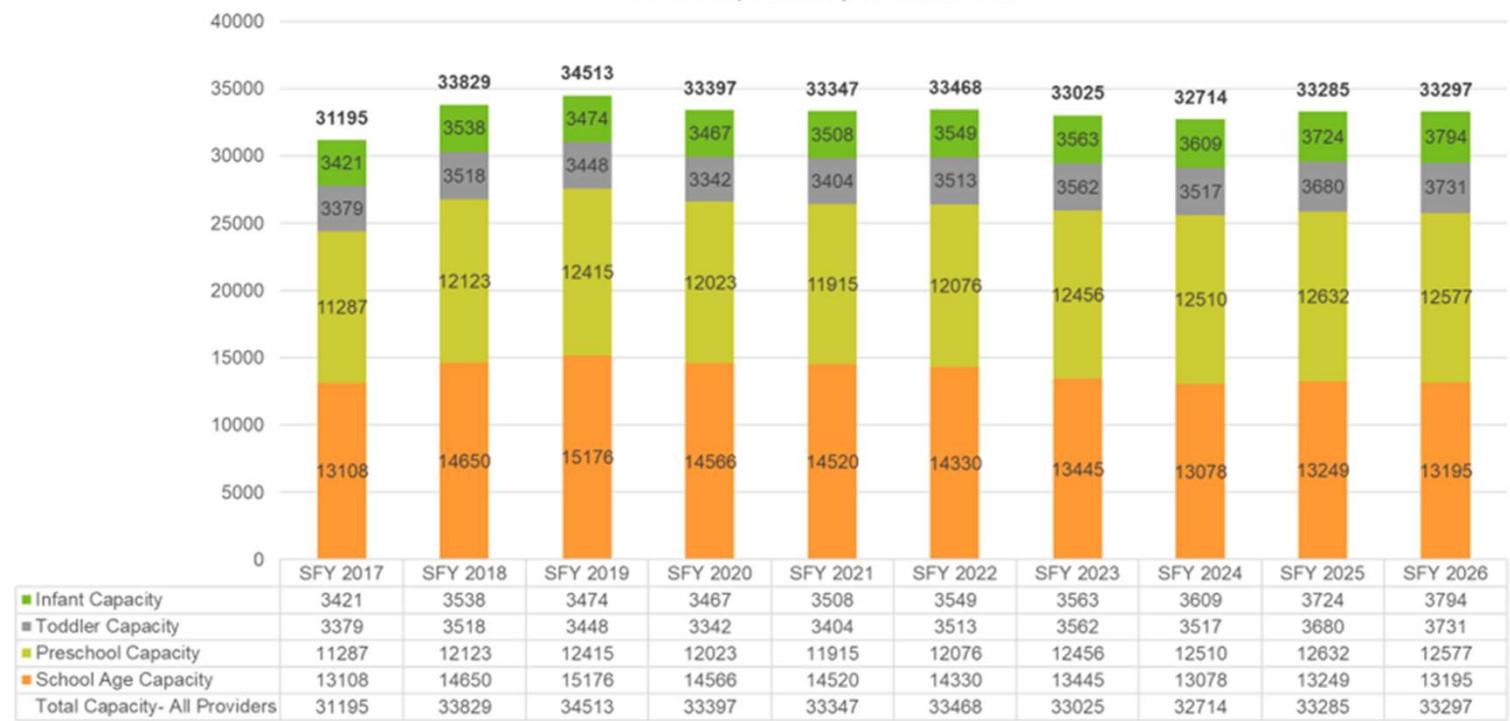
Average Number of Children Enrolled in CCFAP by Age Group SFY- Q1-2023-Q1-2026



Vermont continues to see increased caseloads in the Child Care Financial Assistance Program (CCFAP) as more families learn about the benefit and enroll, and more childcare slots are opened throughout the state

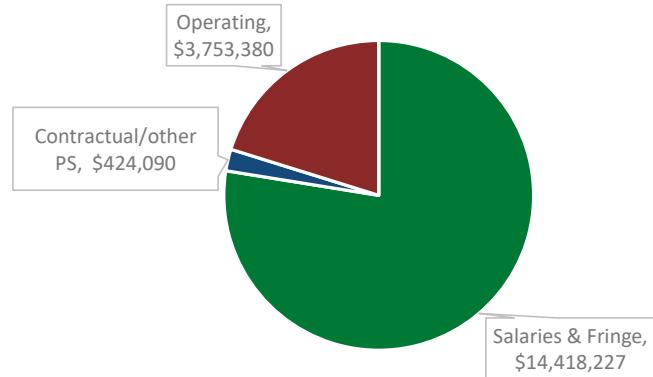
Total Child Care Capacity, by Age of Children, SFY 2017-2026*

*SFY 2026- Represents July-October 2025 Data



Vermont continues to see increased caseloads in the Child Care Financial Assistance Program (CCFAP) as more families learn about the benefit and enroll, and more childcare slots are opened throughout the state

SFY27 OCS Gov Rec By Operating Bucket



Office of Child Support

OCS improves children's economic security by:

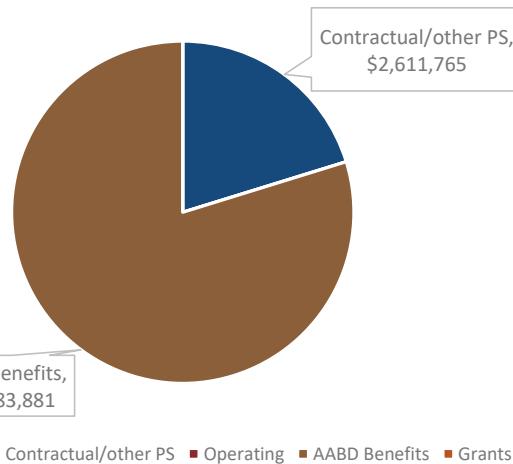
1. Establishing, enforcing and modifying child support orders for children who do not live with both parents.
2. Collecting, recording and distributing child support payments through the OCS Registry.

| Funding Source | Proposed OCS Budget |
|---------------------|----------------------|
| General Fund | \$ 5,841,149 |
| Special Fund | \$ 453,110 |
| Inter-Dept Transfer | \$ 387,600 |
| Federal Fund | \$ 11,913,838 |
| Global Commitment | \$ - |
| Total | \$ 18,595,697 |

SFY27 Summary & Highlights:

- Judiciary Cooperative Agreement Contribution Reduction – **(\$25K)**

SFY27 AABD Gov Rec by Major Operating Bucket



Aid to the Aged, Blind and Disabled (AABD)

This program provides a financial supplement to recipients of federal SSI who are over 65, disabled or blind and do not have sufficient income to provide a reasonable subsistence needed for their well-being as defined in 33 V.S.A. Chapter 13. It also funds the Essential Person Program by providing cash assistance to household members whose care is essential to an aged or disabled person in the home.

| Funding Source | Proposed AABD Budget |
|---------------------|----------------------|
| General Fund | \$ 7,452,643 |
| Special Fund | \$ - |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ - |
| Global Commitment | \$ 5,443,003 |
| Total | \$ 12,895,646 |

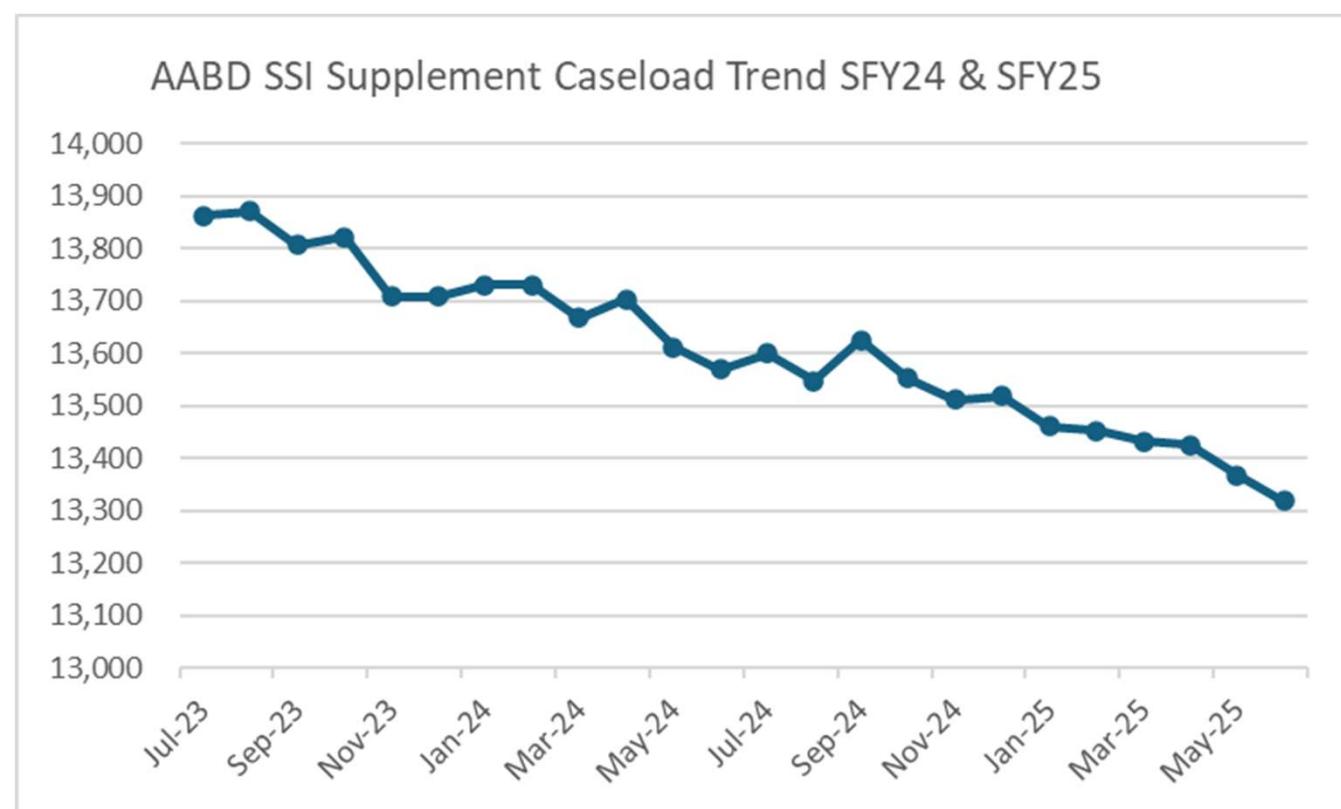
SFY27 Summary & Highlights:

- Administrative & Caseload Adjustments – **(\$81K)**

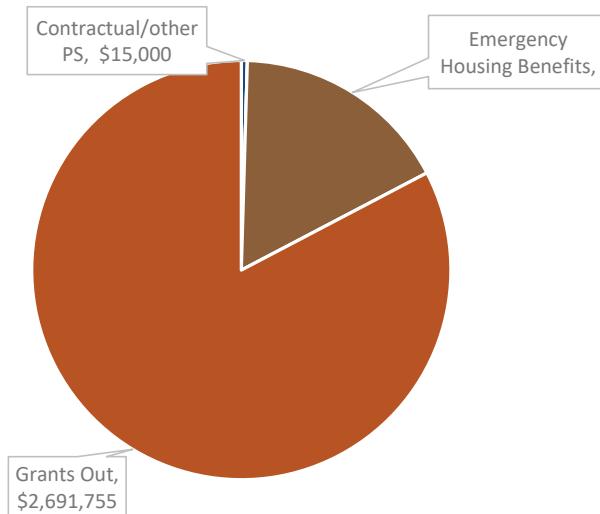
AABD Average Caseloads

Caseloads for AABD Supplementary SSI payments have continued to steadily trend downward over the past two state fiscal years.

In SFY2025, the average monthly caseload dropped from 13,733 to 13,484



SFY27 GA Gov Rec by Major Operating Bucket



General Assistance (GA)

GA provides emergency financial assistance to eligible individuals and families. This may include help paying for:

- Personal needs and incidentals (PNI)
- Housing
- Fuel & utilities
- Medical
- Burial costs

| Funding Source | Proposed GA Budget |
|---------------------|---------------------|
| General Fund | \$ 3,054,218 |
| Special Fund | \$ - |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 11,098 |
| Global Commitment | \$ 190,476 |
| Total | \$ 3,255,792 |

SFY27 Summary & Highlights:

- Social Security Agreement Cut – **(\$139K)**
- Support Services Caseload Adj – \$448K
- Personal Needs & Incidentals Caseload Adj – **(\$33K)**
- General Assistance Transition Plan – **(\$7.5M)**



Governor's Housing Initiative

Shelter Expansion Funding

OEO:

- Family Specific Sheltering Option: \$7,884,000 (Base)**
- DV/SV Sheltering Option: \$500,000 (Base)**
- Shelter Planning & Start-Up Investments: \$6,000,000 (1x)**

DAIL:

- Medically Vulnerable Sheltering Option: \$2,628,000 (Base)**

VDH & OEO:

- SUD Recovery Sheltering Option: \$1,200,000 (Base)**

VEM & ESD:

- Natural Disaster Sheltering: \$292,000 (Base)**



Governor's Housing Initiative

Hotel Program Transition

ESD/Admin

- Limited Service Positions (21 FTE): \$2,239,794 (Base)**
- GA Transition Plan: (\$7,450,963) (Base adjustment)**
- GA Program: \$15,183,809 (1x)**

Wrap Around and Support Services

OEO

- Case Management Enhancements: \$1,275,000 (Base)**
 - AHS coordinates funding
- Rental Assistance: \$1,400,000 (Base)**
- Natural Support Connections: \$200,000 (Base)**



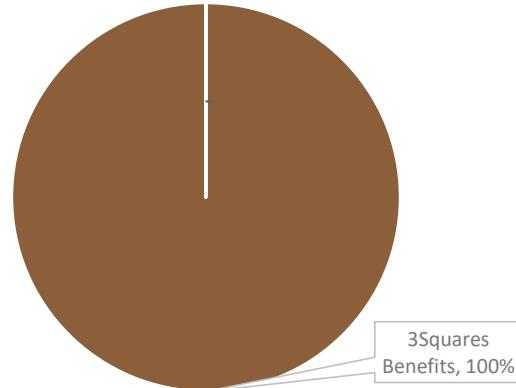
Governor's Housing Initiative

Other Housing Investments

OEO

- **Extreme Cold Weather Shelter Program: \$1,300,000**
 - Shift from one-time to base
- **Housing Opportunity Program (HOP) Baseline Expansion: \$6,200,000**

SFY27 3Squares VT Gov Rec by Major Operating Bucket



| Funding Source | Proposed 3Sq Budget |
|---------------------|----------------------|
| General Fund | \$ - |
| Special Fund | \$ - |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 53,077,812 |
| Global Commitment | \$ - |
| Total | \$ 53,077,812 |

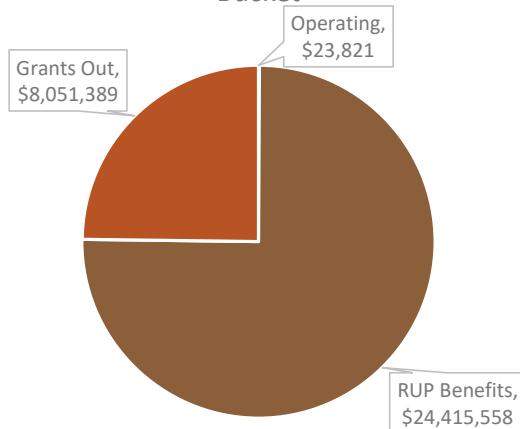
3 Squares Vermont

3Squares VT is the federal Supplemental Nutrition Assistance Program (SNAP) which provides low-income households better access to a healthy diet while supporting American agriculture.

SFY27 Summary & Highlights:

- Caseload Adjustment: \$2.0M

SFY27 Gov Rec RUP Budget by Major Operating Bucket



Reach Up

Reach Up helps eligible parents gain job skills and find work so they can support their minor, dependent children.

Services include:

- Educational/employment supports
- Case management services
- Monthly cash payments to pay for basic necessities

SFY27 Summary & Highlights:

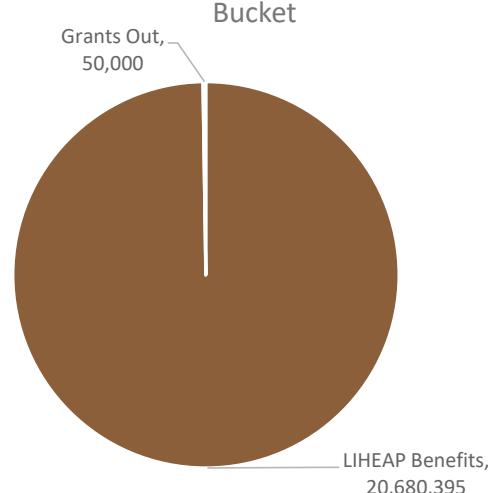
- Caseload Adj – **(\$3.3M)**
- Reach First Program Cut – **(\$108K)**
- Agreement Reductions – **(\$632K)**

| Year | Reach Up Caseload (Avg/Month) | Reach Ahead Caseload (Avg/Month) |
|----------------------|-------------------------------|----------------------------------|
| SFY21 | 3,185 | 216 |
| SFY22 | 3,329 | 220 |
| SFY23 | 3,445 | 249 |
| SFY24 | 3,316 | 349 |
| SFY25 | 3,264 | 430 |
| SFY26 (Jul - Dec) | 3,038 | 268 |

Reach Up caseloads have been decreasing over the past year, which contrasts with our projected increase in caseloads we used for last year's budget, resulting in projected savings.

Looking at historical data, one can see that **cases have gone up and gone down over the years**, and DCF has always adjusted its budget to reflect that.

SFY27 Gov Rec LIHEAP Budget by Major Operating Bucket



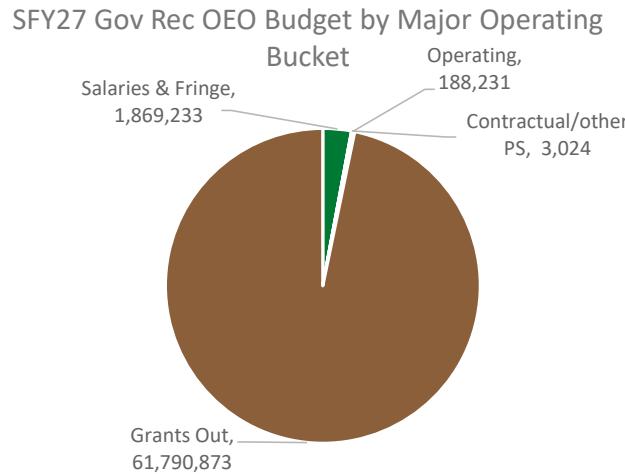
Low Income Heating and Energy Assistance Program (LIHEAP)

DCF's Fuel Assistance Program has two components: Seasonal Fuel Assistance operated by the Economic Services Division (ESD) and Crisis Fuel Assistance operated by the state's five community action agencies.

| Funding Source | Proposed LIHEAP Budget |
|---------------------|------------------------|
| General Fund | \$ - |
| Special Fund | \$ 1,480,395 |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 19,250,000 |
| Global Commitment | \$ - |
| Total | \$ 20,730,395 |

SFY27 Summary & Highlights:

- Revenue Adjustment to Federal Spending Authority - \$4.7M



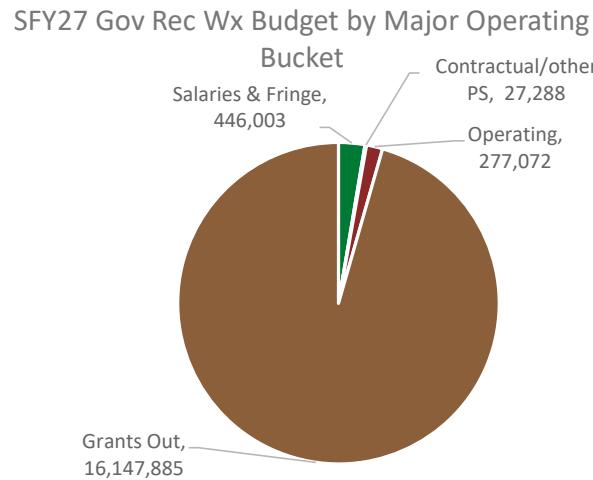
| Funding Source | Proposed OEO Budget |
|---------------------|----------------------|
| General Fund | \$ 55,005,140 |
| Special Fund | \$ 83,135 |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 5,139,585 |
| Global Commitment | \$ 3,623,501 |
| Total | \$ 63,851,361 |

Office of Economic Opportunity (OEO)

OEO administers funds to help organizations address poverty through community initiatives and direct services in the areas of financial capability, homelessness assistance, and community services. This includes core federal funding for Community Action Agencies and homeless shelter and service providers.

SFY27 Summary & Highlights:

- Net Neutral Funding Adj for 3 Limited Service Positions
- Annualization of Permanent Supportive Housing - \$436K
- Baseline HOP Investments - \$6.2M
- Baseline Extreme Cold Weather Shelter - \$1.3M
- Housing Initiative - \$15.1M



| Funding Source | Proposed Wx Budget |
|---------------------|----------------------|
| General Fund | \$ - |
| Special Fund | \$ 7,733,295 |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 9,164,953 |
| Global Commitment | \$ - |
| Total | \$ 16,898,248 |

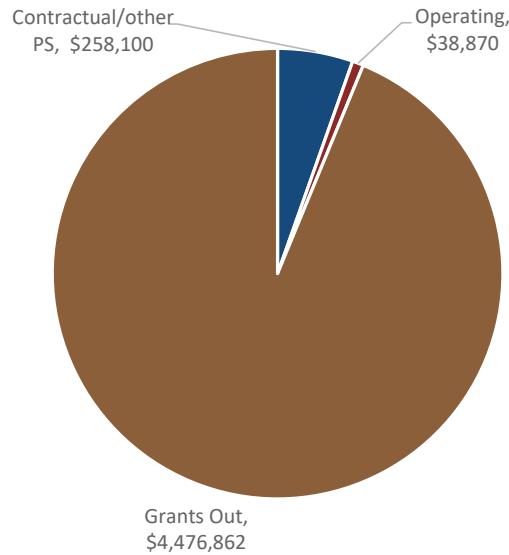
OEO Weatherization

The Low-Income Home Weatherization Assistance Program reduces energy costs for low-income families by improving the energy efficiency and comfort of their homes while ensuring their health and safety. The Home Weatherization Assistance Program fund provides state funding for weatherization through a fuel tax on all non-transportation fuels sold in the state.

SFY27 Summary & Highlights:

- Federal Revenue Adjustment - \$1.0M

SFY27 Gov Rec SRTF Budget by Major Operating Bucket



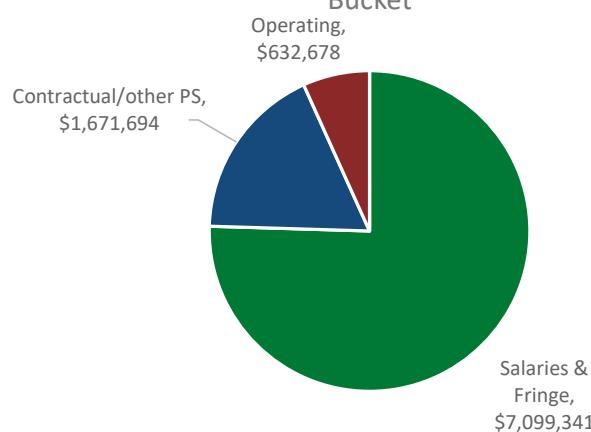
Secure Residential Treatment Facility

SFY27 Summary & Highlights:

- Base funding for Short-Term Crisis Stabilization Program - \$1.0M

| Funding Source | Proposed Budget |
|---------------------|---------------------|
| General Fund | \$ 4,743,832 |
| Special Fund | \$ - |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ - |
| Global Commitment | \$ 30,000 |
| Total | \$ 4,773,832 |

SFY27 Gov Rec DDS Budget by Major Operating Bucket



| Funding Source | Proposed DDS Budget |
|---------------------|---------------------|
| General Fund | \$ 141,599 |
| Special Fund | \$ - |
| Inter-Dept Transfer | \$ - |
| Federal Fund | \$ 9,262,114 |
| Global Commitment | \$ - |
| Total | \$ 9,403,713 |

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Disability Determination Services

DDS provides applicants with accurate medical eligibility decisions as quickly as possible, as governed by Social Security federal statutes, regulations and policy, with full and fair consideration of each applicant's situation and respect and concern for the individual's well-being and legal rights.

SFY27 Summary & Highlights:

- Temp Physician Cost of Living Adjustment (COLA) - \$47K



DDS: A National Leader



DDS Outcomes

- Average Initial Case Processing Time = 70.5 days
 - National Average Processing Time = 190 days
- Initial Decisional Accuracy = 99% (among top 10 states!)
- Processed 6,488 SSA claims & 254 State Medicaid claims in FFY2025