

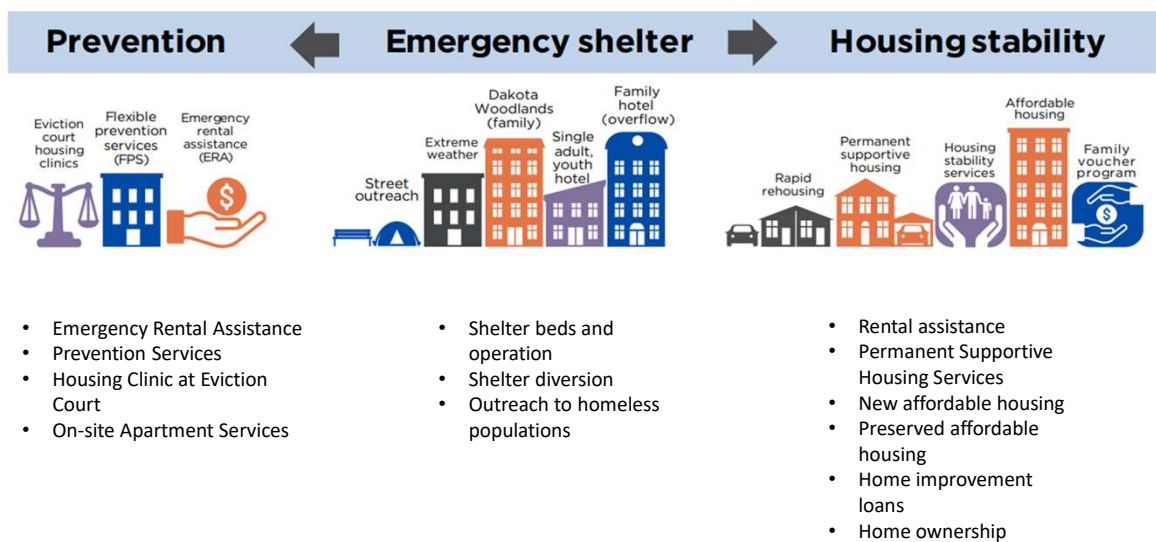


2026 Housing Services Plans

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Madeline Kastler, Deputy Director
December 2, 2025

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Dakota County Housing Plan



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Projected Cost Increases



	2025	% Increase	\$ Increase in 2026	% Levy Impact in 2026
Total Salary/Benefits	\$ 280,300,007	5.0%	\$ 14,015,000	8.4%
Add:				
Phase In Plan-IT Software Phase(Yr 4 of 5) & Elections 4yr Cycle (Yr 3 of 3)			\$ 350,000	0.2%
LCTS Funding Loss			\$ 75,000	0.0%
Non-Personnel Inflation (Inflation allocation held at Countywide level and allocated as needed)			\$ 500,000	0.3%
			\$ 925,000	0.6%
Add:				
New State Approved Commitments- Paid Leave Premium effective 1/1/26			\$ 1,100,000	0.7%
The Act - Social Services FTEs/Contracts			\$ 2,866,977	1.7%
County Administration Allocation - Social Services			\$ 57,000	0.0%
Federal SNAP FFP Cuts from 50% to 25% (Effective Oct 2026)			\$ 350,000	0.2%
Community Corrections Act (CCA) Subsidy Decrease			\$ 208,000	0.1%
Increase Health Insurance Premiums - 8% to 9%			\$ 162,500	0.1%
Adult Vaccination - Public Health Form 6			\$ 178,430	0.1%
Insurance Premium - Risk Form 6			\$ 892,812	0.5%
			\$ 5,815,719	3.5%
Less:				
New Revenue on Cost Growth			\$ (1,497,500)	-0.9%
4% Salary Savings on New Growth (Reduce 2026 4% amount)			\$ (600,600)	-0.4%
Targeted Cuts			\$ (8,300,287)	-5.0%
			\$ (10,398,387)	-6.2%
Total Net Growth			\$ 10,357,332	6.2%
Bond P&I			\$ 3,190,000	1.9%
Total Increase			\$ 13,547,332	8.1%



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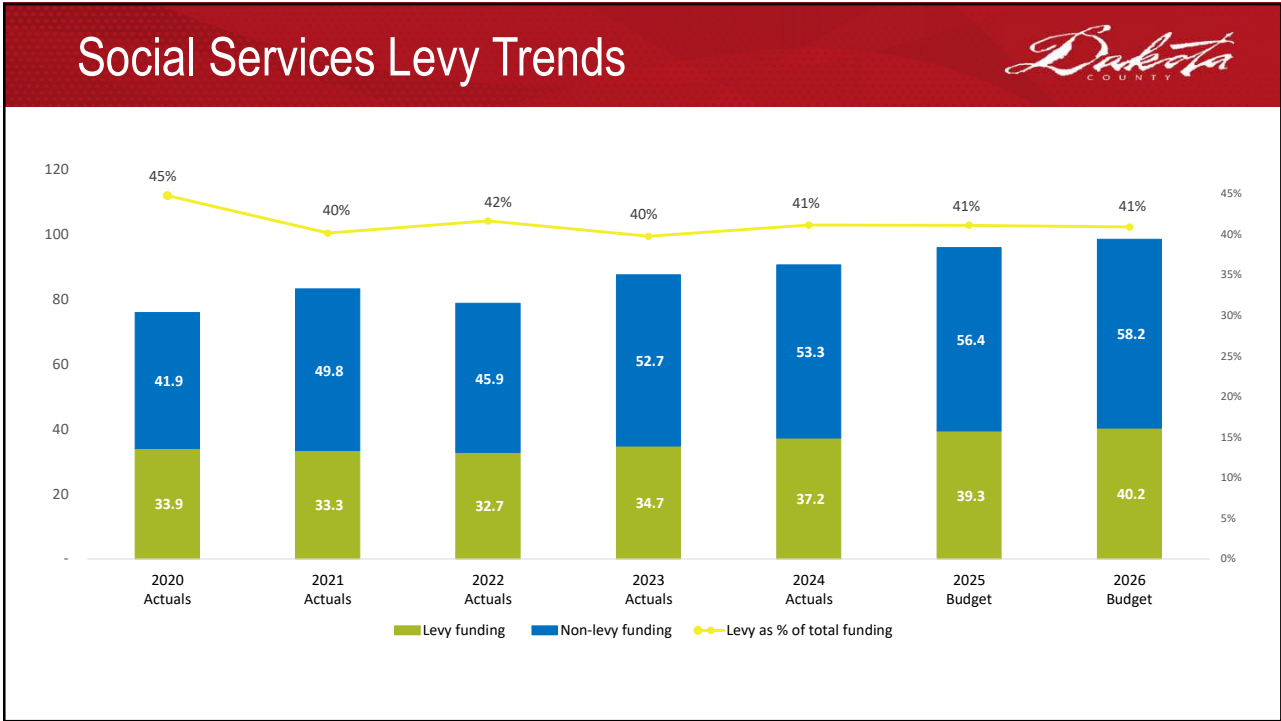
Reductions by Division



Division	Levy Cuts	Expense Cuts
County Admin and Central Operations	\$ (382,475)	\$ (382,475)
Community Services	\$ (5,535,994)	\$ (6,119,923)
County Attorney	\$ (276,135)	\$ (276,135)
Physical Development	\$ (1,300,458)	\$ (885,742)
Public Services and Revenue	\$ (516,126)	\$ (516,126)
Sheriff	\$ (289,099)	\$ (678,441)
Total Targeted Cuts	\$ (8,300,287)	\$ (8,858,842)

Total FTE Cuts Across All Divisions: 44.3 FTEs

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Social Services – Cut Target \$3.4 million

April – June 2025

Directors, in partnership with the Social Services management team, carefully reviewed all programs and services considering:

- funding sources,
- mandates,
- legislative changes,
- impacts on people,
- current and future needs

July 2025 – Budget Workshop

As requested by County leadership, Social Services Directors put forward a set of budget reduction recommendations: cuts at all levels, across program areas. Impacts to County FTE and contracted services.

July – December 2025

Following Board direction, staff engaged in rigorous planning to implement cuts with focus on mitigating impacts to greatest extent possible.

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Housing and Community Resources Section in Social Services will reduce its levy funded budget by **\$1,058,577 in 2026** (12.7% of the total levy cuts for the county).

This includes reduction of **3.5 Dakota County FTE** (one supervisor, one coordinator, and 1.5 social workers) and **\$556,000 in purchased services**.

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Budget Detail - Staffing



Reduction of 3.5 FTE

- 1 supervisor – Emergency Hotel Shelter Supervisor
- 1 coordinator – Housing Programs Coordinator
- 1.5 *vacant* social workers - Emergency Hotel Shelter and Supportive Housing Unit

Impact (From July 23, 2025, Board Presentation):

SW/Supervisor: Reduced capacity to meet the needs of adults and families experiencing or at risk of homelessness. Demand for services is already high. Coordinator: Limited capacity for system coordination, outcome tracking, data analysis, grant management and other coordinator activities.

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Budget Detail – Purchased Services



Reduction of \$556,000 for purchased homelessness response services

- Reduction of the Ally shelter contract by \$515,000.
- Reduction of \$27,000 in the family hoteling budget.
- Elimination of the CAP housing contract (\$10,500) that provided supports for the CAP apartment buildings.
 - Access to these units will not be impacted.
- Elimination of the 360 Communities coordinated entry assessment contract for families experiencing domestic violence (\$5,100).
 - These services will be absorbed by 360.

Impact (From July 23, 2025, Board Presentation):

Loss of services will impact cities, PD, service providers, people experiencing homelessness, and other referral sources. Assessment, outreach services and emergency housing will be not available for most. Cities/PD and County will lack service provider for partnership in response to issues of homelessness.

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Housing and Community Resources Response

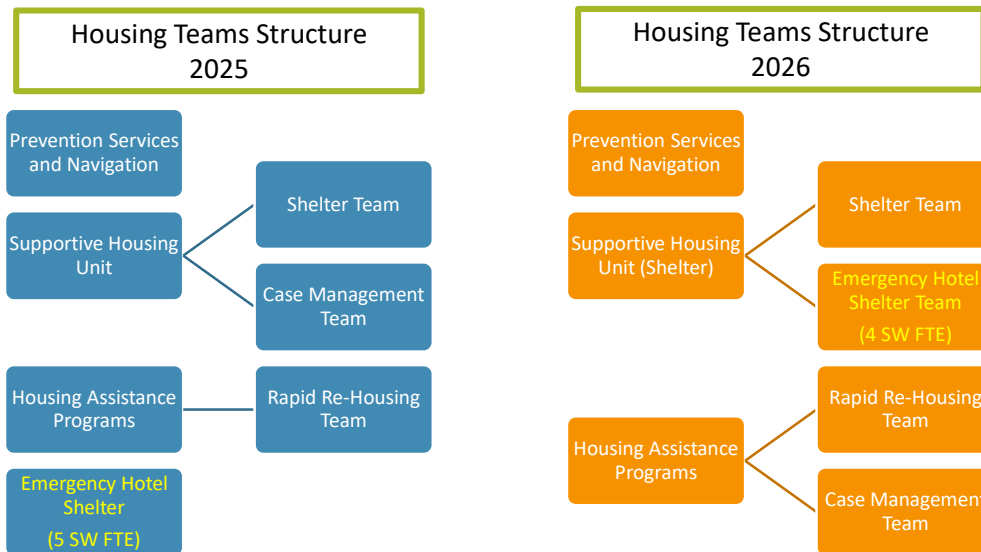


Goals:

- Minimize impact to people in need of services
- Maximize effectiveness of existing resources
- Create consistency in intake process and data tracking
- Re-think service delivery to improve client outcomes, staff experience
- Maximize partnerships with other county services
- Focus on homelessness prevention, whenever possible
- Maintain and improve relationships with city and community partners

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New Housing Teams Structure



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Other Plans



- Align shelter programming between families and singles
- Increase singles shelter caseloads to meet community needs
- Meet on-site needs through strong partnership with hotel management, food shelf support, Eagan PD, crisis response and other county services
- Add Shelter Diversion Program with 1 singles SW and 1 families SW to reduce inflow to singles and family shelter whenever possible.

Singles Program Capacity 2025	Singles Program Capacity 2026
32 DC Emergency Hotel Shelter (Eagan) – <i>actual use due to staffing challenges</i>	50 DC Emergency Hotel Shelter (Eagan) – <i>maximize use with new staffing model</i>
20 Ally shelter (Multiple hotels)	10 The Link Shelter
10 The Link shelter (Multiple hotels)	
62 TOTAL	60 TOTAL +10 Shelter Diversion

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Shelter Participant Case Management



- Case load sizes: 15 households
- All clients complete a Goal Plan at beginning of stay
- Social workers meet with clients *at least* one time per week to work on progress toward goal plan
 - High level of coordination with other case managers and services – mental health, substance use, disability services
- Initial stay up to 90 days with opportunities to extend in 30-day increments with progress on housing plan

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Site Management and City Communication



- High level of coordination with hotel management, including weekly check in meetings
- Partnership with food shelf
- Presence on site – including client meetings
- Room checks
- Weekly report from Eagan Police Department
- Quarterly meetings with Eagan PD
- Coordination with embedded social workers
- On-call staff

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EHS Shelter Data 2025 (Year to Date)



Total served: 80 individuals

Age:

- 18-24 → 4%
- 25-54 → 64%
- 55+ → 32%

Chronically Homeless → 36%

Physical Disability → 51%

Chronic Health Condition → 35%

Mental Health Condition → 75%

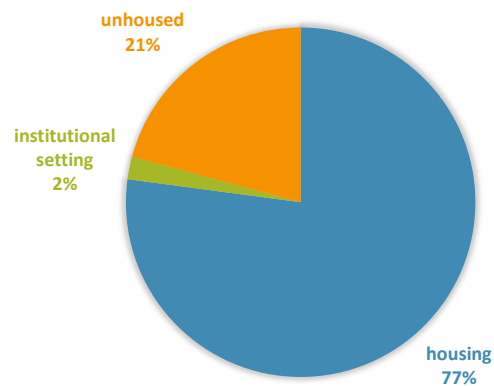
Exited program → 48 individuals

- Average stay → 116 days

Enrolled in program → 32 individuals

- Average stay → 100 days

OUTCOMES AT EXIT



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Ally Shelter Transition Plan



Goal: End Ally Shelter Program by March 1, 2026

- Currently 17 individuals in Ally Hotel Shelter Program.
- Program will continue to bring people in through the end of the calendar year on a limited basis.
- Begin actively reducing census at beginning of year with goal of having no more than 5 participants by March 1.
- Meet weekly with county staff to discuss shelter participant needs and support.
- DC Emergency Hotel Shelter will hold up to 5 rooms for transfers on March 1.

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Other Responses to Unsheltered Population



- Contract for street outreach (Ally Supportive Services)
- Share information about warming spaces
- Contract for extreme weather sheltering (Ally Supportive Services)
- Encampment response plan

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Other Housing Pressures



End of fraud-plagued housing program could leave those in need scrambling

The state ended a Medicaid benefit program called Housing Stabilization Services Friday after a massive FBI investigation into fraud.

By James Walsh
The Minnesota Star Tribune

NOVEMBER 2, 2025 AT 5:00AM

 National Association of Counties

HUD's Continuum-of-Care faces program changes and funding uncertainty

An expected notice of funding opportunity (NOFO) would cap permanent supportive housing expenditures within HUD's Continuum-of-Care program at 30 percent.

3 weeks ago

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Next Steps: Staff Recommendation



- Implement changes, as planned
- Closely monitor indicators of need, capacity, quality and outcomes. Report to Board monthly on:
 - Numbers served in shelter, including demographics
 - Key indicators across housing service continuum
- Ongoing, use data to inform County budget planning, Affordable Housing Aid spending plan, grant opportunities, and other strategic initiatives
- Re-visit the County Board's Housing Plan throughout 2026 to determine whether and how changes are needed to continue with that plan.