



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: June 16, 2026

**DATE:** Thursday, June 11, 2026

**TO:** Board of County Commissioners

**FROM:** Ryan Gustafson, Assistant County Manager  
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**THROUGH:** Kate Thomas, County Manager

**SUBJECT:** Recommendation to accept a second FY26 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$607,022.00; no county match] retroactive for the period of July 1, 2025 to June 30, 2026 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System; authorize the Division Director of Finance & Administration of Human Services Agency to retroactively execute the award and related documents; and direct Finance to make the necessary budget amendments. (All Commission Districts.) FOR POSSIBLE ACTION

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### SUMMARY

Recommendation to accept a second FY26 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$607,022.00; no county match] retroactive for the period of July 1, 2025 to June 30, 2026 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System; authorize the Division Director of Finance & Administration of Human Services Agency to retroactively execute the award and related documents; and direct Finance to make the necessary budget amendments.

**Washoe County Strategic Objective supported by this item:** Vulnerable Populations

### PREVIOUS ACTIONS

On February 17, 2026, the Board approved Item #10, the acceptance of a FY26 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$607,022; no county match] retroactive for the period of July 1, 2025 to June 30, 2026 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System.

On February 25, 2025, the Board approved Item 12, the acceptance of a FY25 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$445,718; no county match] retroactive for the period of July 1, 2024 to

AGENDA ITEM # \_\_\_\_\_

June 30, 2025 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System.

On March 19, 2024, the Board approved Item 15, the acceptance of a FY24 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$1,040,849.00; no county match] retroactive for the period of July 1, 2023 to June 30, 2024 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System.

On December 13, 2022, the Board approved Item 18, the acceptance of a FY23 Adoption Savings Reinvestment Funds as allocated from the State of Nevada, Division of Child and Family Services in the amount of [\$818,612.00; no county match] retroactive for the period of July 1, 2022 to June 30, 2023; and authorization of the creation of five (5) full-time equivalent (1.0 FTE) positions to include: one (1) Human Services Case Worker, two (2) Runners, one (1) Management Analyst, and one (1) Human Services Program Specialist with a total fiscal impact of [\$347,872.00], funded 100% by the FY23 Adoption Savings Reinvestment Funds allocation.

## **BACKGROUND**

The Fostering Connections, aka Adoption Savings, program was established under the Title IV-E Adoption Assistance Program - Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110-351) with the intent of increasing the number of children eligible for Federal adoption subsidy funding (Title IV-E). Prior to the implementation of Fostering Connections, any child who was not eligible for Federal funding had their adoption subsidy payment funded fully by the State. By expanding eligibility criteria through Fostering Connections, the number of children who qualify for Federal funding increased, thus providing the State a “savings.”

The savings earned by the State is calculated annually based on adoption statistics and there are federal requirements that the “savings” must be reinvested into child welfare services. Further, Adoption Savings funds must not supplant any federal or non-federal funds used to provide a service under titles IV-B or IV-E per section 473(a)(8)(D)(ii) of the Social Security Act (Act). The “savings” are passed down proportionally from the State to agencies such as HSA in the form of an Adoption Savings allocation award because that is where the savings was actually “earned.” Agencies who receive an Adoption Savings award have the same obligation to reinvest the dollars into child welfare services.

Distribution of the funds is currently tied to savings realized in the decision unit for adoption in the County’s allocation from DCFS. The error in this approach is that the budgeted amount is reduced in the general fund category to first remove the dollars that would have “otherwise been spent” had regulations not changed.

Prior to 2023, the allocation of these funds was based on the amount of savings reported on the CB496 Federal Title IVE Claiming Form in the year prior to the Adoption Savings distribution. Based on the 2023 legislative implementation, ongoing distributions are now based on the amount left in the prior year budget line item for Washoe County’s adoption

maintenance. Per this 2023 direction the remaining amount was to be considered as the qualifying adoption savings payment to the county, which is inaccurate because the actual savings were already reported on the CB496. This results in a lower annual payment for adoption savings that were earned by the county and increases the unpaid earned adoption saving sitting in reserve with the State and inappropriately represents current year Adoption Maintenance budget utilization. The State of Nevada DCFS agrees the methodology is flawed and further agrees it does not allow for adequate funding of the federal requirement but does not have budget authority to make the necessary changes to budget to appropriately fund adoption savings back to the counties. DCFS is in support of proposed changes to the distribution process that will be part of the 2025 Legislative session. However, in the interim, HSA has been advised by DCFS that there is no process or authority at this time to make any modification to the allocation based on current legislative decisions. In the event legislative changes do not materialize to make the necessary process changes, HSA did submit a separate budget request to DCFS for FY26 and FY27 seeking they directly allocate an additional \$1M per year to Washoe County HSA from the Adoption Savings reserves to support our reinvestment programs.

Retroactive approval is requested as the Agency received the Notice of the Award on May 7, 2025.

### **AWARD SUMMARY**

**Project/Program Name:** Adoption Savings Program

**Scope of the Project:** The Adoption Savings Program will provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System.

**Benefit to Washoe County Residents:** The Adoption Savings Program will provide enhanced resources to best support children in the child welfare system who are ready to be adopted, as well as the adults who seek to adopt. Services are provided throughout the adoption process to ensure all parties have the necessary resources to make the critical decisions needed as they pursue adoption. Services are also provided post adoption to prevent disruptions and support positive permanent outcomes for children and families.

**On-Going Program Support:** Adoption Savings funds will be allocated and awarded annually in accordance with federal requirements.

**Award Amount:** \$607,022.00 (\$593,606.00 Direct / \$13,416.00 Indirect)

**Grant Period:** July 1, 2025 through June 30, 2026

**Funding Source:** State of Nevada Department of Health and Human Services  
Division of Child & Family Services

**Pass Through Entity:** None

**CFDA Number:** N/A

**Grant ID Number:** 314151-26-101

**Match Amount and Type:** Match not required

**Sub-Awards and Contracts:** The Human Services Agency may contract with vendors or provide subawards in support of this program. Any subaward or contract will follow all applicable requirements, including but not limited to the County’s competitive bid process and federal grant procurement guidelines as defined in 2 CFR 200—Uniform Guidance.

**FISCAL IMPACT**

Should the board accept this grant award and approve these amendments, the FY26 Human Services Agency’s Child Protective Fund (F228) adopted budget will be increased by \$607,022.00 in both revenues and expenditures in the following accounts:

<u>Account Number</u>	<u>Description</u>	<u>Amount of Increase/(Decrease)</u>
IO 12678 -432100	State Revenue	\$ 593,606.00
	<b>Total Revenue</b>	<b>\$ 593,606.00</b>
IO 12678 -701412	Salary Adjustment	\$ 89,354.00
-705360	Benefit Adjustment	\$ 44,811.00
-710100	Professional Services	\$ 49,240.00
-710300	Operating Supplies	\$ 12,500.00
-710734	Residence Assistance	\$ 377,701.00
-711213	Travel – Non County	\$ 20,000.00
	<b>Total Expenditures</b>	<b>\$ 593,606.00</b>

The allocation requires no matching funds. Indirect costs in the amount of \$13,416.00 are included in the grant award.

**RECOMMENDATION**

Recommendation to accept a second FY26 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$607,022.00; no county match] retroactive for the period of July 1, 2025 to June 30, 2026 to provide supportive services to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System; authorize the Division Director of Finance & Administration of Human Services Agency to retroactively execute the award and related documents; and direct Finance to make the necessary budget amendments.

**POSSIBLE MOTION**

Should the Board agree with staff’s recommendation, a possible motion would be: *“Move to accept a second FY26 Adoption Savings subgrant award from the State of Nevada, Division of Child and Family Services in the amount of [\$607,022.00; no county match] retroactive for the period of July 1, 2025 to June 30, 2026 to provide supportive services*

*to facilitate and maintain the successful adoption of children from the Washoe County Child Welfare System; authorize the Division Director of Finance & Administration of Human Services Agency to retroactively execute the award and related documents; and direct Finance to make the necessary budget amendments.”*