

## City of Alexandria, Virginia

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12-11-01

## MEMORANDUM

DATE: DECEMBER 5, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: RECEIPT OF FUNDS FOR THE DEPARTMENT OF HUMAN SERVICES  
FOR MAXIMIZATION OF FEDERAL REVENUES

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**ISSUE:** City Council approval of the receipt and planned expenditure of federal funds for the Department of Human Services.

**RECOMMENDATION:** That City Council approve the proposed plan for expenditure of \$328,235 in additional federal funds.

**BACKGROUND:** The Department of Human Services began a pilot project with the Virginia Department of Social Services in April 1999 to maximize federal financial participation revenues for previously unclaimed administrative costs that have historically been paid for from City General Fund monies. The pilot program was intended to be a model that would be replicated Statewide. According to the State-set terms of this revenue maximization project, the City is required to reinvest the additional federal funds received under the project to enhance and expand its human service programs or to develop new initiatives to better meet human service needs in the City. No portion of the additional funds received can be used to supplant local or other funding for human services. The revenue maximization project will be ongoing, and is expected to generate significant revenue annually.

**DISCUSSION:** Within the revenue maximization process, federal reimbursements are made in two general categories: **Reasonable and Necessary** claims and **Title IV-E Foster Care** claims.

The **Reasonable and Necessary** claims are based on costs incurred by the City that are determined reasonable and necessary for the administration and delivery of social services programs. Programs providing social services to families, adults and the aging that are not claimed as a match or reimbursement for any other federal program are eligible. Federal reimbursement received from claims processed through the State Department of Social Services averages twenty-five to thirty percent of the amount claimed.

The FY 2002 year-to-date revenue received for the Reasonable and Necessary claims is \$240,105, with a pending claim of \$337,000. These claims represent expenditures from FY 1999 and FY 2000. A claim for FY 2001 is currently being processed and is expected to yield another \$337,000. As a result, the total revenue anticipated to be available through the end of FY 2002 is \$914,105. The projected ongoing annual revenue amount will be approximately \$524,000.

The plan for spending the Reasonable and Necessary revenue includes two projects totaling \$170,684 that were approved by City Council during the FY 2002 budget process: two full-time Social Worker Supervisors to provide additional services in the Child Welfare and Child Care area; and a Fiscal Officer to handle all components of the Department's revenue maximization efforts. In addition, City Council approved use of these funds as part of a September 15, 2001 docket for \$391,134 for enhancements recommended by the Child Welfare League of America. These include consultants for training, technical advice and support of the Community Advisory Committee, new child welfare staff and contract attorney fees.

The additional plans for allocation of the Reasonable and Necessary funds recommended at this time are:

- \$50,000 for a Drug Court Program in the Juvenile and Domestic Relations Court. The program combines intensive case manager and judicial supervision, mandatory drug testing, escalating sanctions and treatments. This program, which has been requested by the Juvenile and Domestic Court Judges, is a partnership among the Courts, the Department of Human Services, attorneys, treatment providers, Mental Health/Mental Retardation/Substance Abuse Department (MH/MR/SA) and the Alexandria Public School System.
- \$60,000 for an outreach program to assist City residents who are not citizens of the United States with immigration services, social services, networking and legal referrals. A Request for Proposal (RFP) to select a provider for this program is currently being developed.
- \$50,000 for marketing *JobLink* to make all families and businesses in the City aware of all job training, education and job placement services, and to enable *JobLink* to act as a distance learning "hub site," transmitting high-tech, medical and other specific skills training via the Internet and video conferencing directly into the community.

These three new projects will be considered as new programs and will be evaluated after a one-year period to determine if these programs should be continued.

The **Title IV-E Foster Care** component covers administrative costs associated with pre-placement prevention of every child who would be a "reasonable candidate" for foster care. "Reasonable candidates" are those children for whom there is evidence of court proceedings in relation to the removal of the child from the home, or a defined case plan which clearly indicates that, in the absence of effective preventive services, foster care is the arrangement planned for the child. The administrative costs eligible for Title IV-E reimbursement arise in specific programs through MH/MR/SA, the Court Services Unit and Healthy Families Alexandria. Federal reimbursement from the State is approximately fifty percent of the amount claimed.

The Title IV-E component has generated \$168,235 in revenue to date, which is recommended for allocation at this time. The claim represents \$16,833 for Court Services, \$59,500 for Healthy Families Alexandria and \$91,902 for MH/MR/SA. Staff recommends that these funds be allocated to the agency for which the claim was submitted after receipt of an approved plan for expenditures. In the case of Healthy Families, the Department of Human Services will work with Healthy Families to establish a plan for use of funds and will monitor the use of these funds. Under the State’s requirements, the Department of Human Services is responsible for verifying the accuracy of claim submission and the approval of expenditure plans. It is expected that at least \$168,235 will be generated annually under the Title IV-E component.

Future plans for using revenue generated through the revenue maximization process for Reasonable and Necessary and Title IV-E claims will be treated the same way as grant funds and will be submitted for approval to the Office of Management and Budget, the City Manager and then to City Council during the regular budget process. Funds received from the State not expended in one fiscal year will be carried over during the re-appropriation process for expenditure in a subsequent fiscal year.

**FISCAL IMPACT:** The projected FY 2002 and prior year revenue available is at least \$1,082,340. Proposed expenditures for FY 2002 are \$890,053, leaving a reserve of \$192,287 for future use. Any new initiatives are also eligible for revenue maximization claims. No funds will be spent until received from the State. Additional claims for federal and State revenue are expected to cover the ongoing costs of these efforts. If funds are not received for any reason, the programs and positions paid from these funds will be terminated. No City General Fund monies are being requested.

The following chart summarizes the proposed use of the Reasonable and Necessary and Title IV-E Foster Care funds:

**Summary of Allocation of  
Reasonable and Necessary and Title IV-E Funds**

<b><u>Previously Approved by City Council</u></b>	
Two additional social workers in child welfare	\$125,262
One fiscal officer to administer program	45,422
Recommendations from Child Welfare League of America	<u>391,134</u>
Subtotal	561,818
<b><u>Recommended for Approval by City Council</u></b>	
Drug Court Program	\$ 50,000
Immigration Services	60,000
JobLink Marketing	50,000
Court Services	16,833
Healthy Families	59,500
MH/MR/SA	<u>91,902</u>
Subtotal	328,235
<b>TOTAL</b>	<b>\$890,053</b>

**STAFF:**

Mark Jinks, Assistant City Manager

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Meg O'Regan, Director, Department of Human Services

Gene Swearingen, Director, Office of Management and Budget

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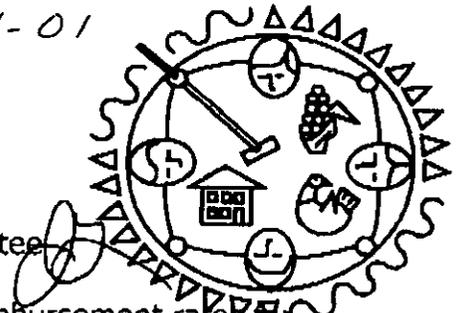
EXHIBIT NO. 215  
12-11-01

DATE: December 11, 2001

TO: The Honorable Mayor and Members of City Council

FROM: Jon Liss, Tenants' and Workers' Support Committee

SUBJECT: local supplement to the State's Maximum reimbursement rates for Alexandria Family Child Care providers in 2002



Members of the Tenants' and Workers' Support Committee urge the City Council to (1) authorize the transfer of \$64,400 from the Contingent Reserves account in the FY 2002 budget to the Department of Human Services; (2) set the City's family child care rates to be equal to the rates for Arlington County.

Council unanimously approved the establishment of this \$150,000 set aside last spring. We were concerned at the time that the State would delay and / or deny the pay increase that the providers deserved. To date, our worst fears have been realized, it is now 5 months since FY 2002 began and no pay increase has been awarded. Providers do critical work caring for the children of low-wage working people. You did the right thing by supporting them last year and we urge Council to reaffirm its original decision and release the funds.

We will work closely with Alexandria Human Services and the State so that FY 2003 rates are comparable to Arlington's rate. This will provide the longer term solution that we all seek.

Thank you for supporting the providers last year and please reaffirm your decision by voting to release \$64,400 in Continent Reserves tonight.

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