

## City of Alexandria, Virginia

## MEMORANDUM

DATE: JUNE 13, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER <sup>PS</sup>

SUBJECT: APPROVAL OF A CONTRACT ENABLING JOBLINK TO PARTICIPATE IN THE SOCIAL SECURITY ADMINISTRATION'S TICKET-TO-WORK PROGRAM

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**ISSUE:** City Council consideration of a contract between Alexandria *JobLink* and the U.S. Social Security Administration (SSA) enabling *JobLink* to join the Ticket-to-Work program.

**RECOMMENDATION:** That City Council:

- 1) Approve the contract between *JobLink* and the U.S. Social Security Administration establishing *JobLink* as an Employment Network under the Ticket-to-Work program.
- 2) Authorize the City Manager to execute all documents as may be required.

**BACKGROUND:** Ticket-to-Work is a program sponsored by the Social Security Administration (SSA) to give SSI and SSDI beneficiaries greater choice in vocational rehabilitation and employment services. It assists SSI and SSDI recipients by providing them with tickets (vouchers) that represent SSA's commitment to remunerate Employment Networks that successfully help the beneficiary to obtain and sustain employment.

Under the Ticket-to-Work program, *JobLink* would continue to offer the same comprehensive employment services to SSI and SSDI recipients that it has already developed and provided under its program for persons with disabilities. By joining the Ticket-to-Work network, *JobLink* would gain an opportunity to increase revenue by obtaining funds for each ticket-holding client who achieves certain employment objectives. Moreover, it is important for *JobLink* to participate in Ticket-to-Work in order to maintain its status as a top employment center that is committed to serving persons with disabilities.

**DISCUSSION:** If *JobLink* were designated as an Employment Network (EN) within the Ticket-to-Work system, it would be eligible to obtain funds for each ticket-holding client it serves who achieves certain employment objectives. Although at this time it is impossible to forecast exactly

the number of additional clients *JobLink* will receive or the increased revenue that *JobLink* will gain once the program is underway, one can estimate roughly the amount of increased revenue one might expect based on past *JobLink* placement statistics. Of the 68 total clients with disabilities who obtained employment through *JobLink*'s services between FY 2001 and mid-FY 2003, 47 were SSI or SSDI recipients. Ticket-to-Work only reimburses for clients whose income is high enough for them to cease receiving SSI or SSDI benefits and SSA provides a number of exemptions and work incentives that allow beneficiaries to continue to receive benefits. Therefore, *JobLink* would not receive remuneration for all client placements. If *JobLink* had been an EN within Ticket-to-Work during this period, it would have been remunerated for the placement and job retention of 18 clients. Based on a conservative analysis of *JobLink*'s 12-month follow-up data of actual placements, *JobLink* would have received at least \$27,000 over the 2.5 year period, for an average annual revenue of approximately \$11,000. In addition, for clients who maintain employment for more than 12 months, *JobLink* could continue to receive monthly remuneration for up to five years. Therefore, the potential revenue in out-years could be greater.

More importantly, it is crucial for *JobLink* to participate in Ticket-to-Work in order to maintain its status as a leading employment center. As a One-Stop employment center under the Workforce Investment Act (WIA), *JobLink* is expected to offer full services for job seekers, including those with disabilities. *JobLink* currently offers these services and will continue to offer them in the future. Becoming a Ticket-to-Work EN would re-enforce *JobLink*'s commitment as a One-Stop to assisting all job seekers in finding employment.

*JobLink* plans to apply the additional revenue from the Ticket-to-Work program to the purchase of training for clients with disabilities, raising their skills and employability and allowing for greater success in the workplace. Training programs such as the Workforce Investment Act Adult or Dislocated Worker Programs have requirements that may eliminate them from being eligible from these funding sources.

The contract would take effect upon approval of SSA and would extend for a duration of 60 months from the date of award with one 60 month option for a total duration of ten years. Both the City and the Federal government would have the right to terminate the contract for convenience at any time.

**FISCAL IMPACT:** Approximately \$11,000 will be received annually from the Social Security Administration and will be used to purchase training for clients with disabilities. Although there is no requirement for the City to provide a cash match or an in-kind match for these funds, the City is responsible for the normal administrative costs associated with this contract. These costs include financial and reporting oversight provided by the Department of Human Services, as well as by the Office of Management and Budget and the Finance Department.

**ATTACHMENTS:** None.

**STAFF:**

Rochelle Mackey, Management Analyst I, *JobLink*

Dennis McKinney, Division Director, *JobLink*

Beverly Steele, Interim Director, Department of Human Services

Carol Moore, Acting Deputy Director, Office of Management and Budget