


City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 18, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: ALLOCATION FROM FY 2008 CONTINGENT RESERVES FOR THE CHILD DAY CARE FEE SYSTEM

ISSUE: City Council allocation of funding from FY 2008 contingent reserves for the Child Day Care Fee system (Fee System) waiting list.

RECOMMENDATION: That City Council allocate \$577,000 to the Department of Human Services from funds designated in FY 2008 Contingent Reserves to hire a Social Worker I in the Office for Early Childhood Development and to begin clearing the Fee System waiting list.

BACKGROUND: As part of the FY 2008 budget process, City Council added \$800,000 to contingent reserves to clear the Fee System waiting list and \$77,000 to possibly fund the salary and benefits of a Social Worker I position to assist with the effort. The \$800,000 was an estimate by City staff of the cost of clearing the waiting list and was based on two factors: 1) the number of children on the waiting list on April 24; and 2) indications from the Virginia Department of Social Services (VDSS) that the cut in federal child care pass-through dollars, which began in FY 2007, would continue in FY 2008, and that all other funding for the Fee System would remain level. Budget Memorandum #76, dated April 30, 2007, described these circumstances for City Council during its consideration of the FY 2008 budget.

The previous estimate of \$800,000 to clear the waiting list was based on the Department's experience that only 50% of families on the Fee System waiting list are actually eligible or follow through with an application for day care. Based on more recent experience with the waiting list, as the pace of taking families off the waiting list speeds up, a higher percentage of families has followed through with the application process. Of the most recent group of applications mailed to replace families and children that had left the program, 20 of 27 families returned applications. Of the 20 families that returned applications, 17 were found eligible. Based on this early data, a preliminary estimate of the cost of clearing the waiting list would be \$1 million. However, we have recently learned that there is the possibility that the FY 2008 budget allocations from the VDSS will be slightly more than expected. We are not anticipating an allocation large enough to clear the waiting list on its own. Therefore, DHS is requesting \$500,000 from

Contingent Reserves for Fee System payments, pending more information in the fall on the DSS funding to be provided and the percent of families on the waiting list who apply and are found eligible the Department will reassess the situation in the fall and submit a request for the funds needed at that time. In the meantime all families on the waiting list will be processed and receive child care vouchers if they apply and are determined eligible.

The allocation of \$577,000 for fee system payments and the salary of a Social Worker I will assist in the process of clearing the waiting list and managing the resulting increased caseload. The recruitment process for the position has been initiated with the hope that it will be filled in time to begin mailing out additional Fee System applications during the summer.

FISCAL IMPACT: The only fiscal impact at this time is the \$577,000 to be allocated from Contingent Reserves for fee system payments and the salary and benefits for a Social Worker I position to assist in the processing of Fee System applications and in the management of the increased caseload.

STAFF:

Mark Jinks, Deputy City Manger

Debra R. Collins, Director, DHS

Bruce Johnson, Director, OMB

Nelson Smith, Interim Director, Community Programs, DHS

Carol Farrell, Director, Office for Early Childhood Development, DHS