



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of April 22, 2006

Date: March 27, 2006

SUBJECT: FY 2006 Supplemental Grants for the Department of Human Services (DHS)

C. M. RECOMMENDATIONS:

1. Appropriate \$374,362 from the Department of Housing and Urban Development (HUD) (008.0727) to the Department of Human Services (008.617) to continue subsidies for Section 8 housing clients in Arlington County.
2. Authorize the use of \$60,708 from Department of Human Services Section 8 Housing (008.617) Administrative Reserve Account to purchase three vehicles for the Housing Inspectors.
3. Appropriate \$100,022 from the Commonwealth of Virginia Part C Office (001.0745) to Department of Human Services (001.413) to support Part C programs.
4. Appropriate \$841,645 from Virginia Department of Social Services (001.0647) to the Department of Human Services (001.417) for special needs adoption.
5. Appropriate \$9,200 from Virginia Department of Social Services (001.0747) to the Department of Human Services (001.417) for adoption incentive allocation.
6. Appropriate \$6,860 from Virginia Department of Social Services (001.0747) to the Department of Human Services (001.417) for independent living grant.
7. Appropriate \$350,404 from Virginia Department of Education (001.0654) to the Department of Human Services (001.419) for Comprehensive Services for Youth at Risk (CSA).
8. Appropriate \$31,574 from The Virginia Department of Medical Assistance Services (DMAS) (001.0415) to the Department of Human Services (DHS) (001.415) to fund one-time transition expenses associated with increased medication costs.
9. Appropriate \$5,000 from the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services (001.0645) to the Department of Human Services (DHS) (001.428) to fund emergency preparedness.

County Manager: _____

Staff: Susanne Eisner, Acting Director of Department of Human Services (DHS)

10. Appropriate \$6,000 from the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services (001.0645) to the Department of Human Services (DHS) (001.415) to fund discharge assistance transition expenses for persons found not guilty by reason of insanity (NGRI).

11. Appropriate \$100,000 from The Virginia Department of Medical Assistance Services (DMAS) (001.0415) to the Department of Human Services (DHS) (001.415) to fund facility improvements at the Drewry Center.

ISSUE: Should additional State and federal funds be accepted and appropriated for specified activities?

SUMMARY: The Department of Human Services (DHS) expects to receive additional funding from various revenue sources (federal and state) during fiscal year 2006. County staff recommends appropriation of these funds to the FY 2006 DHS budget, as described and outlined above.

DISCUSSION: This provides additional information for each recommendation, numbered correspondingly.

1. In recent years, HUD encouraged local Section 8 Housing Programs to utilize units and funding available for maximum lease-up. During FY 2004, HUD changed the reimbursement structure for Housing Assistance Program (HAP) and the Administrative Fee for the Housing Choice Vouchers due to budgetary constraints imposed by Congress. The Section 8 Housing Program responded to these uncertainties by reducing its payment standard, and consequently, the FY 2005 and FY 2006 budgets. In October 2005, HUD increased the Fair Market Rents, with increases ranging from 3% to 38% depending on bedroom size. The average lease-up rate for Arlington in FY 2006 is 98%, an increase of 3% over FY 2005. In addition, the lack of affordable housing and high rents throughout the metropolitan area increased the HAP portion for many tenants. In CY 2006, HUD's allocations will more than support current lease up at the new FMR rates, which is reflected in the projection for FY 2006.

2. The Section 8 Housing Program Administrative Plan stated that all transactions exceeding \$15,000 from the Section 8 Reserve Account must have County Board approval. In accordance with the Administrative Plan, the Department of Human Services (DHS) requests authorization and approval from the County Board to expend funds for three vehicles totaling \$60,708 from the Section 8 Reserve Account. These vehicles were requested and approved in FY 2004; however, due to production delays for Toyota Priuses (hybrids), the vehicles were not expensed to the Section 8 Housing Program until FY 2006. The expenditure needs to be transferred to the Reserve Account prior to year end settlement. The Administrative Plan spending threshold has been recently increased to \$50,000 to reflect increased spending patterns.

3. The additional Part C funds will be used for the same purposes as the basic grant for FY 2006 which has been received at higher than budgeted amount; the increase in funding allows service to additional children. The services with Part C funding are:

- a. Contracted evaluations needed to meet the 45-day timeline from referral to Individual Family Service Plan (IFSP). Parent Infant Education (PIE) continues to have significant increase in referrals.
 - b. Direct therapy service (physical therapy, occupational therapy and speech therapy) for families with no or minimal fee on the sliding fee scale and whose insurance providers denied or did not cover the needed therapy.
 - c. Interpretation services for intakes, evaluations, and IFSPs, and therapy services for non-English speaking clients.
4. Based on receipt of additional information regarding program and funding source, expenditure projections were increased as a part of the mid-year review; anticipated additional revenue will offset higher expenditures. This is a mandated service and the program is 100% reimbursable.
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7. The increased expenditures are due to a number of factors, such as more teens being placed into foster care; increased purchase of intensive services; and fewer viable foster homes due to adoption trends. This is a mandated service and the program is reimbursed at a rate of 53.98% and has a local match rate of 46.02%.
8. Under the State of Virginia's Community Service Board (CSB) Revenue Maximization initiative for FY 2006, Virginia Department of Medical Assistance Services (DMAS) funding was granted to increase case management fees and make clinic option supplemental payments. The fee increase is already in effect. DMAS will make this one-time supplemental payment in April 2006. The funding will be used to offset transition costs associated with state pharmacy changes.
9. This award reflects two separate increases for emergency preparedness, and is in addition to funding appropriated in November 2005. DMHMRSAS awarded each CSB \$4,000 for emergency preparedness, with the funds to be used on training, supplies, and equipment. An additional award from DMHMRSAS in the amount of \$1,000 was awarded due to assistance provided during Hurricane Katrina. Both awards are one-time.
10. DMHMRSAS provides funding for the on-going management and initial placements of persons found not guilty by reason of insanity (NGRI). Funding levels have varied from year-to-year. These revenues have not been included in the adopted budget in the past due to the unpredictability of these fluctuations in revenues; \$6,000 has awarded to Arlington in FY 2006.

11. Medicaid State Plan Option revenues are primarily derived from case management services. During FY 2006, DMAS increased the case management rates and allowed billing for bundled services in the Program of Assertive Community Treatment (PACT) Team. These changes have resulted in actual funding surpassing revenue targets. The funds will be used on one-time improvements in the Drewry Center, including installation of a security system in the lobby and interior painting of the entire building.

FISCAL IMPACT: All the actions involve state or federal funds and do not require any increase in County net tax support.