



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of January 23, 2010

DATE: January 2, 2009

SUBJECT: Revised Departmental Appropriations Resulting from State Budget Cuts, Additional FY 2010 State Grants and Human Service Program Expansion for Critical Safety Net Needs.

C. M. RECOMMENDATIONS:

1. Reduce General Fund departmental appropriations by \$2,037,621 (see Attachment A) to reflect State revenue reductions to the County in FY 2010.
2. Reallocate \$385,162 from the non-departmental safety net contingent (101.91102) to be used for increased funding for critical emergency assistance programs and appropriate these funds to the Department of Human Services (101.51108).
3. Appropriate \$322,209 from the Virginia Department of Behavioral Health and Developmental Services (101.364501) to the Department of Human Services (DHS) (101.52111) to administer the State Pharmacy Bridge Benefit, purchasing psychiatric medications for Community Services Board (CSB) clients who are indigent and have been previously discharged from a psychiatric hospital.
4. Appropriate \$182,568 from the Virginia Department of Behavioral Health and Developmental Services (101.364501) to the Department of Human Services (DHS) (101.52133) to augment the Mental Health Residential Crisis Stabilization Program.

ISSUES: Should departmental budgets be reduced to reflect funding reductions from the State? Should available FY 2010 safety net funds be allocated at this time?

SUMMARY: In the Fall of CY 2009 the State announced a series of cuts which reduced the amount of revenue remitted to Arlington County by \$2,037,621 for a variety of services. Operating department expenditure reductions of \$1,459,642 are recommended to offset the loss of State funding. In addition, it is recommended that \$577,979 be allocated from the Budget Stabilization fund to cover the difference.

This report also appropriates additional state monies for the pharmacy program and Mental Health Residential Crisis Stabilization Program. The Commonwealth ceased operations of the

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state pharmacy but has allocated funds to localities to ensure the continuation of filled prescriptions to psychiatric clients. The state has also provided funding to support the expansion of residential mental health crisis stabilization capacity in Arlington.

BACKGROUND: On September 8, 2009, the Governor announced his executive spending reduction plan to meet a FY 2010 revenue shortfall of \$1.35 billion. This plan included total reductions in aid to Virginia localities of \$42.9 million, including \$1,851,131 for Arlington. The reductions included cuts to State Compensation Board funding for constitutional offices, library grants, Community Services Board aid, chore and companion programs, Virginia Community Crime Control Act funding and aid for local public safety (H.B. 599 funding). The table below outlines the Governor’s reductions.

Additionally, the Virginia Department of Transportation has also informed the County that aid for maintaining traffic signals on State roads will be reduced by \$186,490, or 25%, for the remainder of the current fiscal year. Collectively, this VDOT reduction, coupled with the Governor’s executive spending plan, will decrease State aid by \$2,037,621 in the current year. Arlington’s share of total cuts announced by the State is now \$9.8 million over the past three years, with more reductions expected during the current FY 2010-FY 2012 budget deliberations.

Impact of State’s Reductions on Arlington County

County Department	Cut Description	Department Budget Reduction Description	Impact on Department
Office of the Electoral Board and Voter Registration	10% reduction in assistance for electoral board members	Savings achieved through reduced election officials staffing for November 2009 General election	\$8,161
Commissioner of Revenue	15% reduction in state funding which is received by localities to offset salary expenses for staff who perform many state mandated functions	Savings achieved through holding positions vacant and reducing various non-personnel expenditures including consultants and office supplies	\$64,758
Treasurer	15% reduction in state funding which is received by localities to offset salary expenses for staff who perform many state mandated functions	Savings achieved through holding positions vacant and reducing various non-personnel expenditures including equipment replacement and printing	\$79,057
Circuit Court	15% reduction in state funding which is received by localities to offset salary expenses for staff who perform many state mandated functions	Savings achieved through holding positions vacant	\$126,565
Commonwealth’s Attorney	5% reduction in state funding which is received by localities to offset salary expenses for staff who perform many state mandated functions	Savings achieved through holding a Commonwealth Attorney position vacant, reducing temporary administrative service help and reducing consultant expenditures	\$92,164
Sheriff	4.7% reduction in state funding which is received by localities to offset salary expenses for staff who perform many state mandated functions	Savings achieved through the reallocation of personnel resources by holding three administrative and three uniform positions vacant through the end of the fiscal year	\$485,428 ⁽²⁾

Libraries	5% reduction in State aid	Savings achieved through reduced materials purchased through the end of the fiscal year	\$10,036
Human Services	5% reduction to Community Services Board funding; 10% reduction for chore and companion programs; 3.2% reduction for individual care services	Savings achieved through reductions in contractual services and consultant funding in Residential Services, Forensic Services, Administrative Services, and Behavioral Health	\$470,962
Juvenile and Domestic Relations District Court	5% reduction to Virginia Community Crime Control Act funding	Savings achieved through holding one and one-half Probation Counselor positions vacant	\$42,513
Environmental Service	25% reduction for remaining Traffic Signal maintenance payments in FY 2010 ⁽¹⁾	Savings achieved through holding various positions vacant	\$186,490
Non-departmental	Approximately 7% reduction to aid for local law enforcement (H.B. 599)		\$471,487
Total			\$2,037,621
Total Recommended Reductions to Operating Departments			\$1,459,642
¹ The reduction in Traffic Signal maintenance payments was announced separately from the Governor's executive spending plan. ² A portion of the Sheriff's reduction is recommended to be funded from the Budget Stabilization Fund.			

When the County Board approved the FY 2009 Close-out board report, \$385,162 in unspent homeowner grant funds were allocated to human service safety net needs. These funds were appropriated to the non-departmental portion of the FY 2010 budget for future allocation when the appropriate needs were identified.

DISCUSSION: Operating departments affected by the reduced state aid are taking various measures to ensure that planned expenditures are being reduced. This includes holding budgeted positions vacant and reducing various non-personnel accounts such as consultants and printing. It is recommended that \$1,459,642 in lost State revenue be reduced in the various operating departments with the balance of \$577,979 be offset by the Budget Stabilization Fund created to absorb unanticipated revenue losses. Of the \$577,979 in State revenue loss to be offset, \$471,487 is attributable to general non-department specific County operations. The balance of \$106,492 is in the Sheriff's Office relating to jail operation funding that can not be absorbed through vacancy savings or other non-personnel adjustments. Attachment A shows the necessary budget adjustments by department to reflect the State revenue reductions.

Safety Net Reallocation: When the County closed-out fiscal year 2009, \$385,162 was appropriated to a non-departmental account for FY 2010 safety net needs to be identified at a later date. The Department of Human Services has indicated that additional Safety Net funds are needed for housing grants (\$300,000) to support an increased demand for rental subsidy from disabled, elderly and low-income working families; and for increased support to AMEN (\$40,725), the organization which provides financial housing-related resources (e.g., past due rent payments, security deposits) to individuals and families to prevent homelessness. The remainder of the funds, \$44,437, would be allocated to DHS in a Safety Net Contingent to be expended for additional safety net needs that arise in the second half of the fiscal year, such as for general relief, the Arlington Food Assistance Network, and/or supportive housing.

Safety Net Programs	FY 2010 Budget	Additional Funding Recommended	Total
Housing Grants	\$4,907,507	\$300,000	\$5,207,507
Arlington Food Assistance Center	\$294,530		\$294,530
AMEN: Carter-Jenkinson Fund	\$378,580	\$40,725	\$419,305
Permanent Supportive Housing	\$810,584		\$810,584
General Relief	\$579,450		\$579,450
Emergency Lodging	\$41,000		\$41,000
Transitional Housing	\$337,939		\$337,939
Dental Program	\$35,000		\$35,000
SOAR	\$30,000		\$30,000
Safety Net Contingent	-	\$44,437	\$44,437
Total	\$7,414,590	\$385,162	\$7,799,752

Supplemental State Funding: DHS has received notification of ongoing state funding to purchase psychiatric medications for qualified Community Services Board (CSB) clients. This service and support was previously administered by the Commonwealth from a central location. The state allocated funds for each CSB to provide prescriptions to psychiatric clients who are medically indigent, below a certain income level, and who have been discharged from a state psychiatric hospital. The funds were maintained in state accounts and were never previously passed on to CSBs for distribution. However, in response to Commonwealth budget reductions, the state Community Resource Pharmacy ceased operating in December 2009. The allocations previously reserved on behalf of each CSB are now being sent directly to each CSB for management of local prescription programs. These funds are expected to be appropriated to the Arlington County Department of Human Services each year. For FY 2010 these funds total \$322,209.

In addition to the CSB supplemental appropriation from the state, DHS has received notification of ongoing state funding that is intended to support the expansion of residential mental health crisis stabilization capacity in Arlington. The current program utilizes four beds for this purpose and the state has indicated that the additional funds be used to increase usage of the four beds and to make them available to a wider variety of people in mental health crisis. These funds are expected to be appropriated to the Arlington County Department of Human Services each year. For FY 2010 these funds total \$182,568.

FISCAL IMPACT: It is recommended that the County's FY 2010 budget be reduced by \$2,037,621 for the State revenue reductions announced in the Fall of CY 2009. In addition, staff recommends that the Board approve the supplemental appropriations totaling \$504,777 and the reallocation of \$385,162 of non-departmental safety net contingent funds to the Department of Human Services budget.

FY 2010 Budget Adjustments, By Department

Department	State Reductions
County Board	
County Manager	
Department of Management and Finance	
Human Resources Department	
Department of Technology Services	
County Attorney's Office	
Commissioner of Revenue	(64,758)
Treasurer	(79,057)
Electoral Board	(8,161)
Circuit Court	(126,565)
General District Court	
Juvenile and Domestic Relations District Court	(42,513)
Commonwealth's Attorney	(92,164)
Sheriff	(378,936)
Police Department	
Office of Emergency Management	
Fire Department	
Department of Environmental Services	(186,490)
Department of Human Services	(470,962)
Libraries	(10,036)
Arlington Economic Development	
Dept. of Community Planning, Housing & Dev.	
Dept. of Parks, Recreation & Cultural Resources	
Subtotal	(1,459,642)
Non-Departmental	(577,979)
Net Adjustment	(2,037,621)