



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of October 26, 2010

SUPPLEMENTAL REPORT

DATE: October 20, 2010

SUBJECT: Budget Stabilization Funding to Restore the Federal Medical Assistance Percentages (FMAP) Reductions and Housing Grants Shortfall

DISCUSSION: Additional information is provided in response to questions regarding purposes of the Budget Stabilization Fund and status of Housing Grants Program.

One-time Use of Budget Stabilization Fund

The requested use of the Budget Stabilization Fund is consistent with County Board guidance. The Budget Stabilization Fund was created to manage the impact of unannounced state cuts, revenue shortfall/expense pressures or additional safety net requirements. FMAP-related state budget reductions were unanticipated when the FY 2011 budget was adopted. Locally funded housing grants are part of the safety net approved in the FY 2011 budget. Consistent with continuing poor economic conditions, particularly impacting low and moderate-income persons, demand for Housing Grants has increased, surpassing forecasts used in FY 2011 budget assumptions.

Using the Budget Stabilization Fund to address FMAP and Housing Grant shortfalls will maintain existing services that were funded in the approved budget through FY 2011, sustain the safety net for Housing Grant eligible households, and provide the County Board with time to plan for reduced FMAP-related state revenue in FY 2012. This request is intended as one-time funding for FY 2011 and does not add to the base for the next fiscal year. Any requests for maintenance of funding into the future will have to be considered as part of FY 2012 budget deliberations.

Housing Grants

The number of households receiving Housing Grants has increased by 79 over the past year, from 931 in October 2009 to 1,010 in October 2010. In addition, demand is projected to increase by another 70 households to create a year-end budget shortfall of \$406,000 in FY 2011. Failure to address this funding shortfall will necessitate closing the Housing Grants program to new applicants on November 1, 2010. Taking into account application trends and attrition rates,

County Manager:

County Attorney:

Staff: Robert Sharpe, DHS

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program closure would result in denying grants to approximately 70 eligible households applying between November and June 2011.

Budget Stabilization Funds are proposed to restore state cuts as follows:

Item	Description	Net Loss of FMAP funding
General Relief	<p>General Relief Emergency funds provide up to \$500 per household in a six-month period to pay for emergency rent, utilities, clothing, food or burial costs. In FY 2010, 832 clients received assistance from General Relief Emergency funds. Many of these individuals were facing eviction, utility cut-off or were burying loved ones. General Relief is a critical part of the County's safety net. Restoration of state FMAP reduction in General Relief funding will keep the safety net intact.</p> <p>Updated impact: the total General Relief budget for FY2011 is \$686,202. The adopted FY2011 budget contained \$348,759 in local funds and \$337,443 in state funds, of which \$161,902 have been cut. An estimated 367 households will be denied assistance in FY2011 if state cuts are not restored.</p>	\$161,902
Chore/Companion Services	<p>In-home services provide in-home supports for frail, elderly and cognitively impaired individuals. Failure to restore funding could result in premature nursing home placement, poor health outcomes, fewer clients served and a waiting list for services.</p> <p>Updated impact: this reduction may result in the program serving 19 fewer individuals.</p>	\$119,270
5 percent Medicaid Waiver Reduction	<p>Loss of revenue to residential and vocational vendors serving persons with intellectual disabilities. Failure to restore funding will reduce services such as day support, individually supported employment and residential services.</p> <p>Updated impact: 66 Intellectual and Developmental Disability Services clients may receive 5,735 fewer total service hours.</p>	\$85,000
Elderly or Disabled with Consumer Direction Respite	<p>Without funding restoration Arlington families will lose respite hours that provide a break for family caretakers of children and adults with intellectual or developmental disabilities.</p> <p>Updated impact: approximately 20 families may receive 1,744 fewer hours of service.</p>	\$20,000
Dept of Social Services – Administration revenue reduction	<p>Reduction in state funds supporting social service positions such as eligibility workers, social workers, and administrative support staff. Funding restoration request is needed to maintain current service level.</p> <p>Updated impact: reduction in state funds is equivalent to the salary of a Public Assistance Eligibility worker managing a caseload of 733 households.</p>	\$71,443
Item	Description	Local Funding Shortfall
Housing Grants	<p>The number of households applying for Housing Grants has increased by 79, from 931 in October 2009 to 1,010 in October 2010. Increased demand is projected to create a budget shortfall of \$406,000.</p> <p>Updated impact: failure to address funding shortfall will result in closing the Housing Grants program to new applicants on November 1, 2010. Based on application trends and attrition rates, this would result in denying grants to approximately 70 eligible households applying between November and June 2011.</p>	\$406,000

