

MOTION:

**August 3, 2010
Regular Meeting
Res. No.**

SECOND:

RE: ACCEPT, BUDGET AND APPROPRIATE ADDITIONAL FUNDING IN THE AMOUNT OF \$171,505 FROM THE DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES AND APPROVE BUDGET ADJUSTMENTS TO RECONCILE THE FISCAL YEAR 2011 COUNTY BUDGET TO THE FISCAL YEAR 2011 STATE PERFORMANCE CONTRACT

ACTION:

WHEREAS, the Prince William County Community Services Board received a net of \$171,505 for FY 2011 from the Department of Behavioral Health and Developmental Services; and

WHEREAS, the Prince William County Community Services Board has received \$105,995 additional one time funding and an additional \$377 ongoing funding from State Part C funding; a reduction of \$123,843 in ongoing funding from Federal Part C and an additional \$216,865 in one-time funding from American Recovery and Reinvestment Act of 2009 which must be spent by September 30, 2011; and

WHEREAS, the \$216,862 in one-time funds from American Recovery and Reinvestment Act of 2009 are not spent at the end of FY 2011 the remaining amount will be carried over in the end of year process; and

WHEREAS, these funds will be used to provide staff training and technology advancement totaling \$18,000 and the remainder to provide client services through contractors; and

WHEREAS, the Prince William County Community Services Board has received notice of funding reductions from the State for Women's services in the amount of \$1,890 which will be offset with a reduction in operating expenses; and

WHEREAS, the Prince William County Community Services Board no longer provides day support services to a Northern Virginia Training Center client and will therefore no longer receive payment for these services this loss of revenue will be offset with a reduction of \$28,443 to Intellectual Disability Days Support Services client services expense; and

WHEREAS, the Prince William County Community Services Board has received notice of funding reductions from the Mental Health Federal Block Grant for a total of \$6,258 which will be offset with a reduction in operating expenses; and

WHEREAS, the Prince William County Community Services Board has received an additional \$66,870 ongoing from the Substance Abuse Federal Block Grant to be used for salaries and medications for the suboxone opioid treatment program; and

**August 3, 2010
Regular Meeting
Res. No. 10-
Page Two**

WHEREAS, the Prince William County Community Services Board must reduce the Client Loan Fund to the authorized limit by moving the portion set aside for the use of clients who are Not Guilty by Reason of Insanity and trying to get re-established in the community; and

WHEREAS, the Prince William County Community Services Board exceeded the FY 2010 Not Guilty for Reason of Insanity by \$3,500 in one-time funds; and

WHEREAS, the Prince William County Community Services Board has moved these client loan funds in the amount of \$16,000 to be used to replenish the client loan fund as necessary, therefore unspent amounts can be carried over into future fiscal years until exhausted; and

WHEREAS, the Prince William County Community Services Board has carried these funds over in the FY 2010 year end process to be used to purchase much needed furniture for the Mental Health Day Support Program in the client areas; and

WHEREAS, it is necessary for the Prince William County Community Services Board to reconcile to the State budget as to revenue expected to be received it is necessary to make budget adjustments to revenue and expenses in order to accomplish this reconciliation;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors does hereby accept \$171,505 in additional funding and budget adjustments included in the reconciliation of the Fiscal Year 2011 base budget to the Virginia Department of Behavioral Health and Developmental Services Performance Contract; and

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors does hereby approve the Fiscal Year 2011 State Performance contract with the Department of Behavioral Health and Developmental Services

BE IT FURTHER RESOLVED that these funds will be budgeted for FY 2011 as follows:

INCREASE REVENUE BUDGET:

| OCA CODE | SUB-OBJECT | DESCRIPTION | TOTAL |
|-----------------|-------------------|-------------------------------|--------------|
| 536448 | 1780 | Categorical Aid – Grants | \$ 216,865 |
| 534524 | 1568 | State Base Funding – MR | 105,995 |
| 534524 | 1568 | State Base Funding – MR | 377 |
| 531024 | 1568 | State Base Funding – MR | 25,433 |
| 536432 | 1150 | Undistributed & Miscellaneous | 16,000 |
| 536432 | 1600 | Other Rev from Commonwealth | 3,500 |

**August 3, 2010
Regular Meeting
Res. No. 10-
Page Three**

| | | | |
|--|------|-----------------------------|-------------------|
| 539014 | 1786 | Federal Block Grant – SA | 66,870 |
| 536416 | 1600 | Other Rev from Commonwealth | 75,000 |
| 539012 | 1600 | Other Rev from Commonwealth | 200,898 |
| 539008 | 1600 | Other Rev from Commonwealth | 72,166 |
| 536384 | 1600 | Other Rev from Commonwealth | <u>124,726</u> |
| Increase Revenue Budget Sub-Total | | | \$ 907,830 |

DECREASE REVENUE BUDGET:

| OCA CODE | SUB-OBJECT | DESCRIPTION | TOTAL |
|--|-------------------|------------------------------------|-------------------|
| 534524 | 1780 | Categorical Aid – Grants | \$ 123,843 |
| 534524 | 1780 | Categorical Aid – Grants | 12,071 |
| 534524 | 1568 | State Base Funding – MR | 81,080 |
| 531024 | 1600 | Other Rev from Commonwealth | 397,790 |
| 534552 | 1600 | Other Rev from Commonwealth | 28,443 |
| 531024 | 1180 | Gifts & Donations – Public Source | 495 |
| 531024 | 1160 | Gifts & Donations – Private Source | 66 |
| 533454 | 1600 | Other Rev from Commonwealth | 1,890 |
| 531024 | 1567 | Sub-Abuse-State Base Funding | 39,146 |
| 531024 | 1561 | Medicaid SPO-MR | 45,243 |
| 531024 | 1787 | Federal Block Grant-MH | 1,425 |
| 537024 | 1787 | Federal Block Grant-MH | 2,527 |
| 539012 | 1787 | Federal Block Grant-MH | <u>2,306</u> |
| Decrease Revenue Budget Sub-Total | | | \$ 736,325 |

TOTAL NET REVENUE INCREASE \$ 171,505

INCREASE EXPENDITURE BUDGET:

| OCA CODE | SUB-OBJECT | DESCRIPTION | TOTAL |
|--|-------------------|----------------------------------|-------------------|
| 536448 | 3930 | Client Services | \$ 216,865 |
| 534528 | 3930 | Client Services | 105,995 |
| 534528 | 3930 | Client Services | 377 |
| 534552 | 3930 | Client Services | 25,433 |
| 536432 | 5580 | Travel Expense | 16,000 |
| 536368 | 5408 | Office Furniture | 3,500 |
| 539014 | 2102 | Temporary Salaries | 50,000 |
| 539014 | 5430 | Medical, Drug, Chemical Supplies | <u>16,870</u> |
| Increase Expenditure Budget Sub-Total | | | \$ 435,040 |

**August 3, 2010
Regular Meeting
Res. No. 10-
Page Four**

DECREASE EXPENDITURE BUDGET:

| OCA CODE | SUB-OBJECT | DESCRIPTION | TOTAL |
|-----------------|-------------------|--|-------------------|
| 534528 | 3930 | Client Services | \$ 216,617 |
| 533428 | 5520 | Operating Supplies | 1,956 |
| 534536 | 5520 | Operating Supplies | 10,261 |
| 534552 | 3930 | Client Services | 28,443 |
| 536384 | 3205 | Translation Service | 3,952 |
| 539012 | 5430 | Medical, Drug, Chemical Supplies | <u>2,306</u> |
| | | Decrease Expenditure Budget Sub-Total | \$ 263,535 |
| | | TOTAL NET EXPENDITURE INCREASE | \$ 171,505 |

Votes:

Ayes:

Nays:

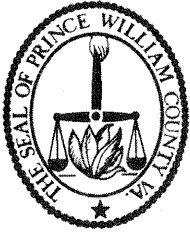
Absent from Vote:

Absent from Meeting:

For Information:

Director of Community Services

ATTEST: _____
Clerk to the Board



Melissa S. Peacor
County Executive

COUNTY OF PRINCE WILLIAM


OFFICE OF EXECUTIVE MANAGEMENT
1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

BOARD OF COUNTY SUPERVISORS

Corey A. Stewart, Chairman
Michael C. May, Vice Chairman
Maureen S. Caddigan
W. S. Wally Covington, III
John D. Jenkins
Martin E. Nohe
Frank J. Principi
John T. Stirrup

July 28, 2010

TO: Prince William Board of County Supervisors

FROM: *for* Tom Geib 
Executive Director

THRU: Melissa S. Peacor
County Executive

RE: Accept, Budget and Appropriate Additional Funding In the Amount of \$171,505 from the Department of Behavioral Health and Developmental Services and Approve Budget Adjustments to Reconcile the Fiscal Year 2011 County Budget to the Fiscal Year 2011 State Performance Contract

I. Background in chronological order is as follows:

- A. History of State Contracts - The Virginia Department of Behavioral Health and Developmental Services (DBHDS) have contracted with localities for approximately 25 years. The Contract stipulates:
1. How service dollars will be spent.
 2. Which clients should be served (mental health, mental retardation, substance abuse).
 3. How many "units" (hours/days) of service should be delivered for dollars spent.
 4. State and Federal laws and regulations require Community Services Boards (CSB) to comply with regulations such as Human Rights, Continuity of Care Guidelines, Drug Free Workplace and others.
- B. State Contract Review and Approval Process - The Fiscal Year 2011 State Performance Contract Review and Approval Process is as follows:

1. Public Comment - There is a 30-day Public Comment period. Copies of the Budget and Contract have been made available to the public in the lobbies of the Prince William County Community Services Board (PWCCSB) offices. No comments were received.
 2. PWCCSB Approval – On May 20, 2010 the PWCCSB approved the Chairman of the PWCCSB to sign the necessary documents and approved the submission of the Contract to the Commissioner, Resolution 10-05R1-03 for the required due date of June 18, 2010.
 3. Approvals by BOCS and City Councils -The BOCS and the Councils of Manassas City and Manassas Park City have until September 30, 2010 to review and adopt the Contract.
- C. Funding Sources – There are various funding sources administered by the DBHDS that provide additional funds or changes in allocations.
1. State Funds – The DBHDS redistributes State General and Restricted funds and administers new funding as available after our budget process, therefore a budget adjustment must be made to account for these additions and reductions.
 - a. State Part C Funding – Part C is one of the sources of funding for Early Intervention Services, a program for children with mental retardation or developmental delays. Funding comes from both the Federal Government, as part of the Individuals With Disabilities Act and from the State; the Department of Behavioral Health and Developmental Services (DBHDS) is the lead agency.
 - b. State Funds for Women – Within the State General funds there are allocations made to various priority groups of which substance abusing women is included. Periodic increases and decreases are made to these priority groups.

- c. Not Guilty By Reason of Insanity (NGRI) Fund – NGRI funds are Discharge Assistance Funds paid to ~~community services boards~~ CSBs for the management of insanity acquittees from the date of their conditional release. In FY 2007 we initiated a client loan fund for these clients and added the funding to the existing client loan fund originally authorized in October 2000 to support these clients on getting re-established in the community. Currently we are budgeted to receive \$8,000 annually in NGRI funds.
 - d. Other State Funds – In March 2003 the Northern Virginia Training Centered contracted with PWCCSB to provide day support for one of their clients for \$28,433 annually.
2. Federal Funding - The DBHDS administers Federal Block Grant funds as well as other Federal Funds as available after our budget process, therefore a budget adjustment must be made to account for these additions and reductions.
- a. Federal Block Grant Funding – The DBHDS administers Federal Block Grant funds for both Mental Health and Substance Abuses and administers all additions and reductions.
 - b. Federal Part C Funding – Part C funding for Early Intervention Services as indicated above comes the Federal Government, as part of the Individuals With Disabilities Act and from the State. On October 1, 2009 the Early Intervention System Transformation Initiative (EISTI) was implemented to increase the availability of providers. The plan was to increase payments to providers by increasing the Medicaid rates. In order to facilitate this increase the State Part C transferred in excess of \$3,000,000 to the Department of Medical Assistance (DMAS), thereby reducing their funding levels to the early intervention providers.
 - c. American Recovery and Reinvestment Act of 2009 – On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), (Public Law 111-5) (the “Recovery Act”). The ARRA included funding specifically for Part C programs nationwide. The funds were allocated in FY 2010 and FY 2011 to each State’s lead agency. The DBHDS is Virginia’s State agency will again administer these funds.

3. Revenue Reconciliation – At the beginning of the fiscal year it is necessary to reconcile all revenues to see that they are in agreement with the anticipated collections and classified correctly as to the type of funding and if the funding is for specific projects or services. Therefore adjustments are made at this time to make the necessary changes.

II. Current Situation is as follows:

- A. Fiscal Year 2011 State Performance Contract – On July 15, 2010 the PWCCSB by consensus recommended approval of the State Performance Contract to the BOCS. A copy of the State Performance Contract is available upon request of the PWCCSB.
- B. Budget Adjustments – Budget adjustments are required to reconcile the Fiscal Year 2011 PWCCSB budget and the State Performance Contract in that the State allocation of funds were distributed after the Fiscal Year 2011 County budget was adopted. These additional allocations to the base budget include the following:
 1. State Funds – The DBHDS redistributes one-time and on-going State General and Restricted funds after our budget process, therefore budget adjustments must be made to account for these additions and reductions in allocation.
 - a. State Part C Funding - On May 11, 2010 we received notice that \$1,998,769 in Department of Medical Assistance State Funds, for the 39 Early Intervention Programs throughout the State, based on the two year child count of each program, the allocation for Prince William County Community Services Early Intervention Program was \$105,995. Part C funds are to be used to provide direct services to Part C eligible children in accordance with all requirements and provisions of the contract. Part C funds are not to be used to supplant State or local funds. It was indicated that these funds could be carried over into FY 2011 and have been carried over in the FY 2010 end of year process. We have also received notice we will receive an additional \$377 in State Part C as our FY 2011 allocation.
 - c. State Funds for Women – With the State budget decreases for FY 2011 there is a budget reduction in State General funds designated for Women’s services as a priority population in the amount of \$1,890.

- d. NGRI Funds – Changes regarding NGRI funds are as follows:
 - i. NGRI Client Loan Fund – It has come to our attention that the NGRI client loan fund currently has a balance of \$16,000 which exceeds the authorized amount of the client loan fund, therefore it is necessary to reduce the client loan fund. A check has been written out of the Client Loan fund and received and deposited into Miscellaneous and Undistributed Funds to be deferred to FY 2011 to be budgeted and appropriated for the continue intent of use by replenishing the client loan fund as needed until it is exhausted.
 - ii. FY 2010 NGRI Funds – In FY2010 at the end of the fiscal year we met our NGRI annual revenue budget of \$8,000 and exceeded it by \$3,500. Since it was too close to the end of the year and our Mental Health Day Support Program is in great need of some new furniture for the client areas we have deferred this one-time revenue to be budgeted and appropriated in FY 2011.
 - e. Other State Funds – Since the client we had originally contracted to receive services is no longer receiving services the Northern Virginia Training Center (NVTC) will no longer pay PWCCSB \$28,443 annually, therefore we must offset this loss of revenue.
2. Federal Block Grant Funding – The DBHDS administers Federal Block Grant funds as available after our budget process, therefore budget adjustments must be made to account for these additions and reductions:
- a. Mental Health Federal Block Grant – DBHDS received a reduction of the Mental Health Federal Block Grant for FY 2011 the PWCCSB’s portion of that reduction was \$6,258 which will be offset with an operating expense reduction for that total.
 - b. Substance Abuse Federal Block Grant (SA FBG) – On June 17, 2010 we receive a letter from DBHDS indicating we would receive \$66,870 in additional SA FBG funding for our Suboxone Opioid Treatment Program.

- c. Federal Part C Funding – For FY 2011 Federal Part C funding for Early Intervention Services has been reduced by \$123,843 or one quarter’s funding in order to evaluate if the new reimbursement implemented with the EISTI is sufficient to sustain a permanent reduction in funding, it is not certain we will receive any or all of the fourth quarter amount.
 - d. ARRA Funding – Again as part of the ARRA Federal Award H393A090017 the PWCCSB will receive \$216,865 for FY 2011 to be used by September 30, 2012 to address budget shortfalls in local systems facing expanded demand, increased costs for Part C services and to expand the system's capacity to provide effective early intervention supports and services for all eligible infants, toddlers and their families. In the event these funds are not spent by the end of FY2011 the remaining amount will be carried over in the FY 2011 end of year process.
3. Revenue Reconciliation – In reconciling revenue accounts with the State Performance Contract it is necessary to make some reconciling entries to properly classify funding source, to better identify service or projects represented by the funding source and to assure accuracy of anticipated collections.
- C. Finance Review – The Finance Department has verified the PWCCSB’s funding notification substantiating the budget and appropriation requests.
 - C. Board Action Requested – The Board of County Supervisors is requested to approve the State Performance Contract for its final submission on September 30, 2011, and to approve of the proposed budget reconciliation.

III. Issues in order of importance are as follows:

- A. Fiscal Impact: What is the fiscal impact?
- B. Service Levels/Policy Impact: Will clients served and units of service increase?
- C. Legal Issues: Are there legal issues that need to be addressed?
- D. Timing: What is the time line for decision making?
- E. Personnel Impact: What is the personnel impact?

IV. Alternatives in order of feasibility are:

- A. Accept, Budget and Appropriate Additional Funding In the Amount of \$171,505 from the Department of Behavioral Health and Developmental Services and Approve Budget Adjustments to Reconcile the Fiscal Year 2011 County Budget to the Fiscal Year 2011 State Performance Contract.
 1. Fiscal Impact - The County-adopted budget needs to be adjusted to include new Federal and State departmental allocations, revenue and expenditures, and necessary reallocations. The State Performance Contract must also be approved by September 30, 2010 in order to continue receiving funding from and administered by the State. No new local general revenue is required. The on-going and one-time increases and decreases will be applied as follows:
 - a. State Part C – In accepting these one-time funds of \$105,995 and ongoing funds of \$377 we will be increasing our ability to increase client services through contracting with outside providers.
 - b. State Funds for Women – The reduction of ongoing State General funds in the amount of \$1,890 designated for Women’s services will be reduced from the Substance Abuse Outpatient Program’s operating supplies.
 - c. NGRI Funding – The fiscal impacts are as follows:
 - i. NGRI Client Loan Funds – In accepting these one-time funds in the amount of \$16,000 they will be used to replenish the official Client Loan Fund on an as needed basis until it is totally exhausted.
 - ii. FY 2010 NGRI Funding – There are no issues in accepting these deferred one-time NGRI funds in the amount of \$3,500 to be used to purchase new furniture for the client areas for the Mental Health Days Support Program.
 - d. Other State Funds – The reduction of the \$28,443 in ongoing funds from NVTC, since we no longer provide services to this client will require a reduction in Intellectual Disability day support services.

- e. Mental Health Block Federal Grant Reduction – Medical Services Medical Supplies expense budget will be reduced by \$2,306, NH Adult Outpatient’s translation fees will be reduced by \$3,952 to recover the loss of \$6,258 in ongoing funding.
 - f. Substance Abuse Federal Block Grant (SA FBG) – This \$66,870 in ongoing funds will make the suboxone treatment services more affordable for those clients who have no insurance and currently are unable to participate in the program. The funds will be used to cover a portion of the physician salaries not currently covered by other payers and to purchase medications for the clients without insurance.
 - g. Federal Part C – The reduction of \$123,843 in Federal Part C funding will result in a decrease in clients services provided through contractors.
 - h. ARRA Funding – These one-time funds of \$216,865 will be used as stipulated by September 30, 2012. Any unspent portion at the end of FY 2011 will be requested to be carried over into FY 2012 through the County’s Grant carryover process. 8.3% will be spent on computers and training; 91.7% will pay contractors for therapeutic services.
2. Service Levels/Policy Impacts – There are no service level impacts resulting with the approval of the State Performance Contract. The only service levels impacted as a result of funding additions or reductions for FY 2011 is with regard to Early Intervention Therapeutic Services and Intellectual Disability Day Support Services. Those changes are as follows:
- a. State Part C – The State Part C additional one-time addition of \$105,995 will result in 20 additional clients served and 700 additional service hours, the additional ongoing funds of \$377 will result in 2 additional service hours.
 - b. Federal Part C – The Federal Part C ongoing reduction of revenue in the amount of \$123,843 will result in a reduction of 24 clients receiving services and a reduction of 825 service hours.



- c. ARRA Funding – The ARRA one-time additional funding in the amount of \$216,865 in part will be used for technology advancement and training, however the portion used for client services will result in an additional 35 clients receiving services and an additional 1,300 service hours.

The net impact on services levels of the changes will be 31 additional clients served and 1,177 additional service hours.

| | <u>FY 11 Adopted</u> | <u>FY 11 Revised</u> |
|--|--------------------------|--------------------------|
| Early Intervention Services Therapeutic Services | | |
| Infants & Toddlers Served | 479 | 510 |
| Therapeutic Service Hours | 6,754 | 7,931 |
| | | |
| | <u>FY 11 Adopted</u> | <u>FY 11 Revised</u> |
| Intellectual Disability Day Support Services | | |
| Clients Served | 40 | 39 |
| Service Hours Delivered | 30,000 | 29,250 |

All other funding changes and reallocations are to realign or reconcile the budget and have no effect on service levels.

- 3. Legal Issues are as follows – The PWCCSB is required to contractually agree to terms, conditions and scope of work detailed in the State Performance Contract, approval by the BOCS and the Councils of Manassas City and Manassas Park City is also required prior to submission by September 30, 2010. A review of the Contract has been conducted by the County Attorney’s Office. There are no legal issues regarding any of the new funding or adjustments.
- 4. Timing Issues are as follows:
 - a. Local Approval of Performance Contract - Approval of the FY 2011 State Performance Contract by the BOCS and the Cities of Manassas and Manassas Park must be obtained and submitted by September 30, 2010.

b. Budget and Appropriations and Reconciliation – Approval of the proposed budget appropriation and reconciliation on a timely basis is important to have the funds available for use with the beginning of the new budget year in order to meet the projected increases in service levels and accurately reflect revenue and expense budgets.

5. Personnel Impacts – There are no personnel impacts as a result of approving the State Performance Contract or accepting any of the proposed budget adjustments.

B. Take No Action.

1. Fiscal Impact - Without a contract approved by the Jurisdictions all State and Federal funding would cease. Additional funding would be refused and necessary adjustments as a result of funding reductions would not be made causing shortfalls in revenue and there would be no offsetting expense reductions.

2. Service Level Impact - Service levels would be unable to be obtained without State and Federal funding and service levels proposed will not increase.

3. Legal Issues - The PWCCSB will not have a Fiscal Year 2011 Performance Contract with the DBHDS and will therefore be subject to the contractual conditions of the Performance Contract termination.

4. Timing - Missing deadlines established in the Performance Contract exposes the PWCCSB to a delay of payments and/or fines and possible contract termination.

5. Personnel Impact – Without State and Federal funding it would be necessary to reduce personnel.

V. **Recommendation:** It is recommended that the Prince William County Community Services Board concur with Alternative A and adopt the attached Resolution.