

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #31: PUBLIC ASSISTANCE ACTIVITY

This budget memorandum is a follow up to a question raised at the City Council Work Session on Safety Net Programs. Mayor Euille asked for additional information about the staffing ratio of public assistance activities and how this activity is funded.

Through the Virginia Department of Social Services, local social services agencies must determine eligibility and provide ongoing case management for Medicaid, Auxiliary Grants, Food Stamps, Refugee Resettlement, State and Local Hospitalization, Energy Assistance, and Temporary Assistance for Needy Families (TANF). The Commonwealth groups these programs under Public Assistance or Benefit Programs. These programs serve low income citizens of the Commonwealth who meet federal and state eligibility requirements. Costs of determining eligibility are incurred for the common purpose of finding what program(s) an applicant may meet, and the determination costs are not readily assignable to one program.

Staffing Ratios

DHS determined staffing ratios based on caseloads by program area at a specific point in time in order to show the approximate personnel required to determine eligibility and provide on-going case management for each area. While the real time spent may vary by cases in queue, for valid year-by-year comparisons in the MFRI budget document, the ratio is not recalibrated real-time unless there was a fundamental shift on caseloads by area for the foreseeable future. For example, should State and Local Hospitalization be eliminated, 4% of personnel would be reallocated to the other areas of public assistance.

The amount of personnel costs by activity are:

<u>Activity in Program Budget</u>	<u>% Share</u>
Medicaid	41%
SLH	4%
Food Stamps	36%
TANF	12%
General Relief	4%
Refugee Assistance	2%
Auxiliary Grants	1%
	<u>100%</u>

(Energy assistance is too small to be an activity)

Source of Funding

Revenue is not received by these areas, as described earlier costs of determining eligibility are incurred for the common purpose of determining for which program(s) an applicant may be eligible. The Commonwealth provides two cost centers to reimburse a locality for all costs related to determining eligibility for all mandated benefit programs:

1. Administration of Benefit Programs - reimbursement rate is 85.5%, which represents 50% federal funding and 34.5% state funding. This cost center has limited funding. It is exhausted in the latter part of any given fiscal year.
2. Pass-Through for Benefit Programs – reimbursement rate is 50% passed through the state from the Federal Government.

The average reimbursement rate from both cost centers for determining eligibility for public assistance programs and performing on-going case management was 75% in 2008.

The following chart details whether the client benefits are in our budget or funded directly from the state, and if they are in our budget the percent of reimbursement returned to the Department of Human Services:

<u>Activity in Program Budget</u>	<u>Client Benefits</u>
Medicaid	Commonwealth
SLH	Commonwealth
Food Stamps	Commonwealth
TANF	Commonwealth
General Relief	City - 65.5% reimbursed
Refugee Assistance	City - 100% reimbursed
Auxiliary Grants	City - 80% reimbursed