

Response to Questions on the FY 2009 Advertised Budget Plan

Request By: Supervisor Smyth

Question: Please provide an update on funding included for the child care assistance and referral program.

Response: The current proposed FY 2009 funding level for the child care assistance and referral (CCAR) program is \$29.8 million. This is consistent with the FY 2008 Adopted Budget. However, due to the availability of additional state funding, it is anticipated that the FY 2009 funding level will be \$32.4 million.

As the Board may recall, in the spring of 2007 the Department of Family Services (DFS) was notified by the Virginia Department of Social Services that \$2,591,187 in federal pass-through funds in FY 2008 would no longer be available. During adoption of the FY 2008 budget, County staff was directed to identify sufficient and sustainable funding to address the most recent \$2.6 million shortfall. As part of the *FY 2007 Carryover Review*, savings identified by DFS fully funded the \$2.6 million loss in FY 2008. Additionally, at that time staff indicated they would continue to work with the state to identify additional state funds for child care to address FY 2009 and beyond.

At the time the Advertised budget was developed, no additional state resources had been identified to address the \$2.6 million shortfall; therefore, the \$2.6 million was fully funded as part of the FY 2009 Advertised Budget Plan utilizing all County dollars.

However, since completion of the FY 2009 Advertised Budget Plan, the following additional state resources have now been identified to support at-risk child care subsidies for low-income families:

- At least \$1.0 million in FY 2008 savings available as a result of additional funding already received from the state. This funding has been included in the FY 2008 Third Quarter package; however, due to the timing of when third quarter is approved, it was originally estimated that DFS would have at least \$1.0 million in savings that will be available to carryover to FY 2009. Staff indicates that additional savings of \$0.4 million may also be available, thus the total amount available in FY 2009 is \$1.4 million.
- \$6.0 million statewide was included in the 2008 Caboose bill passed by the General Assembly. Although the exact amount is unknown, it is anticipated that the County will receive additional funding. Assuming the County receives 10 percent of the total, this equates to an additional \$0.6 million.
- \$6.0 million statewide each year was included in the 2008-2010 Biennium Budget bill passed by the General Assembly. Although the exact amount is unknown, it is anticipated that the County will receive additional funding. Assuming the County receives 10 percent of the total, this equates to an additional \$0.6 million.
- In total, the additional state resources total \$2.6 million in potential funding to the County.

As a result of these actions, the County is able to reduce the General Fund contribution by \$2.6 million from the FY 2009 Advertised Budget Plan. The table below summarizes funding:

	FY 2007 Actuals	FY 2008 Adopted Budget	FY 2008 Revised Budget¹	FY 2009 Proposed Funding Level	FY 2009 Anticipated Funding
Expenditures	\$34.1 million	\$29.8 million	\$34.0 million	\$29.8 million	\$32.4 million ²
CCYs Served	4,328	3,784	4,322	3,784	4,113
Number of Children Served	5,410	4,730	5,403	4,730	5,141
Change in Children Served from FY 2007 Actuals		(680)	(8)	(680)	(269)

¹ Includes adjustments made as part of the *FY 2008 Third Quarter Review* and \$1.0 million in projected savings as a result of additional state funding.

² When the additional state resources are added to the FY 2009 Proposed Funding Level, the FY 2009 Anticipated Funding level is consistent with the FY 2009 Advertised Budget Plan of \$32.4 million. However, these adjustments will need to be done at a quarterly review, not as part of the Adopted budget.