

## Response to Questions on the FY 2018 Budget

**Request By:** Supervisor McKay

**Question:** Please provide additional information as well as the methodology used to develop the fiscal impact of contract rate adjustments in the Human Services system.

**Response:** Services provided contractually are a critical part of the Human Services system with both for-profit and non-profit vendors partnering with the County to ensure that a broad array of services are available to the community. To keep pace with inflation and pay and benefits, periodic contract rate increases are funded to preserve current service delivery levels. Funding is spread between the Health Department, the Department of Family Services, the Children's Services Act, the Office to Prevent and End Homelessness, the Department of Neighborhood and Community Services, and the Fairfax-Falls Church Community Services Board. The following funding has been included the last four fiscal years:

- FY 2017: net cost of \$2.9 million
- FY 2016: net cost of \$3.0 million
- FY 2015: net cost of \$2.1 million
- FY 2014: No funding

Individual contracts are not guaranteed the contract rate increase but rather actual adjustments are negotiated with individual providers. Contract rate increases are not funded every year; however, that does not preclude individual providers and County staff to negotiate contract rate increases. In FY 2018, the calculated net cost of contract rate increases totals \$2.9 million and was based on an assumption of an approximate 2 percent increase. This approximates the 2 percent pay increase for general County employees included in the advertised budget. Staff will monitor; and if an agency is not be able to accommodate the contract rate increases within existing budget appropriation, additional funding will be included as part of the *FY 2018 Third Quarter Review*.