

COUNCIL ACTION FORM

SUBJECT: COMMUNITY AND FAMILY RESOURCES FUNDING FOR 2012/2013 DETERMINATION

BACKGROUND:

During the 2012/2013 ASSET allocations process, funds for substance abuse services were set aside until questions could be answered regarding the services of the provider, Community and Family Resources (CFR). Funds totaling \$106,125 were reserved for substance abuse group therapy by the City Council for 2012/2013.

Last fall, CFR requested a contract for 2012/2013 services after finally submitting its 2010/2011 audit. However, at that time, ASSET Administrative Team was still seeking information from CFR related to its financial situation and relationship with the Richmond Center that was being investigated by the State Auditor. Additionally, it was prudent to wait for CFR's volunteer report that was in process and receipt of its 2011/2012 audit before moving forward with a recommendation for or against a contract for 2012/2013. **During the ASSET allocation work sessions that were held from January 14-17, 2013, volunteers discussed the concerns about CFR in depth and determined that funding not be recommended to CFR due to the following reasons for 2013/2014:**

- The Iowa Department of Public Health (IDPH) block grant that is issued to CFR for this service area provides funding to meet the substance abuse service needs in Story County. Based on the information provided by CFR, 159 of its total clients are above 200% of poverty guidelines and therefore are ineligible for services under the IDPH contract. CFR was asked at the budget hearings in early January 2013 to provide information as to how many of these clients were insured, but no response was received. ASSET volunteers and staff extrapolated from CFR's service statistics that if these 159 clients are distributed evenly throughout CFR's service area, the number of clients who are ineligible for IDPH funding but who do not have insurance and who live in Story County is likely limited to no more than 2 or 3 dozen. Staff has also received information that Iowa State University is no longer referring students to CFR for services due to a variety of reasons, including a lack of responsiveness.
- Prior emergency allocations by the Funders did not resolve the problems related to billing.
- Lack of substantive financial contribution above and beyond the IDPH contract by the other counties in the catchment area, when compared against what the Story County Funders provide. In November, ASSET asked CFR to provide information on what other counties provide for assistance to CFR. Several counties pay CFR for Detox services (which is handled by Mary Greeley in Story County). Twenty-two cities and two United Ways provided supplemental funding totaling \$14,779 in 2011/2012. The City of Ames provided \$104,418.
- A lack of an effective response to the ongoing concerns raised by the Funders and the Volunteers over the past 5 years regarding the relationship between the Richmond Center and CFR has resulted in an overall distrust of both agencies by ASSET volunteers.

- CFR has provided voluntary updates to the ASSET Administrative Team from October 2012 through mid January 2013 about its work to address billing and other administrative issues within its organization. ASSET volunteers felt that these changes did not demonstrate significant progress to entrust CFR with continued financial support. As of the date of this report CFR has not yet submitted the required audit for 2011/2012 to ASSET.

Due to the aforementioned, the City Council has not yet been asked to make a final determination regarding a contract with CFR for the current year, until now. Should the City Council decide not to approve a contract with CFR for 2012/13, the money would be returned to the Local Option Sales Tax fund balance.

Story County and GSB have not executed contracts with CFR for 2012/2013. Story County staff will be asking the Board in February whether or not to approve a contract with CFR for 2012/2013. In November 2012, United Way sent CFR a letter indicating that it would not support CFR financially during the current fiscal year. During the ASSET budget hearings, CFR noted that it had still been treating clients in 2012/2013 in anticipation of receiving contracts from the remaining funders in the current year.

As further information, CFR coordinates for service with YSS for the portion of the IDPH grant to cover clients up to 18 years of age. Because the volunteers determined not to fund CFR, it has been recommended that ASSET Administrative Team review the additional funding that was set aside to YSS for those same services. The 2013/2014 recommendation includes funding to YSS in this area, should it be appropriate to be providing services above and beyond the IDPH requirements.

ALTERNATIVES:

1. The City Council can decide **not to award** a contract to Community and Family Resources (CFR) for FY 2012/13 due to the concerns raised by ASSET volunteers and noted in the denial of funding for FY 13/14.
2. The City Council can decide to **award** a contract to Community and Family Resources (CFR) for the remainder FY 2012/13 based on the ASSET Budget set in February 2012.
3. The City Council can decide take **no action** at this time regarding the FY 2012/13 contract with Community and Family Resources (CFR).

MANAGER'S RECOMMENDED ACTION:

Based on the funding provided by IDPH to CFR for substance abuse services being sufficient in other counties in the service area, the ongoing concerns of the Funders regarding CFR's relationship with the Richmond Center, and the inability to correct ongoing issues with billing; it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby denying a contract with CFR for FY 2012/2013.