

COUNCIL ACTION FORM

SUBJECT: REQUEST FROM AMES COMMUNITY PRESCHOOL CENTER TO CARRY OVER FY 2017/18 ASSET FUNDS INTO FY 2018/19

BACKGROUND:

The City had an ASSET contract with Ames Community Preschool Center (ACPC) in the amount of \$91,200 for FY 2017/18. The funding was divided among three services: Infant Care, Children Care, and School Age Care. ACPC requested reimbursement for some of its funds in August and September 2017, but did not make any subsequent drawdown requests. At the conclusion of FY 2017/18, there remained a balance of \$54,257.22 in unclaimed funds for ACPC services.

FY 2017/18 Service	Allocation	Amount Drawn	Unclaimed Balance
Day Care - Infant	\$ 6,000	\$ 6,000.00	\$ 0.00
Day Care - Children	58,200	22,347.78	35,852.22
Day Care – School Age	27,000	8,595.00	18,405.00
TOTAL	\$91,200	\$36,942.78	\$54,257.22

The City has contracted with ACPC for \$97,768 in FY 2018/19 for the same three services. In March 2018, all ASSET agencies with an FY 2018/19 contract received a memo accompanying their draft contract reminding them of the July 10 deadline to draw their FY 2017/18 funds. In May 2018, the same reminder was again provided to ASSET agencies along with their signed copy of their FY 2018/19 contract.

In August, a routine review of unclaimed FY 2017/18 balances by staff showed the \$54,257 in unclaimed funds from ACPC, and staff notified ACPC of this balance. Staff should note that it is not unusual that an agency may leave a small amount unclaimed (seven of the twenty-four City-funded ASSET agencies left FY 2017/18 funds unclaimed). Normally staff does not reach out to agencies after the deadline to obtain clarification regarding why funds were not drawn down. ASSET volunteers typically inquire with agencies regarding the reasoning for the unclaimed funds during the next round of ASSET hearings. However, the amount of unclaimed funds from ACPC is substantially greater than typical, and staff felt a discussion with ACPC was warranted.

On September 11, 2018, the City Council referred a request from ACPC to carry over the unclaimed FY 2017/18 funds so they may be drawn down. ACPC staff reports that in September 2017, a new executive director began at ACPC, and the agency did not submit claim forms for the remainder of the fiscal year due to a miscommunication. Story County ASSET staff reports that ACPC was allocated \$16,000 for FY 2017/18 and

at the end of the fiscal year, \$3,683.12 in Children Daycare funds were not drawn down. United Way of Story County also funds ACPC, but it makes its payments on a monthly schedule and does not require a request from the agency in order to make payment. ACPC staff reports that it has put procedures into place to ensure drawdowns are not missed.

If the carry-over is approved, ACPC will be permitted to submit claims for services rendered in FY 2017/18 for which it did not request reimbursement from other funders. ACPC has documented for City staff that enough services were provided during that year to completely draw down the outstanding amount of \$54,257.22.

ALTERNATIVES:

1. Approve the request to carry over ACPC's unclaimed FY 2017/18 ASSET balance of \$54,257.22 into FY 2018/19, and authorize staff to reimburse services rendered in FY 2017/18 that have not yet been paid.
2. Do not approve the request.

MANAGER'S RECOMMENDED ACTION:

ACPC is reliant upon ASSET funding to subsidize the costs of its childcare program for area families who cannot afford the full cost of the services. It appears that the procedures for drawing down City funding were not clearly communicated internally at ACPC during the transition between leaders at the agency. ACPC has indicated it has learned from this situation and has put in place procedures to ensure it does not happen again. City staff will continue to provide reminders to agencies to complete their drawdowns in a timely manner.

The amount of funding ACPC stands to lose if a carry-over is not authorized is substantial. The loss of this funding would have a significant impact on ACPC's ability to provide its services. Additionally, childcare cost offset programs are listed as an example under the highest of the City's three ASSET priorities (Meet basic needs, with emphasis on low to moderate income). It should also be noted that even though the drawdowns were not made, ACPC continued to provide the services, and thus did not charge clients enough during this time to cover the full cost of the services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the request to carry over ACPC's unclaimed FY 2017/18 ASSET balance of \$54,257.22 into FY 2018/19, and authorize staff to reimburse services rendered in FY 2017/18 that have not yet been paid.

Ames City Council Members,

In September of 2017, I took over for Sue Wuhs as the Executive Director of Ames Community Preschool Center (ACPC). During that time, there was a miscommunication and funding request forms for city ASSET money were not submitted. In total for FY 17/18 we have drawn down all funds allotted to Infant Day Care, \$35,852 of those funds allotted to Child Day Care remain, and \$18,405 of funds allotted towards School-Age Day Care remain unclaimed.

We would like to request that the remaining funds be transferred into FY 2018/19, so we may draw them down immediately rather than foregoing the receipt of those funds. Personally, I apologize for this oversight and assure you procedures have been put in place to ensure no such mistake happens again in the future. Conversations regarding these funds have already taken place with City staff and I would like to request that this matter be referred to staff at the earliest available opportunity.

Thank you,

A handwritten signature in black ink, appearing to read 'Elizabeth Miner', is positioned below the 'Thank you,' text.

Elizabeth Miner

Executive Director

