

COUNCIL ACTION FORM

SUBJECT: MODIFICATION OF 2012/13 ASSET ALLOCATION TO THE ARC OF STORY COUNTY

BACKGROUND:

The Arc of Story County receives funding through the ASSET process for three programs that serve individuals affected by intellectual and developmental disabilities. Two programs were allocated City funds for 2012/13 through the ASSET process: Respite Retreats (\$5,600) and Special Recreation – Active Lifestyles (\$1,100).

Following adoption of the State's new mental health redesign legislation this spring, Story County was forced to make major modifications to the funding of mental health programs in order to balance its costs. On June 26th, the County cut \$218,000 in mental health programs, including its entire \$31,200 ASSET allocation to the Arc for 2012/13 (\$5,500 to Respite and \$25,700 to Active Lifestyles). **The Arc has requested that the \$5,600 in City funding allocated to Respite Retreats be reallocated entirely to Special Recreation – Active Lifestyles.**

Current Allocation		Requested Allocation	
Respite Retreats	\$5,600	Respite Retreats	\$0
Active Lifestyles	\$1,100	Active Lifestyles	\$6,700
TOTAL	\$6,700	TOTAL	\$6,700

The Arc has indicated that the respite program can be funded by transferring State grant funds from another program. Assuming the City approves this transfer of funds, the Arc intends to request \$10,000 in one-time grant funds from United Way to support Active Lifestyles. This will be considered by United Way on July 12th at its Allocations Subcommittee meeting and will be sent to the Board for consideration on July 26th. The Arc has also proposed increasing fees to bring in additional revenue. A part-time coordinator for Active Lifestyles would not increase to full-time as planned in order to save costs.

If approved, Attachment B to the City's contract would be amended from 225 participant hours of Active Lifestyles at \$4.89 per unit to 1,370 participant hours of Active Lifestyles at \$4.89 per unit. The City would continue to only reimburse for clients of the Active Lifestyles program who live within the city limits.

ALTERNATIVES:

1. Authorize an amendment to The Arc's 2012/13 ASSET contract to reflect an allocation of \$0 in Respite Retreats and \$6,700 in Active Lifestyles.

2. Authorize an amendment to The Arc's 2012/13 ASSET contract to reflect an allocation of some other amount.
3. Do not authorize an amendment to The Arc's 2012/13 ASSET contract.

MANAGER'S RECOMMENDED ACTION:

The Arc's original budget request was made before the effects of the State's mental health redesign legislation were known. The cuts made by the County to the Arc were unforeseen and will have a severe effect on the Arc's ability to provide services unless modifications are made to the Arc's funding allocations.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing an amendment to The Arc's 2012/13 ASSET contract to reflect an allocation of \$0 in Respite Retreats and \$6,700 in Active Lifestyles.