

AGENDA



Thursday, December 17, 2009

**Health and Human Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 49**

Subject: Approve negotiation and execution of 51 social services contracts with 48 social service agencies for nine-month terms beginning January 1, 2010, in an amount not to exceed \$7,601,084 with options to renew each contract for one 12-month term beginning October 1, 2010, in a total amount not to exceed \$9,995,197 for all renewal terms, for a total contract amount not to exceed \$17,596,281.

Amount and Source of Funding: Funding in the amount of \$6,286,435 is included in the Fiscal Year 2009-2010 Operating Budget of the Health and Human Services Department. Funding in the amount of \$61,389 is included in the Fiscal Year 2009-2010 Certification Fund. Funding in the amount of \$985,910 is included in the Fiscal Year 2009-2010 Operating Budget of the Economic Growth and Redevelopment Services Office. Funding in the amount of \$110,000 is included in the Fiscal Year 2009-2010 Operating Budget of the Parks and Recreation Department. Funding in the amount of \$60,750 is included in the Fiscal Year 2009-2010 Operating Budget of the Austin Water Utility. Funding in the amount of \$96,600 is included in the Fiscal Year 2009-2010 Operating Budget of Watershed Protection Department. The term of each contract is for the period of January 1, 2010 through September 30, 2011. Funding for the balance of the contracts is contingent on available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Vince Cobalis, Asst. Director, Human Services, 972-5011; Linda Terry, Agenda Coordinator, 972-5023

Prior Council Action: Council approved Fiscal Year 2009-2010 Operating Budget, September 14, 2009.

The City has a long history of contracting with local nonprofit agencies to provide a wide range of social services to the community. On December 11, 2008, Council approved fifty-one 12-month contracts with 48 agencies for Calendar Year (CY) 2009. All of the social service contracts are reviewed and negotiated each year. The staff continues to use a three-step process in the review of agencies and their contracts, including ongoing analysis of performance measures, administrative/financial reviews, and utilization of other assessment documents and site visits to improve the effectiveness of contracted services. Agencies are encouraged to incorporate best practices where possible.

In 2010, the social service contracts will be transitioned from CY contracts to City Fiscal Year (FY) contracts. The initial terms will be for nine months and will begin on January 1, 2010. Each will have an option to renew for a 12-month term beginning on October 1, 2010.

RATIONALE

By moving to a fiscal year contract, social service contracts will be aligned to the City Business Plan and Performance Measure Reporting systems. Calendar year contract performance information is difficult to align with the City's Fiscal Year Business Plan. Financial reporting and contract management processes are streamlined.

HHSD staff will plan for short- and long-term social service strategies over the next few months.

RECOMMENDATIONS

Based on available funds, staff recommends that the City continue to purchase social services for 2010. Services include basic needs, child care, homeless services, mental health services, substance abuse services, and violence and victimization services.

The initial terms for the 51 social services contracts with 48 agencies begin on January 1, 2010 and end on September 30, 2010. The attached spreadsheet is the list of the 48 social service agencies. These do not include interlocal agreements, HIV contracts, or contracts/agreements that began in October 2009. Attachment A provides the performance expectations by service area. A separate RCA is in process for interlocal agreements that start January 1, 2010. HIV contracts begin in March to align with the Ryan White grant period. The Ryan White grant is the major source of funding for HIV contracts.

The following three social service agencies have continuing compliance issues with their Social Service contracts: Austin Area Urban League; Child, Inc.; and Forming, Uniting, and Educating our Neighbors Toward Excellence (FUENTE). Contract development and execution could be delayed for these agencies, or their contracts could be terminated early.