

**City of Alexandria, Virginia  
 FY 2023 Proposed Operating Budget & CIP  
 Budget Questions & Answers**

**April 7, 2022**

**Question:** Can you please provide a detailing of the number of children served across the Early Childhood Program Area, the cost breakdown of each service area, and estimates of the current waiting lists for service in each area (quantity and duration)? Please include the financial impact of plausible service expansions in this area, including the availability of State or Federal dollars.

**Response:**

The Early Childhood Program is allocated \$9.4 million in the City's FY 2023 Proposed Budget. \$6.5 million was budgeted for non-personnel across the Early Childhood programs; \$5.6 million of that amount is allocated for the purchase of childcare services. \$2.9 million is budgeted for personnel costs for the 25.34 FTEs who work on early childhood issues.

The 25.34 FTEs in the Early Childhood Program provide a continuum of services for individuals and families, that include: providing case management for individuals with developmental disorders, enrolling and providing case management services for children in child care services, regulating family child care homes, facilitating the professional development of early childhood providers, delivering early developmental intervention services and implementing early childhood mental health prevention, early intervention and treatment services.

Additionally, the Early Childhood Program receives a State Budget Allocation of \$7.4 million for child care assistance (TANF, Transitional Child Care and the Fee System). This funding is expended at the State level for childcare vendors in the City while services are managed locally, and therefore \$7.4 million is not reflected in the City budget. The total funding available for child care assistance/purchased services is \$13.0 million for FY 2023.

**Purchased Child Care Services/Child Care Assistance**

<b>Services in FY2023 City Proposed Budget Service Area</b>	<b>General Fund</b>	<b>Grants/Federal Revenue</b>	<b>City's FY2023 Proposed Budget</b>	<b>VDSS State Allocation Outside Financial Custody of Alexandria</b>	<b>Total Proposed Program Funding</b>
View Working and Transitional Child Care	\$0	\$0	\$0	\$2,282,331	\$2,282,331
State Child Care Subsidy Program (Fee System)	\$0	\$0	\$0	\$4,935,943	\$4,935,943

Head Start Wrap Around	\$0	\$0	\$0	\$187,262	\$187,262
Head Start	\$196,541	\$2,546,389	\$2,742,930	\$0	\$2,742,930
DCHS Early Childhood Readiness Services	\$985,500	\$0	\$985,500	\$0	\$985,500
Local Child Care Subsidy Program	\$106,005	0	\$106,005	0	\$106,005
School Age Child Care*	\$1,741,835	\$0	\$1,741,835	\$0	\$1,741,835
<b>Totals</b>	<b>\$3,029,881</b>	<b>\$2,546,389</b>	<b>\$5,576,270</b>	<b>\$7,405,536</b>	<b>\$12,981,806</b>

\*School Age Child Care: Represents the Department's agreement with The Campagna Center and includes \$22,731 for program monitoring and scholarships.

**Temporary Assistance for Needy Families (TANF) and Transitional Child Care**

**FY 2023 Budget: \$2,282,331**

**Average number of Children served per month FY2021: 104**

**Number of Children on Waiting List: 0**

The FY 2021 Monthly TANF Child Care cases were 50 and the TANF Children served was 54. FY 2020 Monthly TANF Child Care Cases was 112 and the TANF Children Served was 119. The decrease occurred due to pandemic related factors.

Temporary Assistance for Needy Families (TANF) and Transitional Child Care consists of Federal and State funds. These are mandated programs, so funds are made available by the State as they are needed and therefore, these programs have no wait lists.

**State Child Care Assistance (Subsidy) Program**

**FY 2023 State Budget: \$4,935,943**

**Average number of Children served per month FY 2021: 367**

**Number of Children on Waiting List: 0**

The Child Care Subsidy Program is supported through State funds. The approved state target for children to be served in Alexandria will increase from 371 to 419 for FY 2023. The program processed 575 family applications with 367 children approved to receive child care assistance in FY2021. Applications are processed within 30 calendar days under normal workload conditions. 31 families have applications pending for March 2022.

**Financial Impact of Plausible Service Expansions:**

Approved policy exceptions and waivers put in place during COVID resulted in the removal of identified barriers for providers through incentive grants, removal of the child absence penalty and reimbursement rate increases for level 1 providers. At the state level, substantive barriers for families were removed to include raised income level threshold, approved work search as

an allowable activity to receive child care, an automatic 12-month eligibility for services, and elimination of the parent co-payment. These temporary exceptions continue through May 2022. The requirement to file for child support enforcement was permanently removed as a criterion for eligibility. During the COVID-19 pandemic, Alexandria saw an unprecedented increase (almost 50%) in the number of applications for child care assistance, with more than half meeting eligibility (up from 30%). It is imperative that continuance of these temporary policies continue. This is also indicative of the need for further removal of barriers. Many families do not have access to an affordable supply of childcare options that meet their non-traditional workhours and resources for weekend and evening care are in short supply.

**Head Start Wrap-Around**

***FY 2023 State Budget: \$187,261***

***Approved Child Target: 19***

***Average number of Children served per month FY 2021: 9***

Head Start Wrap-Around funds are 100% Federal and are made available as needed by the State to provide before- and after-school services to Head Start children who need care beyond the 6-hour Head Start program day. The lower child target and number of children receiving wrap-around services reflect the impact of COVID-19 on child care enrollment. A mandatory funding increase of the hourly rate was set in FY 2020.

**Alexandria Head Start**

***FY 2023 budget: \$2,742,930***

***Average number of Children served per month FY2021: 243***

***Number of Children on Waiting List: 11 for a virtual service option***

***Number of Children with pending enrollment: 10***

The Alexandria Head Start (AHS) program is funded for 309 children of families who have income at or below 100 percent of the Federal Poverty Level (FPL). The number of children enrolled is determined by U.S. Department of Health & Human Services Head Start Office. Full enrollment was not realized at any time during the pandemic. Enrollment efforts are on-going with the goal to reach capacity. The majority of AHS funds are supported by the Federal Head Start program with a small portion provided by the City's General Fund.

**DCHS Early Childhood Readiness Services**

***FY 2023 Budget: \$985,500***

***Average number of Children served per month FY 2022: 332***

***Number of Children on Waiting List: 0***

Early Childhood Readiness is supported 100% through the City's General Fund for early childhood education services that support expanded summer learning and extended hours for children ages 3-to-5 during the school year for Alexandria's VPI, Head Start, and other students who meet learning risk factors. Funding administration is based on alignment with service priorities, establishment of a sustainable process for awarding funds, and invites capacity building and partnership innovation through a mixed delivery system that leads to closing the gap of unmet needs.

**Local Child Care Subsidy Fee System**

***FY 2023 Budget: \$106,005***

***Average number of Children served per month FY2021: 7***

***Number of Children on Waiting List: 0***

This program area is supported 100% through the City’s General Fund to serve as a bridge for families who have significant child care needs that cannot be met through other resources. The per child funding amount for local subsidy follows the state subsidy rates which are determined based on the age of the child, program type, any special needs of the child, and attendance frequency. The number of children served can fluctuate based on these patterns of children enrolled. In order to leverage our maximum drawdown of state subsidy dollars, children are moved from local subsidy funding whenever other options for funding become available. This allows greater flexibility for meeting the needs of a wider pool of low-income families.

**School Age Child Care**

***FY 2023 Budget: \$1,741,835***

***Number of Children served FY2021: 583***

***Number of Children on Waiting List: 0***

This is the program operated by the Campagna Center. Out of school time programs were significantly impacted by the Covid-19 pandemic. Numbers continued to increase as schools reopened. This program area is supported 100% through the City’s General Fund.

**Direct Services Provided by DCHS Clinical Staff**

<b>Direct Services Provided by DCHS Clinical Staff*</b>	<b>General Fund</b>	<b>Grants/Other Revenue Proposed</b>	<b>Total FY 2023 Proposed Budget</b>
Parent Infant Education (PIE)	\$614,003	\$864,664	\$1,478,667
Youth Developmental Disability Program	\$387,237	\$0	\$387,237
Early Childhood Wellness	\$317,097	20,479	\$337,576
<b>Totals</b>	<b><u>\$1,318,337</u></b>	<b><u>\$885,143</u></b>	<b><u>\$2,203,480</u></b>

*\*Direct services include the personnel total of \$1,527,140 and non-personnel total of \$676,340\**

**Early Intervention/ Developmental Disability and Mental Health Services**

***FY 2023 Budget: \$2,203,480***

***Individuals Served /Services Provided FY2021: 512***

These programs provide early intervention, assessment, case management and treatment services for children 0-21 years of age. The services are provided through three specialized units: Part C Early Intervention, Developmental Disabilities Case Management, and Early Childhood Wellness.

## The Parent-Infant Education (PIE) Program (Part C Early Intervention)

***Number of Children on Waiting List: None Allowed*** (Per Federal I.D.E.A law)

The implementation and funding of Early Intervention Part C services is a shared responsibility of the Commonwealth and local jurisdictions. The Department of Behavioral Health and Developmental Services (DBHDS) has been designated as the Lead Agency for Part C in Virginia. The Code of Virginia, §§2.2-2264 and 2.2-5300 through 2.2-5308, provides the framework for the Infant & Toddler Connection of Virginia Part C system and charges participating state agencies with the following:

- Establishing a statewide system of early intervention services in accordance with state and federal statutes and regulations.
- Identifying and maximizing coordination of all available public and private resources for early intervention services.
- Developing and implementing formal state interagency agreements that define the financial responsibility and service obligations of each participating agency for early intervention services, establishes procedures for resolving disputes, and addresses any additional matters necessary to ensure collaboration.
- Consulting with the lead agency in the promulgation of regulations to implement the early intervention services system, including developing definitions of eligibility and services.
- Carrying out decisions resulting from the dispute resolution process.
- Providing assistance to localities in the implementation of a comprehensive early intervention services system in accordance with state and federal statutes and regulations; and
- Requesting and reviewing data and reports on the implementation of early intervention services from counterpart local agencies.

*State Funding:* Part C funding is critical to ensure all eligible children and families receive timely and appropriate early intervention supports and services. In recognition of continued growth, annual increases have been allocated since FY 2015 and the General Assembly allocated a total of just over \$21 million for FY 2020. Increases of \$2.5 million and \$3.8 million have been approved for FY 2021 and FY 2022, respectively. In FY2020, reported expenses for the Part C early intervention system exceeded reported revenue by more than \$4.2 million (6%). While there have been funding increases, early intervention rates set in 2009 no longer cover the cost of providing early intervention services. In addition to impacting the need for additional funds, this discrepancy in cost versus reimbursement is contributing to increasing provider shortages and, therefore, high caseloads and multiple instances of noncompliance with federal requirements.

Twelve local systems requested additional funds totaling \$1,751,714 in FY 2020. These requests reflect only those additional funds needed to support the purchase of early intervention services (i.e., no salaried positions or system operation costs were considered). An additional \$1,247,818 in FY 2020 state Part C funds allocated by the General Assembly through a caboose bill and a small amount of unallocated state funds (\$78,389) were the only additional funds available and addressed about 75% of the identified need. The COVID-19 pandemic has had significant impacts on the Part C early intervention system, including on revenues and expenses. Overall, impacts of

flexibilities, such as telehealth, allowed during the COVID-19 pandemic likely prevented more significant budget shortfalls and lessened the impacts of provider shortages.

*Local System Implementation:* The parameters for Virginia’s Part C system are established at the state level to ensure implementation of federal Part C regulations. Within these parameters, localities determine how their Part C systems will operate based upon local resources and needs. The DBHDS contracts with forty (40) local lead agencies to facilitate implementation of local early intervention services statewide. Local interagency coordinating councils (LICCs) have been established statewide to advise and assist the local lead agencies. The Council of Coordinators Association (CoCoA) Steering Committee members remain engaged in calling for advocacy for increased funding.

The Alexandria Early Intervention Part C Parent Infant Education (PIE) Program provides assessment, case management and developmental therapy services for children birth to age 3 years utilizing evidence-based practices within the child’s natural environment settings. Services were provided to the 384 children who were eligible in FY 2021. Based on current staffing levels this resulted in monthly caseload sizes of 85 children per staff member. While all children were served, this does exceed the best practice maximum of 45 cases. In order to fully fund the program, resulting in reduced caseloads and improved timeliness of services, a review of the needed staff and costs would need to be completed. This review could take place in the coming year in preparation for the state and local FY 2024 Budget process.

#### Youth Developmental Disabilities Program

##### ***Number of Children on Waiting List: None***

The Youth Developmental Disabilities Program provides intake, assessment, monitoring and support coordination services to individuals ages 3- 21 years. The staff in this program served 130 individuals in FY2021. Of these, 30 children and youth were enrolled in active case management and 100 individuals received on-going support and monitoring in order to facilitate their access to Medicaid Waiver programs and meet interim needs. This program is currently staffed by a part time Program Manager, 2.0 FTE Support Coordinators and a part time Intake Coordinator.

#### Early Childhood Wellness and Provider Development

##### ***Number of Children on Waiting List: None***

This program provides evidence-based prevention, early intervention and treatment services for preschool children ages 4-6. Services are designed to increase social skills and reduce behaviors that do not support classroom success. The program staff provides support and consultation to parents, teachers and administrators.

#### Virginia Preschool Initiative (VPI) Budget Managed by Alexandria City Public Schools

***Number of Children Enrolled FY 2022: 343***

***FY 2022 Budget: \$1,541,442 (Local Match)***

Alexandria City Public Schools (ACPS) has oversight and receives state funds for VPI in the ACPS budget. To obtain state funding, the locality must ensure the provision of a quality preschool education, health services, family engagement, facilitation of comprehensive services and a plan for transportation. In FY 2022, 192 children are being served in twelve ACPS classrooms and 151 children are served in three community-based child care centers. While the City currently serves 343 children in the VPI program, the City is allocated 569 full-time VPI slots for FY 2023. [FY 2023 Budget Question #036](#) provides details on the capacity and funding gaps between the children currently served in the VPI program and the number of VPI slots that the City is authorized.