

COUNCIL ACTION FORM

SUBJECT: FY 2019/20 ASSET CONTRACTS AND ADDITIONAL FUNDING REQUEST DUE TO COVID-19 PANDEMIC

BACKGROUND:

The City Council has contracts with 24 human services agencies providing 70 services for FY 2019/20. These contracts total \$1,466,202 in City funding (See Attachment).

As of April 22, City funds have been exhausted for 33 services, totaling \$663,205. **Only the remaining 37 services (18 agencies) have a funding balance as follows:**

AGENCIES WITH CITY FUNDS REMAINING	CONTRACT	PAID AS OF 4/22	REMAINING
Ames Community Preschool Ctr	\$ 100,145	\$ 95,022.20	\$ 5,122.80
American Red Cross	9,933	-	9,933
ARC of Story County	10,400	6,918.84	3,481.16
Boys and Girls Club	113,800	85,649.45	28,150.55
Campfire	7,519	-	7,519
ChildServe	23,975	16,536.24	7,438.76
Emergency Residence Project	102,046	95,407.04	6,638.96
Good Neighbor	21,872	16,441.20	5,430.80
Heartland Senior Services	190,362	180,762.88	9,599.12
HIRTA	39,988	28,000	11,988
Legal Aid	98,888	97,077.17	1,810.83
Mary Greeley Home Health	32,500	20,773.58	11,726.42
MICA	120,271	90,033.60	30,237.40
Central Iowa RSVP	30,593	28,851.15	1,741.85
Salvation Army	48,804	30,248.25	18,555.75
University Community Childcare	63,195	49,687.38	13,507.62
Volunteer Center of Story Co	11,173	5,586.50	5,586.50
YSS	244,579	151,764.03	92,814.97
TOTAL AMOUNT REMAINING TO BE PAID			\$ 271,283.49

The outbreak of COVID-19 has impacted service delivery for agencies. To better determine the impact, the ASSET Administrative Staff sent a Status of Services Survey to agencies and 27 agencies responded to the following questions:

1. **Has your agency laid off staff due to COVID-19?**
 - o 13 agencies have laid off or reduced hours for staff

- 2. Has your agency continued, modified, or stopped services?**
 - 18 services continue with no modifications
 - 38 services have been modified
 - 14 services have been stopped
- 3. When do you anticipate services being reinstated?**
 - Most responded with “unknown” or “when social distancing restrictions are lifted”
 - Others responded “when pandemic declaration is lifted” or “when school resumes”
- 4. What revenue sources and anticipated amounts has your agency lost (April – June)?**
 - Program fees, donations/pledges, Medicaid reimbursement, inability to host planned fund-raisers
 - Amounts range between \$2,000 – \$95,000
- 5. Does your agency have reserves?**
 - 16 agencies indicate having reserves; reserve amounts vary
- 6. Has your agency applied for federal funding through the CARES Act?**
 - 16 agencies applied for federal funding such as Payroll Protection Fund, Economic Disaster Injury Loan, SBA, etc.
 - 4 agencies may receive additional funding through existing sources (Emergency Solutions Grant, Transit, Community Services Block Grant)

Agencies also provided comments on the continued need for ASSET funds through June 30, 2020 with services being modified or stopped altogether. Reasons cited include existing fixed costs such as buildings, insurance, utilities, staff, and benefit expenses.

ASSET Administrative Staff reviewed the survey responses and collectively agreed that funding should continue to be available to: 1) those services being provided in the same manner with no modifications, and 2) modified services that meet the unit of service definition as outlined in the ASSET Reference Manual. **The Administrative Team recommended that services that have stopped should not be funded unless they are reinstated, and units of services are provided prior to June 30, 2020.**

ALTERNATIVES:

1. Direct staff to issue reimbursement based on contracted units of service actually provided through June 30, 2020. **If there are remaining funds:**
 - a. Allow agencies to request a re-allocation of funding to a service area that demonstrates a need for additional funds and those services can be provided through June 30, 2020.
 - b. If funds still remain as of June 30, 2020, allow agencies to carry FY 2019/20 funds over into FY 2020/21 if they are not drawn down due to COVID-19.
 - c. The City Council should authorize staff to review and approve re-allocations and/or rollover requests.

In this alternative, staff would work with agencies to ensure appropriate units of service are billed given the modification of many services and how they are provided due to COVID-19.

2. Direct staff to issue reimbursements to the agencies for the full FY 2019/20 contract amount based on 1/12th of the remaining allocation.

In this alternative, agencies would receive the entire funding amount allocated, but would not be obligated to provide all the services outlined in the contract.

3. No action taken.

If no action is taken by the City Council, the agencies would be able to draw down funds only for units of service provided for in their current contracts. Unspent funds would return to the Local Option Sales Tax Fund balance.

CITY MANAGER’S RECOMMENDED ACTION:

The impact of COVID-19 has altered the way in which local human service organizations provide services. Adhering to social distancing and other recommended health and safety practices while trying to maintain service levels to clientele is very challenging. **Therefore, some modification to the existing human services contracts is warranted.**

The majority of the services can continue to be provided with modifications while other services have stopped for the time being. Allowing flexibility to agencies to re-allocate funds or carry-over to FY 2020/21 addresses short-term and longer-term service needs.

Therefore, in accordance with the direction discussed by the ASSET Funders' staff (City, Story County, United Way of Story County), it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

City of Ames
 ASSET Balances
 As of April 22, 2020

	Contract	Paid	Remaining
ACCESS	98,599.00	98,599.00	-
ACPC	100,145.00	95,022.20	5,122.80
All Aboard For Kids	1,881.00	1,881.00	-
American Red Cross	9,933.00	-	9,933.00
Arc of Story County	10,400.00	6,918.84	3,481.16
Boys & Girls Club	113,800.00	85,649.45	28,150.55
Camp Fire USA	7,519.00	-	7,519.00
Center for Creative Justice	59,479.00	59,479.00	-
ChildServe	23,975.00	16,536.24	7,438.76
Emergency Residence Project	102,046.00	95,407.04	6,638.96
Good Neighbor	21,872.00	16,441.20	5,430.80
Heartland Senior Services	190,362.00	180,762.88	9,599.12
HIRTA	39,988.00	28,000.00	11,988.00
Legal Aid Society	98,888.00	97,077.17	1,810.83
Lutheran Services in Iowa	5,700.00	5,700.00	-
Mary Greeley Home Health Services	32,500.00	20,773.58	11,726.42
MICA	120,271.00	90,033.60	30,237.40
NAMI	7,163.00	7,163.00	-
Raising Readers	23,337.00	23,337.00	-
RSVP	30,593.00	28,851.15	1,741.85
The Salvation Army	48,804.00	30,248.25	18,555.75
University Community Childcare	63,195.00	49,687.38	13,507.62
Volunteer Center of Story County	11,173.00	5,586.50	5,586.50
Youth and Shelter Services	244,579.00	151,764.03	92,814.97
	<u>1,466,202.00</u>	<u>1,194,918.51</u>	<u>271,283.49</u>