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FY 18-19 BUDGET MESSAGE

INTRODUCTION

The proposed Fiscal Year 18-19 budget of the Isothermal Planning and Development Commission is being provided to the Board of Directors on June 1, 2018 and placed on the website at www.regionc.org. The total proposed budget is \$13,862,498 and is \$539,987 more than the amended FY 17-18. Planning for FY 18-19 has been positively impacted by a commitment from the Executive Board and local leaders to improving local dollars and bringing Economic Development to the forefront and Local Technical Assistance to the member governments. The effect from Federal revenues in Housing, Aging, Workforce, ARC, CDBG, and EDA are all subject to change with the upcoming Fiscal Year of the Federal Government.

The Commission uses a blend of Federal, State, and Local Dollars to deliver the programs to the Region and the Local Membership. Further, the Commission has a local dues structure used to match certain Federal Program Requirements (such as Aging Programs, ARC and RPO) and to provide some local technical assistance. The Commission adopted a five (5) year due increase plan. We are in year three (3) of this plan. To maximize the local dollars and to match other funds, the Commission has adopted a Technical Assistance policy, to engage in specific projects such as management technical assistance, local planning assistance, and grants administration that are above and beyond the standard service delivery. This results in a fee for service structure that facilitates project oriented services for members that request them. This is to the memberships benefit as the procurement process allows a Commission to provide without a bidding process these services to our members, saving time and money.

Federal Program Dollars:

The major items in the budget include tenant payments of \$5,965,280 in the Housing Choice Voucher (Section 8) Program, Home and Community Care Block Grants, and Title V (Senior Community Service Employment Program) enrollee payments in the Aging Program of \$3,577,089 and contracted services and participant expenses in the Workforce Program of \$2,763,517. Approximately \$11,421,875 million, or 82.4% of the proposed Commission budget, is passed through the Commission to various program eligible clients, property owners, private contractors, vendors, local governments and non-profit agencies which provide various services to program participants. The other 17.6% percent is Salary, Fringes, Indirect, Travel as well as Local Economic, Community Development programs. Local funds of \$157,923, collected from Dues, are allocated to the following Federal programs and are used to provide services to the entire region, unless otherwise noted: ARC Development, Aging Title III, and Ombudsman (in-kind), equipment and other expenses which cannot be charged to various grant-funded programs.

State and Local Program Dollars:

The Commission will deliver over \$767,744 in local economic, transportation planning, community development, and Technical services of which \$157,923 are locally generated dollars, \$449,394 are state and federal dollars and \$318,350 are NGO grant dollars. The local money anticipated in the upcoming Budget, @ \$157,923 is from local member dues. The Commission is in Year 3 of a 5 Year dues increase. The Commission sent a “heads up” letter to the membership on these dues increases in February of 2018 so that our local governments could plan their budgets with this in mind. The Technical Assistance policy adopted the Executive Board and initiated by the local membership is meant to supplement local and federal/state dollars on a case by case basis and to stretch these resources to the benefit of the membership and is estimated to be \$73,500 for the upcoming year. Of the local dues, a portion, \$41,118, is a required match for Aging dollars.

The budget is presented with a summary of proposed expenditures by program, a summary of revenues by source, and an explanation of how local funds are allocated. Most funds of the IPDC are passed through dollars that are administered by and through the IPDC staff. They are found in summary form only in this budget as programmatic monitoring of dollars is therefore not included in this budget.

Each of the Programs pay an administrative overhead to the Commission in form of an indirect budget and indirect rate set by the IPDC and the Cognizant agency, which in the case of the Commission is Housing and Urban Development. All direct programmatic costs are charged directly to the programs which the Commission then collects through reimbursement.

I. APPALACHIAN REGIONAL COMMISSION ADMINISTRATIVE GRANT FOR LOCAL DEVELOPMENT DISTRICTS:

This is a basic grant awarded to all local development districts in the Appalachian area. The grant enables each district to maintain a minimum staff for general management and operations, technical assistance and economic development activities. The Counties and participating Towns, within these Counties that are members of the ARC are Polk, Rutherford, and McDowell County's. Cleveland County is currently pursuing inclusion in the ARC

The Appalachian Regional Commission (ARC) has awarded a grant to the Commission the amount of at \$84,096. This Fiscal Year for the Federal Government is October 1st to September 30th. It is worth noting that the Funds for this grant are subject to change as we saw in the Continuing Resolution of 2018. Matching funds for this grant in the amount of \$36,470 are provided from technical assistance services related to local planning and grants management activities and a portion of the dues increase to the membership. An additional is awarded by the State and is matched through Local Technical Assistance projected fees from Commission membership in equal amounts of \$27,500 and is also matched by dues and technical assistance dollars by Commission membership.

II. OLDER AMERICANS ACT (TITLE III AND TITLE V):

The Commission serves as the Area Agency on Aging (AAA) in the four-county region. The AAA serves to facilitate and support the development of programs to address the needs of older adults. The AAA provides advocacy, planning, program and resource development, information brokerage, funds administration, and quality assurance for the various programs. The Agency focuses on supporting and assisting older adults in obtaining services offered in their communities through local aging service providers. These include social services such as in-home assistance, legal assistance, senior centers, and the nutrition programs—both congregate

and home-delivered.

The Area Agency is responsible for planning and service delivery through the following major programs:

The Long-Term Care Ombudsman Program is an advocacy program which promotes and protects the rights of residents in long-term care facilities as established by the Older Americans Act. The Ombudsman is responsible for investigating and resolving complaints made by or on behalf of residents.

The Family Caregiver Support Program has the responsibility to plan, provide, and coordinate multi-faceted systems of supportive services for family caregivers. The program offers information about services, assistance with accessing these services, counseling, support groups, caregiver education, and respite for caregivers, and services to supplement in-home care.

The Senior Community Service Employment Program (SCSEP or Title V) seeks to place people aged 55 or older, who are economically disadvantaged, into useful part-time community service positions to gain skills and work experience to enable them to achieve unsubsidized employment. This program is federally funded under Title V of the Older Americans Act.

This is the 27th year that most Title III funds will be allocated as a part of the **Home and Community Care Block Grant**, approved by the General Assembly in 1991. The total amount allocated to the Commission in the HCCBG is \$2,104,903. The proposed budget includes State funds for planning, administration, and program development, elder abuse and several smaller activities. The total estimated budget amount for all Aging Programs (including HCCBG) is \$3,577,089, which is the same amount as the current fiscal year.

III. WORKFORCE INVESTMENT ACT:

Effective July 1, 1986, the Commission became the Service Delivery Area (SDA), now called Local Area, for Region C under an agreement made by the four Boards of County Commissioners. The Commission serves as the administrative and fiscal entity for the program under the Workforce Investment and Opportunity Act (WIOA). As such, the Commission is responsible for planning, administering, delivering, contracting and monitoring, for a variety of programs under the Act as well as being responsible for the accounting and fiscal management of the program.

As the region's economic and employment conditions continue their recovery, the need for workforce and economic development services continue to be a critical element of job creation and retention. Carryover of prior Program Year funds for services to adults, dislocated workers and youth is estimated at \$1,013,063. With the expected allocation of \$1,750,454 for the coming fiscal year, total WIOA funding is estimated to be \$2,763,517 for FY 18-19. This represents a decrease in programmatic funding of \$87,320 from the current fiscal year.

IV. SECTION 8 RENTAL ASSISTANCE PROGRAM:

The Commission is designated by the U.S. Department of Housing and Urban Development as a Public Housing Authority (PHA) for the Section 8 Housing Choice Voucher (HCV) Program. A total of 1,383 regular vouchers are currently allocated to the region. In addition, the Program has

ten (10) Veterans Affairs Supportive Housing (VASH) vouchers which are administered similarly to the Section 8 vouchers. The Commission develops a five-year and annual plan identifying the HCV programs and policies which are made available for public review/comment and subsequent approval of the Board of Directors.

The Commission's responsibilities under this program include the full range of administrative and fiscal tasks; including but not limited to application intake, determination of initial and ongoing eligibility, unit inspections, initiating contracts, annual re-certifications and monthly housing assistance payments to landlords and utility providers.

The Section 8 funding formula is calculated from average rental assistance and utility payments reported to HUD for the preceding 12-month calendar year period. Anticipated revenues for FY 18-19 total \$6,754,148, an increase of \$271,652 from the initial FY 2018 budget, and include \$5,965,280 for voucher payments.

V. LOCAL TECHNICAL ASSISTANCE (GRANTS SERVICES / LOCAL CONTRACTS):

This budget includes the Commission's economic development, community development, technical assistance and grant administration services provided upon request to local governments and agencies in the region. For FY 18-19, this includes administration of local planning and project management assistance through fee-for-service contracts.

The Executive Committee approved a five year local dues enhancement policy to increase the capacity of the Commission in order to meet required matches in these services areas as well as provide stability in the delivery of technical services to our membership. In order to supplement these efforts further, the Board also adopted a Technical Assistance Policy which matches state and federal funds with direct service contracts in order to meet the cost of providing the membership with these services. The estimated Tech Asst. Revenues are \$73,500.

VI. Rural Planning Organization (Transportation)

The Isothermal Rural Planning Organization (RPO) was formed by McDowell, Polk, and Rutherford Counties and municipalities therein in response to enabling State legislation to provide a local and regional transportation planning and advocacy role in the State's transportation planning process. The Isothermal RPO elected to contract with IPDC for staffing and fiscal support. Cleveland County is a member of the Gastonia Metropolitan Planning Organization (MPO).

The anticipated FY 18-19 RPO funding from NCDOT is \$ 106,375. The local matching share is expected to rise to meet this match to \$26,607, paid by the benefiting members of the RPO. The RPO will also continue to manage the development of a regional bike plan. The RPO has a carry-over of \$20,000 to manage this planning process.

VII. LOCAL:

Funds are set aside for smaller equipment items, overhead and administrative services. A small amount of funds is budgeted for contingencies, emergencies, and other costs not otherwise allowable under various grants. The per capita dues rate necessary to fund this budget is a predetermined increased increase from \$0.461 to \$0.553 for member governments in FY 18-19.

This rate increase is a third of five increases that will take place for the next five years and is part of this budget, which was adopted by the Board in 2016.

VIII. INDIRECT COST:

The Commission utilizes an Indirect Cost Budget. This system allows the Commission to charge grants – on a percentage basis – for fiscal and clerical support, office space, supplies, insurance, telephone, postage, and other general support costs. This charge is based upon the amount of salaries charged to each grant at the rate of 54%.

Federal regulations require that a federal agency, if available, approve the annual indirect cost plan. The U. S. Department of Housing and Urban Development is the designated federal cognizant agency for the Commission.

IX. GENERAL COMMENTS:

The proposed FY 18-19 budget includes a staff compensation adjustment of 2.5%. Actual salary and wage adjustments will be subject to the availability of funds in each department budget. The reimbursement rate for privately operated vehicles will follow the IRS mileage rate. The budgeted staffing is twenty six (26) full-time and twelve (12) part-time employees.

Area newspapers have been notified that the budget is available for public inspection. The same newspapers were requested to publish a legal notice that the budget public hearing will be held at 12:00 PM on June 8th, 2018, at the Commission office in Rutherfordton.

Respectfully submitted,



Scott F. Dadson, Executive Director
& Budget Officer