


MEMORANDUM

April 22, 2019

TO: Health and Human Services Committee
Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession: FY20 Recommended Operating Budget**
Department of Health and Human Services
Services to End and Prevent Homelessness

PURPOSE: Committee recommendations

Those expected for this worksession:

Vickie Buckland, Acting Director, Department of Health and Human Services (DHHS)
Amanda Harris, Chief, Special Needs Housing/Services to end and Prevent Homelessness
Josh Watters, Office of Management and Budget

Excerpt from the County Executive's Recommended Budget for Special Needs Housing is attached at ©1-3.

Special Needs Housing Overview

For FY19, the Executive is recommending \$24,257,922 in for Services to End and Prevent Homelessness (SEPH) in the Department of Health and Human Services budget. This is an increase of 6.3%. In addition, many programs that support rent subsidies and housing supports are funded through the Housing Initiative Fund. SEPH is seven program areas. SEPH was reorganized in FY19 to reflect the move to Diversion, Prevention, and Housing. The following table shows the change from FY19 to FY20 Recommended.

Services to End and Prevent Homelessness Expenditures in \$000's	FY18 Budget	FY19 Actual	FY20 Rec	Change FY19-20
Homeless Family Services	3,033	4,106	3,804	-7.4%
Permanent Housing	4,716	5,783	6,122	5.9%
Homeless Single Adult Services	7,809	4,694	4,615	-1.7%
Prevention	5,197	6,282	7,382	17.5%
Diversion	-	150	240	60.0%
Healthcare for the Homeless	-	1,069	1,095	2.4%
Service Area Administration	407	730	999	36.8%
TOTAL	21,162	22,814	24,257	6.3%

Description of Program Areas

	FY20 Rec \$	FY20 FTEs
<p>Homeless Family Services: Provide emergency shelter and transitional housing to families with children experiencing homelessness including intake and assessment, case management, housing location, and linkage to behavioral health, financial, and legal programs. Service are focused on connecting families to permanent housing as soon as possible. Providers participate in the Coordinate Entry System</p>	\$3,804,934	9.9
<p>Service Area Administration (Chief SEPH): Provides leadership and direction for the Administration of Special Needs Housing, advises the Interagency Commission on Homelessness and Continuum of Care.</p>	\$998,645	4.00
<p>Permanent Housing: Provides permanent housing and support services to single adults and families. The single adult or a head of household must have a documented disability. Individualized case management services are provided to support clients in maintaining housing and fostering independence.</p>	\$6,122,979	8.5
<p>Homeless Single Adult Services: Provides emergency shelter, safe haven, street outreach, and transitional housing to adults. Street outreach and engagement, needs assessment, and case management link people to housing and behavioral health, financial, and legal programs. Goal of removing barriers to housing. Providers participate in the coordinated entry system.</p>	\$4,614,950	2.0

	FY20 Rec \$	FY20 FTEs
<p>Prevention: Intake and assessment for County households that are experiencing a housing related emergency. Focus on crisis intervention and prevention. Grants are provided to prevent evictions and utility cut-offs. Referrals are made to other programs, such as Temporary Cash Assistance. Case management services help households develop and implement plans to prevent a future housing crisis.</p>	\$7,382,015	48.1
<p>Diversion: Provides conflict resolution, mediation, financial assistance and case management to residents experiencing homelessness. The focus is to find creative resolution to a households housing crisis. Unlike Prevention, Diversion is offered only to households that do not have an active lease.</p>	\$239,701	0.0
<p>HealthCare for the Homeless: Provides medical and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing. Services also provided to people in Permanent Supportive Housing. Goals are to reduce health disparities for people experiencing homelessness and reduce re-admissions to hospitals.</p>	\$1,094,698	4.0

A. Homeless Family Services

**1. Multi-program Adjustments
(\$300,786) and (2.0) FTEs**

In addition to compensation and benefit adjustments that are a part of multi-program adjustments, two positions have been shifted to the Prevention Program in alignment with the priority to enhance efforts to prevent homelessness.

Council staff recommendation: Approve as recommended by the County Executive.

B. Service Area Administration (Chief SEPH)

**1. Multi-program Adjustments
(\$268,392) and 1.0FTE**

In addition to compensation and benefit adjustments that are a part of multi-program adjustments, this increase includes the creation of a Deputy Chief position that was filled during FY19 and the transfer of an Executive Administrative Aide to support the Chief and Deputy Chief positions.

Council staff recommendation: Approve as recommended by the County Executive.

C. Permanent Housing

1. Permanent Supportive Housing Funding to Sustain the County's Commitment to End Chronic Homelessness \$1,000,000 and 0.0FTEs

This additional funding is intended to support the ongoing costs for those who have been housed through the Inside/Not Outside effort to end chronic homelessness as well as provide resources for those who have not yet been housed. If the funding is used for Permanent Supportive Housing at an approximate cost of \$25,000 per person, per year, this would support housing 40 people. As of April 15, 2019, there were 11 chronically individuals to house. There will be some more who are identified throughout the next year.

Council staff recommendation: Approve the Executive's addition of \$1 million but discuss with DHHS if the commitment is to restrict this additional funding for Permanent Supportive Housing or whether there is an expectation that DHHS will be reallocating to Rapid Rehousing or other efforts during the course of the year. It is not clear that the full amount is needed for Permanent Supportive Housing given the success the County has had in reducing the number of chronically homeless. However, resources may be needed for individuals with high acuity that are not chronically homeless.

2. Elimination of Handicapped Rental Assistance (H-RAP) General Fund Supplement (\$329,679) and 0.0 FTEs

H-RAP provides \$150 dollars per month to clients that are housed in community-based permanent and supported housing for people with disabilities, including mental illness. In FY19, the Council approved the recommendation to reduce the total funding available by \$40,781 based on historical trends.

	FY16	FY17	FY18
Budget	460,460	410,460	410,460
Actual	337,189	373,442	359,926
People Served	226	224	214

Each tenant must meet eligibility requirements and payments are made directly by the County to four providers on behalf of the clients. There is no contract between SEPH and the providers.

H-RAP generally does not serve people who are homeless, and they do not get placed through the Coordinated Entry System. Council staff understands from speaking to one provider that there are restrictions and conditions that generally require that people move into this housing from a residential treatment facility. This is why, at times, providers can have empty bedrooms in the homes that have been acquired for this purpose. The providers have considered this subsidy as a part of the overall funding that eligible clients may access.

Council staff recommendation: Restore H-RAP funding for FY20 and follow-up during FY20 with discussion about whether the County can work with providers and the State to allow placement of homeless persons directly into this permanent supportive housing, or, if the program remains restricted, transfer the subsidy to Behavioral Health and Crisis Services. Place \$329,679 on the Reconciliation List.

3. Multi-program Adjustments (\$330,888) and (2.0) FTEs

In addition to compensation and benefit adjustments that are a part of multi-program adjustments, two positions have been shifted to the Prevention Program in alignment with the priority to enhance efforts to prevent homelessness.

Council staff recommendation: Approve as recommended by the County Executive.

D. Homeless Single Adult Services

1. Provide Funding for Enhanced Security at Progress Place \$83,000 and 0.0FTEs

The Executive is recommending \$83,000 for additional security hours at Progress Place. This additional security has been identified as a need by the providers at Progress Place and community members.

DHHS has requested information from the providers at Progress Place about the hours that additional security in the building is needed and once this information is provided will be working to increase the level of service during FY19. DHHS can provide the Joint Committee with an update. DHHS is also working with the Department of General Services to identify repairs, and enhancements that are needed to improve usability, safety, and security. Repairs will be made to the men's restroom in FY19. Funding is not yet identified for any repairs to be made in FY20.

Council staff recommendation: Approve the \$83,000 as recommended by the County Executive with follow-up to clarify whether this is the right amount to cover a full year of the additional hours once they are determined.

2. Delay Implementation of Youth Drop-in Center (\$246,500) and 0.0 FTEs

DHHS has determined that there are advantages to coordinating the drop-in center for homeless youth with the re-engagement center that will serve youth who are neither in school nor employed. DHHS has visited a model center that housed this range of services. Because the

scope of this project is now changed, the implementation of these services will fall under DHHS Children, Youth, and Family Services. Councilmember Evans, lead for homelessness and vulnerable populations, has agreed that the HHS Committee should discuss this proposed change at its April 29th session on Children, Youth, and Family Services.

**3. Multi-program Adjustments
\$84,737 and 0.0FTEs**

Multi-Program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: Approve as recommended by the County Executive.

E. Prevention

**1. Multi-program Adjustments
\$1,100,226 and 9.0FTEs**

Multi-Program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations. However, this multi-program adjustment is extremely large. There is an increase of 9FTEs in this adjustment, 4FTE of which can be explained through reductions in other areas. The Joint Committee should hear from the Department how the additional 5FTEs were created and what the additional responsibilities are for these FTEs.

Council staff recommendation: No recommendation pending further information from DHHS.

2. Energy Assistance

DHHS has provided an update on the use of the Maryland Energy Assistance Program (MEAP) and the Electric Universal Service Program (EUSP) at © 4. It is estimated that the number of applications approved will increase only slightly. While total payments for electric arrearages are projected to decline, there is new payment for gas arrearages that is expected to pay out about \$220,000.

DHHS also administers the Energy Coach program that is funded through the Pepco/Exelon settlement. DHHS has provided the following update:

DHHS has partnered with the Fuel Fund of Maryland to facilitate energy efficiency and savings courses to low income residents. Funds have also been spent on the development of a website and marketing materials. Moving forward, the funds will be moved to the Department of Environment Protection (DEP) budget as this work is more aligned with its mission.

DHHS expenditures and activities:

A Direct Purchase Order for \$9,996.00 was created to provide **energy efficiency training** as part of Montgomery County Energy Coach Network. The Fuel Fund will utilize its Watt Watchers curriculum to present a series of four classes.

To date, HHS Energy Education Training expenses: \$2,499

Energy Education Training – HHS/Nonprofit partners staff – Oct 2018

Fuel Fund Watt Watchers Training – Dec 2018

DHHS is currently scheduling three additional classes for energy education programming under the DPO and is reviewing an informal solicitation to provide ongoing energy education programming.

Department of Environmental Protection expenditures and activities:

Expenditures to date \$72,852.18.

Program Highlights (2018)

Residential Energy Program Events:

Total events in 2018 – 134

Residents Reached:

Impressions from events – 10,679 residents

Stakeholder meetings:

Stakeholder Interviews with Clark Concepts – 10 interviews

POWER Program Trainings – 5 meetings

PACCE Meeting – December 2018

F. Diversion

Multi-program Adjustments

\$89,701 and 0.0FTEs

Multi-Program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations. The Diversion Program does not have any staff assigned to it so this increase is associated with an increase in operating expense supports.

F. Healthcare for the Homeless

Multi-program Adjustments

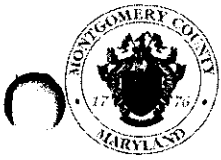
\$25,226 and 0.0FTEs

There are no significant changes recommended for this program that provides healthcare to homeless individuals who are not eligible for Medicaid or Medicare. It also provides limited dental services.

Montgomery Cares Advisory Board

The Montgomery Cares Advisory Board has requested \$50,000 to fund home health aide services for formerly homeless people who will be in danger of losing their housing because they need assistance in some daily activities. As the homeless population ages (like the regular population) there is a need for this assistance. This is the second year for this request, it was not able to be funded by the Council for FY19.

Council staff recommendation: Approve funding as recommended by the Executive but determine if \$25,000 can be reallocated from within the budget to pilot the home health aide initiative. The number of patients and encounter is about 20% from this same time last year and it could be possible to gain some experience with home health aides within the current budgeted amount.



Services to End and Prevent Homelessness

RECOMMENDED FY20 BUDGET
\$24,257,922

FULL TIME EQUIVALENTS
76.50

✧ **VICTORIA BUCKLAND, ACTING DIRECTOR**

FUNCTION

The vision of the staff of Services to End and Prevent Homelessness (SEPH) is a community where all persons have access to safe, affordable housing and the opportunity to achieve a higher quality of life. The mission of SEPH is to make homelessness a rare, brief, and non-recurring event by operating from a Housing First philosophy. Housing First recognizes that people are most successful when they have choice in housing and seeks to eliminate barriers such as sobriety requirements or treatment compliance. SEPH provides a full continuum of services including housing stabilization, homeless diversion, and permanent housing; and employs evidence-based and promising practices. The mission cannot be achieved without collaborating with public and private partners through the Interagency Commission on Homelessness. Special needs populations include veterans, both individuals and families, persons with behavioral health challenges, individuals with developmental disabilities, and transitioning youth and seniors with disabilities experiencing or at risk of homelessness.

PROGRAM CONTACTS

Contact Amanda Harris of the HHS - Services to End and Prevent Homelessness at 240.777.1179 or Joshua Watters of the Office of Management and Budget at 240.777.2768 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

✧ Homeless Family Services

Homeless Family Services provides emergency shelter and transitional housing to families with children experiencing homelessness. Services include intake and assessment, case management, and housing location to link families experiencing homelessness to housing, behavioral health, financial, and legal programs. All services are housing focused with a goal of connecting families with permanent housing as quickly as possible and removing systemic barriers to accessing housing and services. All homeless service providers participate in the Coordinated Entry System which uses a coordinated assessment to prioritize families for housing.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Percentage of households remaining housed at least 12 months after placement in permanent supportive housing	95	99	90	92	95

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	4,105,720	11.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(300,786)	(2.00)
FY20 Recommended	3,804,934	9.90

☼ Chief Special Needs Housing

This program provides leadership and direction for the administration of Services to End and Prevent Homelessness, and advises the Interagency Commission on Homelessness (ICH) and Montgomery County Continuum of Care (CoC).

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	730,253	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	268,392	1.00
FY20 Recommended	998,645	4.00

☼ Permanent Housing

Permanent Supportive Housing provides permanent housing and long-term support services to single adults and families. The single adult or head of household must have a documented disability. Flexible and individualized case management services are provided to support clients in maintaining housing and fostering independence. All permanent supportive housing programs use a Housing First approach where housing is offered without preconditions such as sobriety or treatment compliance.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	5,783,546	10.50
Enhance: Permanent Supportive Housing Funding to Sustain the County's Commitment to End Chronic Homelessness	1,000,000	0.00
Decrease Cost: Elimination of the Handicap Rental Assistance General Fund Supplement	(329,679)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(330,888)	(2.00)
FY20 Recommended	6,122,979	8.50

☼ Homeless Single Adult Services

Homeless Single Adult Services provides emergency shelter, street outreach, safe haven, and transitional housing to adults experiencing homelessness. Services include street outreach and engagement, comprehensive needs assessments, and case management to link persons experiencing homelessness to housing, behavioral health, financial, and legal programs. All services are housing-focused with a goal of connecting adults with permanent housing as quickly as possible and removing systemic barriers to accessing housing and services. All homeless service providers participate in the Coordinated Entry System which uses a coordinated assessment to prioritize individuals for housing.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Average length of stay in days by homeless families in emergency shelter ¹	92	79	70	65	60
Number of families placed in emergency shelters ²	124	144	140	151	164

¹ The Montgomery County Continuum of Care has implemented a coordinated entry system for families experiencing homelessness with a goal of connecting households to permanent housing as quickly as possible. Emergency shelter staff have changed their approach to service delivery. Additionally, SEPH's Rapid Rehousing program expansion created greater access to permanent housing for families exiting emergency shelter.

² There is a direct correlation between the number of days in family emergency shelter and the number of households served. The shorter the length of stay in shelter, the more households can be served in shelter.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	4,693,713	2.00
Enhance: Provide Funding for Enhanced Security at Progress Place	83,000	0.00
Decrease Cost: Delay Implementation of the Youth Drop-in Center	(246,500)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	84,737	0.00
FY20 Recommended	4,614,950	2.00

☀ Prevention

Homelessness Prevention provides intake and assessment for County households that are experiencing a housing-related emergency. The program's focus is on crisis intervention and prevention. State and County grants are provided to prevent evictions and utility cut offs. Additionally, referrals are made for income support programs such as Temporary Cash Assistance. Case Management services are provided to help at-risk households develop and implement plans to prevent a future housing crisis.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Average number of households receiving a shallow rental subsidy each month	1,720	1,691	1,700	1,700	1,700

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	6,281,789	39.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,100,226	9.00
FY20 Recommended	7,382,015	48.10

☀ Diversion

Homelessness Diversion provides conflict resolution, mediation, financial assistance and case management to County residents experiencing homelessness. The program's focus is to divert individuals and families from the homeless system by finding creative resolutions to their housing crisis. Unlike homelessness prevention services, diversion is only offered to households who do not have an active lease.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	150,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	89,701	0.00
FY20 Recommended	239,701	0.00

☀ Healthcare for the Homeless

Healthcare for the Homeless provides medical and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing. Medical services are also provided to individuals and families served in permanent supportive housing programs. Healthcare for the Homeless is committed to reducing the health disparities for people experiencing homelessness by providing low barrier access to services and reducing re-admissions to hospitals.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	1,069,472	4.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	25,226	0.00
FY20 Recommended	1,094,698	4.00

PROGRAM SUMMARY

Program Name	FY19 APPR Expenditures	FY19 APPR FTEs	FY20 REC Expenditures	FY20 REC FTEs
Chief Special Needs Housing	730,253	3.00	998,645	4.00
Homeless Family Services	4,105,720	11.90	3,804,934	9.90
Permanent Housing	5,783,546	10.50	6,122,979	8.50
Homeless Single Adult Services	4,693,713	2.00	4,614,950	2.00
Prevention	6,281,789	39.10	7,382,015	48.10
Diversion	150,000	0.00	239,701	0.00
Healthcare for the Homeless	1,069,472	4.00	1,094,698	4.00
Total	22,814,493	70.50	24,257,922	76.50

**FY20 Budget Responses for Council
MC-DHHS Special Needs Housing**

Maryland Energy Assistance Program (MEAP) and Electric Universal Service Program (EUSP)

Households submit one application for both Maryland Energy Assistance Program (MEAP) and Electric Universal Service Program (EUSP). MEAP helps with heating bills. EUSP helps with electric bills. Households can receive a grant from either program or both, depending on their housing situation and utility expense responsibility.

	FY13	FY14	FY15	FY16	FY17	FY18	FY19 estimated	Estimated Change FY18-FY19 Increase / (Decrease)
Applications Received	10,962	11,372	10,808	11,529	11,017	10,790	10,553	-2%
Approved								
MEAP	7,200	7,823	7,338	7,683	7,303	7,018	7,083	1%
EUSP	6,967	7,512	6,994	7,367	6,955	6,640	6,767	1%
Electric Arrearage	673	836	676	1,038	845	1,071	950	-11%
Gas Arrearage						N/A	265	N/A
Grant Funds Issued*								
MEAP **								
Federal Low-Income Home Energy Assistance (LIHEAP) funds & County Tax Rebate	\$2,566,811	\$2,909,803	\$2,799,552	\$3,030,019	\$2,781,640	\$2,585,197	\$2,749,464	6%
EUSP***								
Commercial and residential rate payer fees	\$1,850,283	\$2,279,800	\$2,094,718	\$2,497,529	\$2,984,452	\$2,812,963	\$2,913,847	4%
Electric Arrearage****	\$921,909	\$1,195,521	\$991,080	\$1,598,098	\$1,063,934	\$1,166,980	\$958,351	-18%
Gas Arrearage*****						N/A	\$220,211	N/A

- * In FY17, OHEP implemented a revised application which impacted eligibility and led to a decrease in the number of approved benefits.
- ** The County tax rebate is included in the MEAP dollars for FY13 thru FY15. This rebate was eliminated in FY16
- *** Not reflected in the FY14 numbers was a supplemental payment made directly by the State directly to EUSP customers.
- *****In FY19, OHEP implemented a gas arrearage program to assist with past due utility gas expenses.

For the Fiscal Year, the State (HB669) provides the Administrative funding needed to process the determination of application eligibility and outreach activities.

	Total FY15 Administrative Funds	Total FY16 Administrative Funds	FY17 Administrative Funds	FY18 Administrative Funds	FY19 Administrative Funds
Administrative Funding	\$911,507	\$894,704	\$973,439	\$1,083,410	\$1,248,959