

MEMORANDUM

April 24, 2012

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **FY13 Operating Budget: Department of Health and Human Services**
Special Needs Housing Services (Does not include Housing First items which were reviewed jointly with the PHED Committee on April 20th)

Those expected for this worksession:

Uma Ahluwalia, Director, Department of Health and Human Services
Nadim Khan, Special Needs Housing Services
Brian Wilbon, DHHS Chief Operating Officer
Patricia Stromberg, DHHS Management and Budget
Beryl Feinberg, Office of Management and Budget
Pofen Salem, 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 FY13, Special Needs Housing is organized into 5 program areas. The County Executive is recommending a total of \$18,256,101. This is a 5.5% increase from the FY12 original budget. The table on the following page shows the change in dollars since FY10.

Special Needs Housing Services Expenditures in \$000's	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Budget	Change FY12-13
Rental and Energy Assistance	5,286	5,062	4,109	4,142	0.8%
Shelter Services	5,997	5,753	6,219	6,530	5.0%
Permanent Supportive Housing Services	1,748	2,069	2,080	2,056	-1.2%
Housing Stabilization Services	4,713	4,862	4,652	5,275	13.4%
Service Area Administration	247	243	245	253	3.3%
TOTAL	17,991	17,989	17,305	18,256	5.5%

A. Rental and Energy Assistance

Total FY13 recommended funding is \$4,142,147 and 12.5FTEs for this program that provides assistance to low-income households with utility costs and rental subsidy programs. For FY13, the County Executive is recommending only multi-program adjustments. The joint HHS/PHED Committee recommended approval of the DHHS funding for rental subsidy programs as a part of the joint session.

1. Multi-program Adjustments \$32,575 and +0.8FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. In DHHS, this generally requires a technical adjustment to increase FTEs as lapse is no longer included (and there is relatively little overtime.) **Council staff recommends approval.**

2. Update on Energy Programs

Attached at © 4 is an update on the number of applications received for energy assistance programs MEAP, EUAP, and Electrical Arrearage assistance. The number of grants in FY12 is projected to be a reduction from the number in FY11. This trend has occurred in some areas of the country, like Montgomery County, that experienced a milder than normal winter. The amount of MEAP funding that will be disbursed through grants will be almost ½ of what was provided in FY11. There have been substantial reductions by the Federal government for the LIHEAP program that provides the main source of funding for MEAP.

The budget book states that in FY11, Special Needs Housing developed improved workflow and productivity standards for the Office of Home Energy Programs to enable programs to respond to increased requests for assistance.

The Committee should discuss with DHHS the expectations for funding in FY13 and whether the process improvements they have implemented will allow staff to process a higher

number of applications in a timely manner if the number returns to 9,200 to 9,400 like it was in FY10 and FY11.

The grant funding is sent to the client directly from the State and is not a part of the recommended appropriation for this program area. The administrative funds are appropriated to pay for staff cost. They are not expected to change from FY11 to FY12.

B. Shelter Services

Total FY13 recommended funding is \$6,530,141 and 3.0FTEs this program that provides shelter and transitional housing services to families and single adults, as well as community outreach and case management.

At the April 20th joint HHS/PHED session the Committee reviewed and recommended approval of the addition of \$442,000 for winter overflow shelters, \$56,000 for the County match for a SuperNOFA HUD funded affordable housing project for Interfaith Works, and the recommended reduction in funding for motel placements.

1. Reduce Emergency Shelter Grant Funding (provided under HB1415) ***-\$58,520***

This reduction in funding reflects the actual amount of grant funding received in FY11, which is the amount expected to be received in FY12 and FY13. \$211,380 is the total amount that is projected to be received. **Council staff recommends approval.**

2. Multi-program Adjustments ***\$29,436 and -2.0FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. In DHHS, this generally requires a technical adjustment to increase FTEs as lapse is no longer included (and there is relatively little overtime.) **Council staff recommends approval.**

C. Permanent Supportive Housing

Total FY13 recommended funding is \$2,056,130 and 9.9FTEs for this program that provides permanent supportive housing to single adults and families. A single adult or head of

household must have a disabling condition and case management is provided to assist clients to become more self sufficient.

At the April 20th joint HHS/PHED session the Committee reviewed and recommended approval of the program components for Housing First and recommended reconciliation list funding for additional Housing Initiative Program (HIP) subsidies.

***1. Multi-program Adjustments
-\$24,264 and +.7FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. In DHHS, this generally requires a technical adjustment to increase FTEs as lapse is no longer included (and there is relatively little overtime.) **Council staff recommends approval.**

D. Housing Stabilization Services

Total FY13 recommended funding is \$5,275,020 and 34.5FTEs for this program that provides intake and assessment for County households who are experiencing a housing-related emergency.

At the April 20th joint HHS/PHED session the Committee reviewed and recommended approval of the components of this program that support Housing First.

***1. Partial Replacement of State Funds for Emergency Assistance to Families with Children
\$271,000 and 0.0FTEs***

This item will appropriate \$271,000 in County general funds to offset State reductions to the funding for this emergency assistance program. DHHS reports that both the State-funded Home Energy Program and the Assistance to Families with Children Program experienced significant cuts in FY11. While DHHS processes the applications for eligibility, the actually assistance dollars are sent directly from the State to the recipient. DHHS expects that there will be an increased in requests to the County emergency assistance program to prevent utility disconnections and resolve shut-offs and is recommending these additional county dollars. **Council staff recommends approval.**

2. Multi-program Adjustments
\$352,340 and 4.1FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. In DHHS, this generally requires a technical adjustment to increase FTEs as lapse is no longer included (and there is relatively little overtime.) **Council staff recommends approval.**

E. Service Area Administration

Total FY13 recommended funding is \$252,667 and 2.0 FTEs for this program that provides service wide administration.

For FY13, the County Executive is recommending only multi-program adjustments.

1. Multi-program Adjustments
\$7,717 and 0.2FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. In DHHS, this generally requires a technical adjustment to increase FTEs as lapse is no longer included (and there is relatively little overtime.) **Council staff recommends approval.**

Special Needs Housing

FUNCTION

The mission of Special Needs Housing (SNH) is to provide oversight and leadership to the County's efforts to develop new and innovative housing models to serve special needs and homeless populations and maintain housing stability for vulnerable households. SNH is responsible for collaborating with public and private agencies to develop and implement strategies, to address the County's plan to remedy and prevent homelessness, and increase the development of supportive, accessible, and affordable housing for special needs populations. Special needs populations include homeless individuals and families, persons with mental health and substance abuse issues, individuals with developmental disabilities, transitioning youth, and seniors with disabilities.

PROGRAM CONTACTS

Contact Nadim Khan of the HHS - Special Needs Housing at 240.777.1179 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this service area's operating budget.

PROGRAM DESCRIPTIONS

Rental & Energy Assistance Program

The Maryland Energy Assistance Program (MEAP) and Electric Universal Services Program (EUSP) provide financial assistance for eligible low-income households to pay home heating and energy costs. The Rental Assistance and Handicapped Rental Assistance Programs provide subsidies to low-income renters, handicapped persons, and families with dependent children.

The Housing Initiative Program (formally Supportive Housing Rental Assistance Program (SHRAP) provides housing and service coordination to special needs families/individuals and also provides funding for the Partnership for Permanent Housing (PPH) program.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Average number of households receiving a rental subsidy each month ¹	1,678	1,397	1,425	1,425	1,425

¹ Beginning in FY10, all rental subsidy funds are budgeted in DHCA, except for \$600,000, which remains in the DHHS budget for \$200/month Rental Assistance Program subsidy.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	4,109,390	11.70
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	32,757	0.80
FY13 CE Recommended	4,142,147	12.50

Shelter Services

Shelter Services provides emergency and transitional shelters to homeless families and single adults. Shelter Services include community outreach, comprehensive needs assessments, and case management services to address behavioral health needs and housing barriers with the goal of placing individuals and families in stable and permanent housing as rapidly as possible.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Average length of stay by homeless families in emergency shelter ¹	75	77	85	85	85
Number of families placed in emergency shelters	152	149	150	150	150

¹ Under the Housing First Initiative, the goal is to have families in a shelter for a maximum of 30 days. Due to the large number of families with housing needs, the Department does not believe that goal is attainable in the next few years.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	6,218,860	3.20
Enhance: Winter Overflow Shelters	442,000	0.00
Increase Cost: SuperNOFA Award Match Requirement	56,000	0.00
Reduce: Emergency Shelter-HB1415	-58,520	0.00

	Expenditures	FTEs
Reduce: Motel Services Contract	-157,635	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	29,436	-0.20
FY13 CE Recommended	6,530,141	3.00

Permanent Supportive Housing Services

Permanent Supportive Housing Services provides permanent housing to single adults and families. The single adult or head of household must have a documented disabling condition which could include mental health, substance dependence, or co-occurring disorder. Case management is provided to monitor compliance and assist clients in becoming more self sufficient.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percentage of households remaining housed at least 12 months after placement in permanent supportive housing	98	97	95	95	95

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	2,080,390	9.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-24,264	0.70
FY13 CE Recommended	2,056,126	9.90

Housing Stabilization Services

Housing Stabilization Services provides intake and assessment for County households who 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, as well as burial assistance. Additionally, referrals are made for Temporary Cash Assistance (TCA). Case management services are provided to help at risk households develop and implement plans to prevent future housing crisis.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	4,651,680	30.40
Replace: State Home Energy Programs/ Emergency Assistance to Families with Children with local funding	271,000	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	352,340	4.10
FY13 CE Recommended	5,275,020	34.50

Service Area Administration

This program provides leadership and direction for the administration of Special Needs Housing.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	244,950	1.80
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	7,717	0.20
FY13 CE Recommended	252,667	2.00

PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Rental & Energy Assistance Program	4,109,390	11.70	4,142,147	12.50
Shelter Services	6,218,860	3.20	6,530,141	3.00
Permanent Supportive Housing Services	2,080,390	9.20	2,056,126	9.90
Housing Stabilization Services	4,651,680	30.40	5,275,020	34.50
Service Area Administration	244,950	1.80	252,667	2.00
Total	17,305,270	56.30	18,256,101	61.90

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FY13 Budget Responses for Council

MC-DHHS Special Needs Housing

4/11/2012

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.

	FY08	FY09	FY10	FY11	FY12 estimated	Estimated Change FY11-FY12 Increase / (Decrease)
Applications Received	9,044*	10,437	12,315	12,356	11,500	(7%)
Number of Grants Issued						
MEAP	5,976	7,826	9,406	9,241	8,625	(7%)
EUSP	6,419	7,583	9,073	8,935	8,280	(7%)
Electric Arrearage	504	801	1,214	1,058	412	(61%)
Grant Funds Issued						
MEAP **						
Federal Low Income Home Energy Assistance (LIHEAP) funds & County Tax Rebate	\$1,961,010	\$3,000,977	\$2,752,738	\$3,957,338	\$1,883,206	(52%)
EUSP						
Commercial and residential rate payer fees	\$3,271,872	\$4,568,290	\$4,924,596	\$3,627,528	\$2,249,846	(38%)
Electric Arrearage***	\$464,833	\$1,114,079	\$1,818,088	\$1,481,971	\$595,838	(60%)

* In FY08 1,600 additional households were eligible for MEAP, but did not receive a grant due to **Low Income Home Energy Assistance Program (LIHEAP)** funding shortfall.

** The County tax rebate is included in the MEAP dollars for FY08 thru FY11. This rebate was eliminated in FY12.

*** In FY11, the State limited electrical arrearage assistance to applications received prior to 2/14/2011. In FY12, electric arrearage funds were capped by the State at \$595,838.

For the Fiscal Year, the State (HB669) provides the Administrative Funding (6.5 County FTEs, temp staff and the operating expenses) needed to process the determination of application eligibility and outreach activities.

	Total FY10 Administrative Funds	Total FY11 Administrative Funds	Est FY12 Administrative Funds
Administrative Funding	\$799,354	\$800,755	\$800,755