

MEMORANDUM

April 25, 2013

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **FY14 Operating Budget: Department of Health and Human Services**
Special Needs Housing Services

This session does not include Housing First items which were reviewed jointly with the PHED Committee on April 25th.

Those expected for this worksession:

Uma Ahluwalia, Director, Department of Health and Human Services
Nadim Khan, Special Needs Housing Services
Stuart Venzke, DHHS Chief Operating Officer
Patricia Stromberg, DHHS 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 © 1-2.

Special Needs Housing Overview

For FY14, Special Needs Housing is organized into 5 program areas. The County Executive is recommending a total of \$19,425,348. This is a 2.8% increase from the FY13 original budget of \$18,899,119. 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 | FY14 Rec | Change FY12-13 |
|--|---------------|---------------|---------------|---------------|---------------|----------------|
| Rental and Energy Assistance | 5,286 | 5,062 | 4,109 | 4,663 | 5,068 | 8.7% |
| Shelter Services | 5,997 | 5,753 | 6,219 | 6,637 | 6,427 | -3.2% |
| Permanent Supportive Housing Services | 1,748 | 2,069 | 2,080 | 2,070 | 2,317 | 11.9% |
| Housing Stabilization Services | 4,713 | 4,862 | 4,652 | 5,276 | 5,339 | 1.2% |
| Service Area Administration | 247 | 243 | 245 | 253 | 274 | 8.3% |
| TOTAL | 17,991 | 17,989 | 17,305 | 18,899 | 19,425 | 2.8% |

A. Rental and Energy Assistance

Total FY14 recommended funding is \$5,068,175 and 13FTEs for this program that provides assistance to low-income households with utility costs and rental subsidy programs. For FY14, the County Executive is recommending only multi-program adjustments. The joint HHS/PHED Committee will have reviewed the rental subsidy programs that are administered in this program area.

1. *Multi-program Adjustments* *\$405,128 and 0.5FTEs*

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

2. *Update on Energy Programs*

Attached at © 3 is an update on the number of applications received for energy assistance programs MEAP, EUAP, and Electrical Arrearage assistance. The number of applications for these programs is projected to decline from FY12 to FY13 by almost 900 applications or 8%. The highest number of applications received was in FY11 when 12,356 were received. While the trend in applications is encouraging, some of the reduction in spending, such as for electrical arrearages is from a cap on funding from the State.

For FY13, the Council funded \$500,000 to restore the local energy rebate to low-income families. The local rebate provides \$55 to a household that receives a benefit from MEAP. The Executive has continued this funding in the FY14 budget. **The Committee may want to clarify whether all eligible households are expected to receive the local rebate. There have been times when the rebate was not able to be provided to all eligible households because the funding was limited.**

This is a program that may be impacted by sequestration both in reductions to the State and reductions that are passed through the County. The Committee may want to discuss what is known about the potential impact.

B. Shelter Services

Total FY14 recommended funding is \$6,426,825 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.

1. Multi-program Adjustments ***- \$210,130 and 0.0FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions.
Council staff recommends approval.

C. Permanent Supportive Housing

Total FY14 recommended funding is \$2,316,907 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.

1. Multi-program Adjustments ***\$246,753 and + 0FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions.
Council staff recommends approval.

D. Housing Stabilization Services

Total FY14 recommended funding is \$5,339,471 and 0.1FTEs for this program that provides intake and assessment for County households who are experiencing a housing-related emergency.

1. Multi-program Adjustments
\$63,175 and 0.1FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

E. Service Area Administration

Total FY14 recommended funding is \$273,970 and 2.0 FTEs for this program that provides service wide administration.

1. Multi-program Adjustments
\$21,303 and 0.0FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **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 to 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 and Electric Universal Services Program 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) provides housing and service coordination to special needs families/individuals and also provides funding for the Partnership for Permanent Housing program.

| Program Performance Measures | Actual FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Average number of households receiving a rental subsidy each month ¹ | 1,397 | 1,434 | 1,575 | 1,650 | 1,650 |

¹ All rental subsidy funds are budgeted in DHCA, except for \$400,000, which remains in the DHHS budget for \$200/month Rental Assistance Program subsidy.

| FY14 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY13 Approved | 4,663,047 | 12.50 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 405,128 | 0.50 |
| FY14 CE Recommended | 5,068,175 | 13.00 |

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 FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Average length of stay by homeless families in emergency shelter ¹ | 77 | 116 | 120 | 120 | 120 |
| Number of families placed in emergency shelters | 149 | 99 | 90 | 90 | 90 |

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.

| FY14 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY13 Approved | 6,636,955 | 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. | -210,130 | 0.00 |
| FY14 CE Recommended | 6,426,825 | 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 issues, substance dependence, or a co-occurring disorder. Case management is provided to monitor compliance and assist clients in becoming more self sufficient.

| Program Performance Measures | Actual FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|--|-------------|-------------|----------------|-------------|-------------|
| Percentage of households remaining housed at least 12 months after placement in permanent supportive housing | 97.0 | 98.0 | 95.0 | 95.0 | 95.0 |

| FY14 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY13 Approved | 2,070,154 | 9.90 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 246,753 | 0.00 |
| FY14 CE Recommended | 2,316,907 | 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. Case management services are provided to help at risk households develop and implement plans to prevent a future housing crisis.

| FY14 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY13 Approved | 5,276,296 | 34.50 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 63,175 | 0.10 |
| FY14 CE Recommended | 5,339,471 | 34.60 |

Service Area Administration

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

| FY14 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY13 Approved | 252,667 | 2.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 21,303 | 0.00 |
| FY14 CE Recommended | 273,970 | 2.00 |

PROGRAM SUMMARY

| Program Name | FY13 Approved | | FY14 Recommended | |
|---------------------------------------|-------------------|--------------|-------------------|--------------|
| | Expenditures | FTEs | Expenditures | FTEs |
| Rental & Energy Assistance Program | 4,663,047 | 12.50 | 5,068,175 | 13.00 |
| Shelter Services | 6,636,955 | 3.00 | 6,426,825 | 3.00 |
| Permanent Supportive Housing Services | 2,070,154 | 9.90 | 2,316,907 | 9.90 |
| Housing Stabilization Services | 5,276,296 | 34.50 | 5,339,471 | 34.60 |
| Service Area Administration | 252,667 | 2.00 | 273,970 | 2.00 |
| Total | 18,899,119 | 61.90 | 19,425,348 | 62.50 |

FY14 Budget Responses for Council

MC-DHHS Special Needs Housing

4/11/2013

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 | FY13 estimated | Estimated Change FY12-FY13 Increase / (Decrease) |
|--|-------------|-------------|-------------|-------------|-------------|-------------------|---|
| Applications Received | 9,044* | 10,437 | 12,315 | 12,356 | 11,692 | 10,800 | (8%) |
| Number of Grants Issued | | | | | | | |
| MEAP | 5,976 | 7,826 | 9,406 | 9,241 | 8,553 | 7,884 | (8%) |
| EUSP | 6,419 | 7,583 | 9,073 | 8,935 | 8,261 | 7,668 | (7%) |
| Electric Arrearage | 504 | 801 | 1,214 | 1,058 | 517 | 540 | 4% |
| 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 | \$1,852,654 | \$3,098,412 | 67% |
| EUSP | | | | | | | |
| Commercial and residential rate payer fees | \$3,271,872 | \$4,568,290 | \$4,924,596 | \$3,627,528 | \$2,262,588 | \$2,032,020 | (10%) |
| Electric Arrearage*** | \$464,833 | \$1,114,079 | \$1,818,088 | \$1,481,971 | \$740,107 | \$733,860 | (1%) |

* 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, and restored in the FY13 County Council Approved Budget. The \$500K restoration is again included in the MEAP dollars for FY13.

*** 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 | FY12 Administrative Funds | Est FY13 Administrative Funds |
|------------------------|---------------------------------------|---------------------------------------|---------------------------------|-------------------------------------|
| Administrative Funding | \$799,354 | \$800,755 | \$800,755 | \$715,989 |