

HHS COMMITTEE #1
April 25, 2014

M E M O R A N D U M

April 23, 2014

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **FY15 Operating Budget: Department of Health and Human Services**
Special Needs Housing Services

This packet contains information on energy assistance programs and division administration as well as all the multi-program adjustments. Housing First, rental assistance, and related programs and services will be reviewed jointly by the HHS and PHED Committee just prior to this item.

Those expected for this worksession:

Uma Ahluwalia, Director, Department of Health and Human Services
Nadim Khan, Special Needs Housing Services
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 FY15, Special Needs Housing is organized into 5 program areas. The County Executive is recommending a total of \$20,138,104. This is a 2.0% increase from the FY14 original budget of \$19,756,896. The table on the following page shows the change in dollars since FY11.

Special Needs Housing Services Expenditures in \$000's	FY11 Budget	FY12 Budget	FY13 Budget	FY 14 Budget	FY15 Rec	Change FY12-13
Rental and Energy Assistance	5,062	4,109	4,663	5,098	5,226	2.5%
Shelter Services	5,753	6,219	6,637	6,661	6,634	-0.4%
Permanent Supportive Housing Services	2,069	2,080	2,070	2,381	2,466	3.6%
Housing Stabilization Services	4,862	4,652	5,276	5,341	5,526	3.5%
Service Area Administration	243	245	253	274	286	4.4%
TOTAL	17,989	17,305	18,899	19,755	20,138	1.9%

A. Rental and Energy Assistance

Total FY15 recommended funding is \$5,225,937 and 13FTEs for this program that provides assistance to low-income households with utility costs and rental subsidy programs. The joint HHS/PHED Committee will review the rental subsidy programs that are administered in this program area.

1. Multi-program Adjustments \$2,637 and 0.0FTE

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 declined from FY11 to FY13 by over 11%. They are estimated to increase in FY14 by about 5%.

For FY13, the Council funded \$500,000 to restore a \$55 local energy rebate to low-income families that receive a benefit through the MEAP program. In FY14, the budget also appropriated \$500,000 but the Department determined that a \$60 rebate could be provided. The FY15 budget again assumes a \$60 rebate and \$500,000 in funding.

The Committee may want to discuss with Director Ahluwalia whether the Department is seeing an increase in people seeking assistance with either large arrearages or very large recent utility bills because of the unusually cold winter and what flexibility the Department might have to assist people through energy or homeless prevention programs.

B. Shelter Services

Total FY15 recommended funding is \$6,634,413 and 3.0FTEs for this program that provides shelter and transitional housing services to families and single adults, as well as community outreach and case management.

1. Transitional Shelter to a Leased Facility ***-\$71,528 and 0.0FTE***

The transitional shelter that has been located on Cordell Avenue in Bethesda has been relocated to Marinelli Road. There is a reduction to the DHHS budget as the lease cost for the new located are being funded through the Leases Non-Departmental Account. **Council staff recommends approval.**

2. Multi-program Adjustments ***\$ 44,579 and 0.0FTE***

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 FY15 recommended funding is \$2,465,779 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 ***\$83,895 and 0.0FTE***

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 FY15 recommended funding is \$5,525,646 and 34.6FTEs for this program that provides intake and assessment for County households who are experiencing a housing-related emergency.

1. Multi-program Adjustments
\$184,222 and 0.0FTE

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 FY15 recommended funding is \$286,329 and 2.0 FTEs for this program that provides service wide administration.

1. Multi-program Adjustments
\$12,359 and 0.0FTE

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 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 FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Average number of households receiving a rental subsidy each month ¹	1,434	1600	1700	1700	1700

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.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	5,098,256	13.00
Replace: Emergency Solutions Grant Shortfall	125,044	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.	2,637	0.00
FY15 CE Recommended	5,225,937	13.00

Shelter Services

Shelter Services provides emergency and transitional shelters to homeless families and single adults. Shelter Services include community outreach and engagement, comprehensive needs assessments, and case management services to link homeless persons to behavioral health, and financial and legal programs that address housing barriers. The goal is to place single adult and families in stable and permanent housing as rapidly as possible.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Average length of stay by homeless families in emergency shelter ¹	116	108	120	120	120
Number of families placed in emergency shelters	99	111	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.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	6,661,362	3.00
Shift: Transitional Shelters to A Leased Facility and Paid Through the Leases Non-Departmental Account	-71,528	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.	44,579	0.00
FY15 CE Recommended	6,634,413	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, co-occurring disorder. Case management is provided to monitor compliance and assist clients in becoming more self-sufficient.

Program Performance Measures	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Percentage of households remaining housed at least 12 months after placement in permanent supportive housing	98.0	97	95.0	95.0	95.0

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	2,381,884	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.	83,895	0.00
FY15 CE Recommended	2,465,779	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. 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.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	5,341,424	34.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	184,222	0.00
FY15 CE Recommended	5,525,646	34.60

Service Area Administration

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

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	273,970	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.	12,359	0.00
FY15 CE Recommended	286,329	2.00

PROGRAM SUMMARY

Program Name	FY14 Approved		FY15 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Rental & Energy Assistance Program	5,098,256	13.00	5,225,937	13.00
Shelter Services	6,661,362	3.00	6,634,413	3.00
Permanent Supportive Housing Services	2,381,884	9.90	2,465,779	9.90
Housing Stabilization Services	5,341,424	34.60	5,525,646	34.60
Service Area Administration	273,970	2.00	286,329	2.00
Total	19,756,896	62.50	20,138,104	62.50

FY15 Budget Responses for Council

MC-DHHS Special Needs Housing

4/4/2014

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.

	FY09	FY10	FY11	FY12	FY13	FY14 estimated	Estimated Change FY13-FY14 Increase / (Decrease)
Applications Received	10,437	12,315	12,356	11,692	10,962	11,500	5%
MEAP	7,826	9,406	9,241	8,553	7,200	7,300	2%
EUSP	7,583	9,073	8,935	8,261	6,967	7,106	2%
Electric Arrearage	801	1,214	1,058	517	673	690	2%
Grant Funds Issued							
MEAP *							
Federal Low Income Home Energy Assistance (LIHEAP) funds & County Tax Rebate	\$3,000,977	\$2,752,738	\$3,957,338	\$1,852,654	\$2,566,811	2,672,318	4%
EUSP**							
Commercial and residential rate payer fees	\$4,568,290	\$4,924,596	\$3,627,528	\$2,262,588	\$1,850,283	\$2,118,405	15%
Electric Arrearage***	\$1,114,079	\$1,818,088	\$1,481,971	\$740,107	\$921,909	\$954,080	4%

* The County tax rebate is included in the MEAP dollars for FY09 thru FY11 and FY13 thru FY14. This rebate was eliminated in FY12.

** Not reflected in these numbers is a supplemental payment that will be made directly by the State starting in March 2014 to some but not all EUSP customers.

*** 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.

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 FY11 Administrative Funds	Total FY12 Administrative Funds	FY13 Administrative Funds	FY14 Administrative Funds
Administrative Funding	\$800,755	\$800,755	\$715,989	\$773,717