

HHS COMMITTEE #1
April 24, 2015

Worksession

MEMORANDUM

April 22, 2015

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession:** FY16 Recommended 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
Rachel Silberman, Office of Management and Budget

Excerpt from the County Executive's Recommended Budget for Special Needs Housing is attached at © 1-2 and an excerpt from the FY14 DHHS Annual Report is at © 3-4.

Special Needs Housing Overview

For FY16, Special Needs Housing is organized into five program areas. The County Executive is recommending a total of \$20,498,190. This is basically flat funding as the net

decrease is \$13,682 from the FY15 original approved budget of \$20,511,872. The following table shows the change in dollars since FY12.

Special Needs Housing Services Expenditures in \$000's	FY12 Budget	FY13 Budget	FY 14 Budget	FY15 Budget	FY16 Rec	Change FY15-16
Rental and Energy Assistance	4,109	4,663	5,098	5,336	4,776	-10.5%
Shelter Services	6,219	6,637	6,661	6,834	7,002	2.5%
Permanent Supportive Housing Services	2,080	2,070	2,381	2,456	2,480	1.0%
Housing Stabilization Services	4,652	5,276	5,341	5,526	5,841	5.7%
Service Area Administration	245	253	274	360	399	10.8%
TOTAL	17,305	18,899	19,755	20,512	20,498	-0.1%

A. Rental and Energy Assistance

Total FY16 recommended funding is \$4,775,620 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. Eliminate Maryland Energy Assistance Program (MEAP) (County Supplement) -\$500,000

The County Executive is recommending eliminating the County's supplement of \$60 that is paid to each MEAP client.

Councilmember Navarro requested the reason for the elimination of this subsidy. The following is the response from the Executive branch.

This subsidy program is linked to the State Maryland Energy Assistance Program (MEAP) which is available to all income eligible Maryland heating customers, both homeowners and renters, including roomers or boarders, regardless of whether you pay your heating costs. MEAP also offers the Utility Service Protection Program (USPP). This program provides MEAP eligible households access to an even monthly payment program and protection from service disconnection.

The County subsidy of \$500K is equivalent to a once a year payment of \$60.00 per client. The Executive's recommendations carefully balance limited resources with the department's critical priorities to preserve important services and ensure budget reductions would have as minimal an impact on the community as possible.

Attached at © 5 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 steady from FY14 to estimated FY15 and continues to be well below the number of applications in FY10 and FY11.

Council staff recommendation: Approve as recommended by the Executive. Council staff concurs only for fiscal reasons. This supplement, which was restored to the budget by the Council in FY13 and increased by the Council in FY15, is an efficient way to provide assistance to low-income households. However, given some of the other shortfalls in the Recommended Budget for DHHS, Council staff is not recommending this for the reconciliation list.

2. Multi-program Adjustments **-\$60,109**

Multi-program Adjustments account for compensation changes, annualizations and other items impacting more than one program. The adjustments for this program include the addition of one position. DHHS and OMB have explained that this position is an Income Assistance Program Supervisor that was transferred from Children, Youth, and Family Services to provide more supervisory support for this unit. The position is responsible for:

- managing the daily operations of the OHEP which includes the Maryland Energy Assistance Program (MEAP), the Electric Universal Service Program, the Electric Arrearage Retirement Program, and the Weatherization Program;
- supervising the Rental Assistance and Home Energy Programs Unit in the absence of the Program Manager II including oversight of OHEP programs, Rental Assistance, Handicapped Rental Assistance, and Housing Initiative Programs;
- supervising, assigning and directing the work of OHEP staff engaged in determining eligibility of program benefits;
- approving recommendations from caseworkers for either approval or denial of benefits;
- resolving customer conflicts and appeals;
- tracking and analyzing program applications and monitoring application flow;
- recommending changes in process to improve performance; and,
- developing and generating reports for statistical purposes.

Council staff was concerned about two vacant positions (Income Assistance Program Supervisor and Income Assistance Program Specialist) but has been told that they are expected to be filled in FY16.

Council staff recommendation: Approve as recommended by the Executive.

B. Shelter Services

Total FY16 recommended funding is \$7,001,973 for 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 \$168,450

Multi-program Adjustments account for compensation changes, annualizations and other items impacting more than one program.

Council staff recommendation: Approve as recommended by the Executive.

C. Permanent Supportive Housing

Total FY16 recommended funding is \$2,480,193 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 \$24,112

Multi-program Adjustments account for compensation changes, annualizations and other items impacting more than one program.

Council staff recommendation: Approve as recommended by the Executive.

D. Housing Stabilization Services

Total FY16 recommended funding is \$5,841,420 for this program that provides intake and assessment for County households who are experiencing a housing-related emergency.

1. Multi-program Adjustments \$315,104

Multi-program Adjustments account for compensation changes, annualizations and other items impacting more than one program.

Council staff recommendation: Approve as recommended by the Executive.

E. Service Area Administration

Total FY16 recommended funding is \$398,984 for this program that provides service wide administration.

1. Multi-program Adjustments \$38,761

Multi-program Adjustments account for compensation changes, annualizations and other items impacting more than one program.

Council staff recommendation: Approve as recommended by the Executive.

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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Average number of households receiving a rental subsidy each month	1,600	1,676	1,720	1,720	1,720

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	5,335,729	13.00
Eliminate: The Maryland Energy Assistance Program	-500,000	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.	-60,109	1.00
FY16 CE Recommended	4,775,620	14.00

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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Average length of stay by homeless families in emergency shelter	108	117	120	120	120
Number of families placed in emergency shelters	111	99	110	110	110

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	6,833,523	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.	168,450	0.00
FY16 CE Recommended	7,001,973	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.

<i>Program Performance Measures</i>	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Percentage of households remaining housed at least 12 months after placement in permanent supportive housing	97	97	95	95	95

<i>FY16 Recommended Changes</i>	Expenditures	FTEs
FY15 Approved	2,456,081	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.	24,112	0.00
FY16 CE Recommended	2,480,193	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.

<i>FY16 Recommended Changes</i>	Expenditures	FTEs
FY15 Approved	5,526,316	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.	315,104	0.00
FY16 CE Recommended	5,841,420	34.60

Service Area Administration

This program provides leadership and direction for the administration of Special Needs Housing and Montgomery County Continuum of Care (CoC).

<i>FY16 Recommended Changes</i>	Expenditures	FTEs
FY15 Approved	360,223	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.	38,761	0.00
FY16 CE Recommended	398,984	3.00

PROGRAM SUMMARY

<i>Program Name</i>	<i>FY15 Approved</i>		<i>FY16 Recommended</i>	
	<i>Expenditures</i>	<i>FTEs</i>	<i>Expenditures</i>	<i>FTEs</i>
Rental & Energy Assistance Program	5,335,729	13.00	4,775,620	14.00
Shelter Services	6,833,523	3.00	7,001,973	3.00
Permanent Supportive Housing Services	2,456,081	9.90	2,480,193	9.90
Housing Stabilization Services	5,526,316	34.60	5,841,420	34.60
Service Area Administration	360,223	3.00	398,984	3.00
Total	20,511,872	63.50	20,498,190	64.50

Special Needs Housing

Nadim A. Khan, *Chief*



The mission of Special Needs Housing (SNH) is to lead the County's efforts to develop accessible, affordable and innovative housing models to serve special needs and homeless populations. We collaborate with public and private agencies to develop and implement strategies to prevent homelessness.

This Service Area includes:

- Housing Stabilization Services
- Homeless Prevention
- Rental Assistance Programs
- Energy Assistance Programs
- Housing Initiative Program
- Homeless Services:
 - Individual & Family Shelter Services
 - Supportive Housing

Highlights

- Montgomery County kicked off the 100,000 Homes Campaign, a national effort to house the most vulnerable homeless individuals and families in our community, with a Registry Week during November 2013. During Registry Week, community volunteers worked to locate and identify the most vulnerable homeless individuals in the community. To further support this effort, Montgomery County approved funding for a new permanent supportive housing program to serve 15 medically vulnerable single adult households.
- The County, in partnership with the City of Gaithersburg, held its third annual "Homeless Resource Day" to reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 300 people attended this highly successful event and were able to receive health screenings, registration for benefits, legal assistance, employment, haircuts and more.
- Housing Initiative Program - households with income below 30 percent of the area median income (AMI).
 - Served 259 households in FY14
 - Ninety-seven percent of the participants remained housed at least 12 months.
- Two hundred fifty-five (255) families and 453 individuals were served in permanent housing in Fiscal Year 2014. Permanent Supportive Housing is provided via County, HUD, local and private community partnerships. Though there was an increase in capacity for individuals, there was also an increase in retention rates decreasing the availability of units.
- In 2014, there was an increase of 46 permanent supportive housing beds from 1,826 in 2013 to 1,870 in 2014.



Statistics

Special Needs Housing Services	FY12	FY13	FY14
Crisis Intervention			
Number of Applications	7,107	6,431	6,279
Number of Grants	5,422	4,124	3,749
Average Grant	\$707	\$724	\$779
Home Energy Assistance			
Number of Applications	11,692	10,962	11,372
Number of Grant Households	8,778	7,308	7,951
Rental Assistance			
Average Monthly No. Receiving Grants	1,434	1,600	1,676
Emergency Shelter Services			
Single Adults Served	1,280	1,283	1,243
Families in Shelter	116	111	99
Motel Overflow	377	416	377
Total # of Families Served in Shelter and Motels (unduplicated)	414	449	404
Transitional Shelter			
Single Adults Served	299	334	312
Permanent Supportive Housing (households)*			
Families	249	248	255
Singles	480	478	453
Total Households	729	726	708
Housing Initiative Program			
Total HIP Households	209	244	259

*Permanent Supportive Housing numbers exclude HIP which is reported elsewhere.



FY16 Budget Responses for Council

MC-DHHS Special Needs Housing

4/7/15

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.

	FY10	FY11	FY12	FY13	FY14	FY15 estimated	Estimated Change FY14-FY15 Increase / (Decrease)
Applications Received	12,315	12,356	11,692	10,962	11,372	11,500	1%
MEAP	9,406	9,241	8,553	7,200	7,823	7,900	1%
EUSP	9,073	8,935	8,261	6,967	7,512	7,600	1%
Electric Arrearage	1,214	1,058	517	673	836	850	2%
Grant Funds Issued							
MEAP *							
Federal Low Income Home Energy Assistance (LIHEAP) funds & County Tax Rebate	\$2,752,738	\$3,957,338	\$1,852,654	\$2,566,811	\$2,909,803	\$2,986,200	3%
EUSP**							
Commercial and residential rate payer fees	\$4,924,596	\$3,627,528	\$2,262,588	\$1,850,283	\$2,279,800	\$2,234,400	-2%
Electric Arrearage***	\$1,818,088	\$1,481,971	\$740,107	\$921,909	\$1,195,521	\$1,224,000	2.4%

* The County tax rebate is included in the MEAP dollars for FY10 thru FY11 and FY13 thru FY14. This rebate was eliminated in FY12.

** Not reflected in the FY14 numbers was a supplemental payment made directly by the State directly to 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 outreach and operating expenses) needed to process the determination of application eligibility and outreach activities.

	Total FY12 Administrative Funds	Total FY13 Administrative Funds	FY14 Administrative Funds	FY15 Administrative Funds
Administrative Funding	\$800,755	\$715,989	\$773,717	\$911,507