

HHS COMMITTEE #3
April 28, 2016

WORKSESSION

MEMORANDUM

April 26, 2016

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession:** FY17 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 were reviewed by the joint HHS and PHED Committee on April 20, 2016.

Those expected for this worksession:

Uma Ahluwalia, Director, Department of Health and Human Services (DHHS)
Sara Black, Acting Chief, 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 © 1-3.

Special Needs Housing Overview

For FY17, Special Needs Housing is organized into five program areas. The County Executive is recommending a total of \$20,767,871. This is basically flat funding; however, the

there is an increase in funding in the Housing Initiative Fund for rental assistance. The following table shows the change in dollars since FY13.

Special Needs Housing Services Expenditures in \$000's	FY13 Budget	FY 14 Budget	FY15 Budget	FY16 Budget	FY17 Rec	Change FY16-17
Rental and Energy Assistance	4,663	5,098	5,336	4,796	4,800	0.1%
Shelter Services	6,637	6,661	6,834	7,113	7,229	1.6%
Permanent Supportive Housing Services	2,070	2,381	2,456	2,526	2,496	-1.2%
Housing Stabilization Services	5,276	5,341	5,526	5,843	5,824	-0.3%
Service Area Administration	253	274	360	399	419	5.0%
TOTAL	18,899	19,755	20,512	20,677	20,768	0.4%

A. Service Area Administration

Total FY17 recommended funding is \$419,213 for this program that provides service wide administration.

1. Multi-program Adjustments \$20,231

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.

B. Permanent Supportive Housing

Total FY17 recommended funding is \$2,495,573 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 (\$30,677)

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. Rental and Energy Assistance

Total FY17 recommended funding is \$4,800,086 for this program that provides assistance to low-income households with utility costs and rental subsidy programs. The joint HHS/PHED Committee reviewed rental subsidy programs that are a part of Housing First.

1. Decrease Cost of Handicap Rental Assistance Program due to Underutilization (\$50,000)

This reduction was approved as a part of the FY16 Savings Plan. There has been underspending as fewer people are eligible under the current regulations.

Council staff recommendation: Approve as recommended by the Executive.

2. Multi-program Adjustments \$53,704

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.

MEAP Update

* 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 applications for these programs is estimated to increase in FY16 after a decline from FY14 to FY15. Grant funds for electric arrearages are estimated to increase substantially from FY15 and will be higher than any year since FY11.

D. Shelter Services

Total FY17 recommended funding is \$7,229,173 for this program that provides shelter and transitional housing services to families and single adults, as well as community outreach and case management linking people to services that reduce barriers to homelessness. The goal is to place families in stable and permanent housing as rapidly as possible.

**1. Supportive Services for Emergency Family Shelter
(\$38,420)**

This reduction was approved as a part of the FY16 Savings Plan. It eliminated the Parent Educator Program at the Greentree Shelter. DHHS explained that the program was not always staffed and as a result had little or no impact on clients.

Council staff recommendation: Approve as recommended by the Executive.

**2. Multi-program Adjustments
\$154,258**

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. Housing Stabilization Services

Total FY17 recommended funding is \$5,823,826 for this program that provides intake and assessment for County households who are experiencing a housing-related emergency.

**1. Multi-program Adjustments
(\$18,976)**

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 veterans, 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 240.777.4565 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this department's operating budget.

Program Descriptions

Service Area Administration

This program provides leadership and direction for the administration of Special Needs Housing, and advises the Inter-Agency Commission on Homelessness (ICH) and Montgomery County Continuum of Care (CoC).

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	398,982	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.	20,231	0.00
FY17 Recommended	419,213	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 FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percentage of households remaining housed at least 12 months after placement in permanent supportive housing	97	95	95	95	95

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	2,526,250	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.	(30,677)	0.00
FY17 Recommended	2,495,573	9.90

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 FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Average number of households receiving a rental subsidy each month	1,676	1,731	1,720	1,720	1,720

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	4,796,382	14.00
Decrease Cost: Handicap Rental Assistance Program (HRAP) due to Underutilization	(50,000)	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.	53,704	0.00
FY17 Recommended	4,800,086	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, financial, and legal programs that address housing barriers. The goal is to place single adults and families in stable and permanent housing as rapidly as possible.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Average length of stay by homeless families in emergency shelter	117	98	95	95	95
Number of families placed in emergency shelters	99	119	110	110	110

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	7,113,335	3.00
Decrease Cost: Supportive Services for Emergency Family Shelter	(38,420)	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.	154,258	0.00
FY17 Recommended	7,229,173	3.00

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.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	5,842,802	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.	(18,976)	0.00
FY17 Recommended	5,823,826	34.60

Program Summary

Program Name	FY16 APPR		FY17 REC	
	Expenditures	FTEs	Expenditures	FTEs
Permanent Supportive Housing Services	2,526,250	9.90	2,495,573	9.90
Service Area Administration	398,982	3.00	419,213	3.00
Rental & Energy Assistance Program	4,796,382	14.00	4,800,086	14.00

Program Name	FY16 APPR		FY17 REC	
	Expenditures	FTEs	Expenditures	FTEs
Shelter Services	7,113,335	3.00	7,229,173	3.00
Housing Stabilization Services	5,842,802	34.60	5,823,826	34.60
Total	20,677,751	64.50	20,767,871	64.50

FY17 Budget Responses for Council

MC-DHHS Special Needs Housing

4/21/16

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.

	FY11	FY12	FY13	FY14	FY15	FY16 estimated	Estimated Change FY15-FY16 Increase / (Decrease)
Applications Received	12,356	11,692	10,962	11,372	10,808	11,700	8%
MEAP	9,241	8,553	7,200	7,823	7,338	6,971	-5%
EUSP	8,935	8,261	6,967	7,512	6,994	6,574	-4%
Electric Arrearage	1,058	517	673	836	676	940	39%
Grant Funds Issued							
MEAP *							
Federal Low Income Home Energy Assistance (LIHEAP) funds & County Tax Rebate	\$3,957,338	\$1,852,654	\$2,566,811	\$2,909,803	\$2,799,552	\$2,771,500	1%
EUSP**							
Commercial and residential rate payer fees	\$3,627,528	\$2,262,588	\$1,850,283	\$2,279,800	\$2,094,718	\$2,262,300	8%
Electric Arrearage***	\$1,481,971	\$740,107	\$921,909	\$1,195,521	\$991,080	\$1,456,900	47%

- * The County tax rebate is included in the MEAP dollars for FY11 as well as FY13 thru FY15. This rebate was eliminated in FY12 and in FY16
- ** 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 FY13 Administrative Funds	Total FY14 Administrative Funds	FY15 Administrative Funds	FY16 Administrative Funds
Administrative Funding	\$715,989	\$773,717	\$911,507	\$894,704