

**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 20<sup>th</sup>)

***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.

| <b>Special Needs Housing Services Expenditures in \$000's</b> | <b>FY10 Budget</b> | <b>FY11 Budget</b> | <b>FY12 Budget</b> | <b>FY13 Budget</b> | <b>Change FY12-13</b> |
|---|--------------------|--------------------|--------------------|--------------------|-----------------------|
| 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%                  |
| <b>TOTAL</b>  | <b>17,991</b>      | <b>17,989</b>      | <b>17,305</b>      | <b>18,256</b>      | <b>5.5%</b>           |

## **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 20<sup>th</sup> 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 20<sup>th</sup> 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 20<sup>th</sup> 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 <sup>1</sup> | 1,678       | 1,397       | 1,425          | 1,425       | 1,425       |

<sup>1</sup> 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         |
|---|------------------|--------------|
| <b>FY12 Approved</b>  | <b>4,109,390</b> | <b>11.70</b> |
| 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         |
| <b>FY13 CE Recommended</b>  | <b>4,142,147</b> | <b>12.50</b> |

### 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 <sup>1</sup> | 75          | 77          | 85             | 85          | 85          |
| Number of families placed in emergency shelters                               | 152         | 149         | 150            | 150         | 150         |

<sup>1</sup> 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        |
|--|------------------|-------------|
| <b>FY12 Approved</b>                             | <b>6,218,860</b> | <b>3.20</b> |
| 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        |

|   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| 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       |
| <b>FY13 CE Recommended</b>  | <b>6,530,141</b>    | <b>3.00</b> |

### 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.

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

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>2,080,390</b>    | <b>9.20</b> |
| 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        |
| <b>FY13 CE Recommended</b>  | <b>2,056,126</b>    | <b>9.90</b> |

### 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.

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b>  |
|---|---------------------|--------------|
| <b>FY12 Approved</b>  | <b>4,651,680</b>    | <b>30.40</b> |
| 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         |
| <b>FY13 CE Recommended</b>  | <b>5,275,020</b>    | <b>34.50</b> |

### Service Area Administration

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

| <b>FY13 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY12 Approved</b>  | <b>244,950</b>      | <b>1.80</b> |
| 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        |
| <b>FY13 CE Recommended</b>  | <b>252,667</b>      | <b>2.00</b> |

# 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         |
| <b>Total</b>                          | <b>17,305,270</b> | <b>56.30</b> | <b>18,256,101</b> | <b>61.90</b> |

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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<br>estimated | Estimated<br>Change<br>FY11-FY12<br>Increase / (Decrease) |
|--|-------------|-------------|-------------|-------------|-------------------|---|
| Applications Received  | 9,044*      | 10,437      | 12,315      | 12,356      | 11,500            | (7%)  |
| <b>Number of Grants Issued</b>   |             |             |             |             |                   |   |
| 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%)   |
| <b>Grant Funds Issued</b>  |             |             |             |             |                   |   |
| <b>MEAP **</b>   |             |             |             |             |                   |   |
| 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%)   |
| <b>EUSP</b>  |             |             |             |             |                   |   |
| Commercial and residential rate payer fees                                   | \$3,271,872 | \$4,568,290 | \$4,924,596 | \$3,627,528 | \$2,249,846       | (38%)   |
| <b>Electric Arrearage***</b>   | \$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<br>Administrative Funds | Total FY11<br>Administrative Funds | Est FY12<br>Administrative Funds |
|------------------------|------------------------------------|------------------------------------|----------------------------------|
| Administrative Funding | \$799,354                          | \$800,755                          | \$800,755                        |