



Written Testimony FY24 Operating Budget

Offered By: Courtney Hall, CEO
April 11, 2023

Interfaith Works (IW) is committed to meeting the needs of our neighbors who are experiencing homelessness and poverty to the best of our ability. But we face fiscal challenges that will impose **obstacles to our success** in delivering on this commitment.

Even as the need for essential services like shelter and supportive housing grows in Montgomery County, IW finds itself in a challenging position. We do not have adequate resources to properly support our operation of four emergency homeless shelters and four supportive housing programs. **These are essential components of the County's program, which aspires to end chronic homelessness by 2025.**

Even with the County Executive recommending additional funding for security and a 3% increase for nonprofit contracts, we will **face a \$767,000 shortfall**. This deficit would have broad impacts on our programs, including **harming our ability to pay frontline staff an adequate wage that reflects their training and the challenging situations they face.**

Emergency Shelters

IW operates four emergency shelters in Montgomery County serving specific populations – two exclusively for women and two for all genders, with a focus on creating safe environments for transgender people who experience homelessness. Demand for these programs is going up. **We served 863 people during FY22, a 16% increase over the number served in FY21.** This upward trend continued in FY23, so the County asked us to open a fourth shelter to respond to the expected surge of homelessness we saw this past winter.

Our front-line staff at the shelters are trained in de-escalation techniques and trauma-informed care. They are the key people who monitor and ensure the safety of our residents by:

- Diffusing situations in which patients wish to harm themselves or others
- Monitoring clients and ensuring they are in a safe environment
- Distribute controlled and uncontrolled medications prescribed by medical professionals
- Alerting MCPD and/or Mobile Crisis Teams to intervene in emergencies

The skill and training of these staff members are the reason why we have not had to turn more often to other County resources. Last year, our shelters had 452 incidents – including a 43% increase in incidents involving mental health concerns – and **only needed involvement from the Mobile Crisis Teams or MCPD for 70 of these situations.**

To accomplish this, front-line staff members are **constantly walking around** the shelters and monitoring the environment. When we have difficulty maintaining adequately trained staff levels, the on-site staff are less able to routinely move through the shelters and, as a result, may not be able to prevent conflicts from escalating. This has a direct impact on the resources at the Crisis Center and MCPD.

For this reason, we are concerned about a **\$353,203.83 FY24 budget shortfall** we expect to incur while operating four emergency shelter programs. Without this additional revenue, we will struggle to pay our staff the FY24 minimum wage. We also will not be able to address basic operational necessities, like maintenance costs for laundry machines, ice makers, and dishwashers; telephone and internet expenses; and overtime for our dedicated employees. The budget deficits, by program, are detailed in the attachment.

Supportive Housing

IW also operates a variety of supportive housing programs, **servicing 373 formerly homeless households last year.** Our service model delivers results, and we are proud of that.. Virtually **100% of our clients achieve housing stability**, ensuring they **do not reenter the emergency shelter system.** In addition, the clients in our Rapid Rehousing program become **employed and exit the program** to independent housing – and **94% of them do not return to shelter after 24 months.**

Supportive housing represents another essential service we deliver on behalf of the County government. **Without it, emergency shelters would remain full and would inadequately fill the needs of our residents.** Unfortunately, we also expect a **revenue shortfall of \$414,252.73 across these programs**, two of which require 24/7 supportive staffing. The revenue deficits, by program, are detailed in the attachment. Without additional funding, we will struggle to pay expenses related to staff overtime, clinical supervision, equipment maintenance, and telephone/internet services. Our staff will be stretched thin as some depart for less demanding positions that enable them to provide for themselves and their families.

As a nonprofit organization, we pursue philanthropic support for **innovative ways** to serve our community like our job placement program and our community resource and referral program. We also rely on our donors to support our administrative infrastructure.

We want to explore more innovative initiatives that combat the root causes of poverty and unemployment in Montgomery County. But our hands may be tied. Rather than scaling up more of these initiatives, instead we find ourselves desperately raising money to close the \$767,456.55 gap caused by a shortfall in county revenue. In fact, 27% of the philanthropic funds we raise have to pay the gap created by the County contracts, rather than supporting innovative programs that could help our neighbors find jobs or support them through financial crises.

While there can be ways to do more with less, that is not the case with staffing. This shortfall makes it difficult to pay our employees a reasonable wage. Other essential employers like hospitals

and behavioral health centers can pay our dedicated employees more for jobs that are much less demanding. Our inability to pay contributes to employee dissatisfaction and turnover, with a direct impact on the effectiveness and safety of the services we provide on the County's behalf.

Interfaith Works is requesting an additional \$353,203.83 to support our four emergency shelter programs and \$414,252.73 to support our four supportive housing programs. These funds will allow us to maintain sufficient trained staffing levels and other required expenses as we continue to offer these essential services to Montgomery County residents. Please help us continue meeting the needs of our most vulnerable neighbors.

Thank you for considering this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Courtney Hall', is written over the printed name.

Courtney Hall
CEO

IW SHELTER PROGRAMS

SCOPE



2 women's shelters -
only ones in
Montgomery County

AND

2 shelters that welcome
all genders

Provides 176 shelter beds =
about 47% of the total County homeless shelter capacity

IMPACT

We are responding to growing needs

Served 863 people
during FY22

This is a **16% increase** over the number
served in FY21

- This upward trend continues in FY23
- 4th shelter was opened at request of
County to handle increased need



CHALLENGE

For FY24 we are projected to receive **only a portion** of
what it will cost Interfaith Works to provide essential shelter services

Financial gap = \$353,203



IW SUPPORTIVE HOUSING PROGRAMS

SCOPE

4 supportive housing programs for single adults and families



These programs served 373 people last year; projections indicate we will exceed this total in the current fiscal year

IMPACT

We help people exit the shelter system and graduate to more independent living



100% of clients achieve housing stability

IW's Rapid Rehousing program is the highest rated program in the County.

Our clients become employed and exit shelter to independent housing. 94% do not return to shelter after 24 months.

CHALLENGE

For FY24 we are projected to receive **only a portion** of what it will cost to provide essential services and pay our staff

Financial gap = \$414,253



IW STAFFING -- NEEDS AND CHALLENGES



Our frontline staff members provide essential, difficult services and manage crises. They monitor and ensure the safety of our residents/clients by:

- Serving meals, distributing medication, ensuring access to essential needs, and setting up sleeping areas.
- De-escalating potentially violent conflicts and working to avoid contacting the Mobile Crisis Teams or MCPD.
- Maintaining the safe habitation of the facility, which includes cleaning up after mealtime and when clients accidentally urinate or defecate.

Their success requires client-centered training, knowledge, patience, compassion, and guts. Our staff successfully manage these situations so that law enforcement is involved only as a last resort. Most of our facilities require 24/7 staffing.

We compete with hospitals and behavioral health centers for skilled essential workers. According to a compensation survey (see chart below), these employers are paying Program Assistants an average of \$20.77/hour for work that is less demanding. Too often, our team members are leaving Interfaith Works for our competitors because our starting wage is \$15.86/hour.

Starting Wage

IW: \$15.86/hr

Other employers: \$20.77/hr

These jobs require special people willing to make extraordinary commitments - they deserve to be paid adequately.

Total potential funding gap for the 2 programs = \$767,456



Interfaith Works Program Support Staff Compensation Survey April 2023

Job Title	Education Level	Location	Base Salary (IW Job Listing)	ERI 10th% (2 Years Exp)	ERI 25th% (2 Years Exp)	ERI 50% (2 Years Exp)	ERI 75th% (2 Years Exp)	ERI 90th% (2 Years Exp)	ERI Compa Ratio
Program Support Staff	High School	VA (Vienna)	\$ 15.86	\$ 17.30	\$ 18.59	\$ 20.46	\$ 21.90	\$ 23.38	78%
Program Support Staff	High School	DC	\$ 15.86	\$ 19.83	\$ 20.60	\$ 21.75	\$ 22.81	\$ 24.14	73%
Program Support Staff	High School	MD (Rockville)	\$ 15.86	\$ 18.91	\$ 19.65	\$ 20.77	\$ 21.81	\$ 23.13	76%

The comparison ratio (compa-ratio) noted above is a metric that compares an employee's current salary to the median compensation for similar positions at nonprofits within the DMV. In the chart below, IW is using wage information provided by the Economic Research Institute (ERI). According to the data provided, IW's base wage of \$15.86/hour represents 76% of the area median wage for similar jobs. To be competitive, IW's starting wage for Program Support Staff should be \$20.77/hour.

Interfaith Works FY24 Budget Deficit Spreadsheet

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Emergency Shelter	IW New Leaf	\$1,208,160.76	\$1,112,130.48	\$96,030.28
Emergency Shelter	IW Women's Centers (Taft Ct. + Crabbs Branch)	\$2,595,847.89	\$2,384,606.95	\$211,240.94
Emergency Shelter	IW Shelter at Progress Place	\$867,410.96	\$821,478.35	\$45,932.61
Emergency Shelter	IW Empowerment Center at Progress Place	\$845,976.40	\$845,976.40	\$0.00
Supportive Housing	IW Residences	\$435,461.50	\$394,429.23	\$41,032.27
Supportive Housing	IW Priscilla's House/Becky's House/Lon's House	\$968,627.46	\$795,173.45	\$173,454.01
Supportive Housing	IW Interfaith Homes	\$667,268.88	\$622,535.40	\$44,733.48
Supportive Housing	IW Rapid Rehousing	\$1,143,832.97	\$988,800.00	\$155,032.97
Total Revenue Shortfall Expected FY24		\$8,732,586.82	\$7,965,130.27	\$767,456.55
<p>*Lon's House is funded by HUD. SEPH removed \$100k from the HUD NOFA application budget. Therefore, a \$100k supplemental contract from Montgomery County is necessary for the program to operate.</p>				

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Emergency Shelter	IW New Leaf	\$1,208,160.76	\$1,112,130.48	\$96,030.28
	Personnel (Salary + Fringe)			\$76,550.24
	Direct Operating: Client Assistance			\$1,666.67
	Direct Operating: Facility Maintenance			\$12,006.67
	Direct Operating: Liability Ins, IT Support, Phone, Internet, Etc.*			\$5,806.70
	*Includes a small percentage of Admin Expenses			\$96,030.28

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Emergency Shelter	IW Women's Centers (Taft Ct. + Crabbs Branch)	\$2,595,847.89	\$2,384,606.95	\$211,240.94
	Personnel (Salary + Fringe)			\$77,283.94
	Direct Operating: Client Assistance			\$11,374.00
	Direct Operating: Facility Maintenance			\$36,417.00
	Direct Operating: Liability Ins, IT Support, Phone, Internet, Etc.*			\$86,166.00
				\$211,240.94

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Emergency Shelter	IW Shelter at Progress Place	\$867,410.96	\$821,478.35	\$45,932.61
	Personnel (Salary + Fringe)			\$31,044.39
	Direct Operating: Client Assistance			\$7,303.00
	Direct Operating: Facility Maintenance			\$390.00
	Direct Operating: Liability Ins, IT Support, Phone, Internet, Etc.*			\$7,195.22
				<hr/> \$45,932.61

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Emergency Shelter	IW Empowerment Center at Progress Place	\$845,976.40	\$845,976.40	\$0.00
	Personnel (Salary + Fringe)			\$0.00
	Direct Operating: Client Assistance			\$0.00
	Direct Operating: Liability Ins, IT Support, Etc.*			\$0.00
				\$0.00

No deficit for this program if 3% increase is received.

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Supportive Housing	IW Residences	\$435,461.50	\$394,429.23	\$41,032.27
	Personnel (Salary + Fringe)			\$17,423.64
	Direct Operating: Client Assistance			\$1,892.63
	Direct Operating: Facility Maintenance			\$9,500.00
	Direct Operating: Liability Ins, IT Support, Etc.*			\$12,216.00
				<hr/> \$41,032.27

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Supportive Housing	IW Priscilla's House/Becky's House/Lon's House	\$968,627.46	\$795,173.45	\$173,454.01
	Personnel (Salary + Fringe)			\$133,686.25
	Direct Operating: Client Assistance			\$11,124.94
	Direct Operating: Facility Maintenance			\$18,497.00

Direct Operating: Liability Ins, IT Support, Etc.*

\$10,145.82

\$173,454.01

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Supportive Housing	IW Interfaith Homes	\$667,268.88	\$622,535.40	\$44,733.48
	Personnel (Salary + Fringe)			\$44,733.48

Program Type	Program Name	FY24 Budget Needed	FY23 Revenue Approved By DHHS	FY24 Expected Shortfall Without Additional Revenue
Supportive Housing	IW Rapid Rehousing	\$1,143,832.97	\$988,800.00	\$155,032.97
	Personnel (Salary + Fringe)			\$33,481.24
	Direct Operating: Client Assistance (mostly Leasing)			\$9,000.00
	Direct Operating: Client Rent			\$90,000.00
	Direct Operating: Liability Ins, IT Support, Etc.*			\$22,551.73
				<u>\$155,032.97</u>