



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #115

Modifications to Housing Assistance Programs (Administration -- Energy and Housing)

[LFB 2019-21 Budget Summary: Page 29, #3 thru #9 and Page 80, #34]

CURRENT LAW

Eight executive branch agencies receive state or federal funds to address homelessness in Wisconsin, including the Department of Administration (DOA). In addition, DOA oversees the Wisconsin Interagency Council on Homelessness, created under 2017 Act 74 to establish and coordinate the implementation of statewide policies on homelessness. In November, 2018, the Interagency Council published a 2019 to 2022 statewide action plan with policy recommendations to prevent and end homelessness in Wisconsin.

GOVERNOR

Provide \$3,250,000 GPR and 1.0 GPR position, -\$114,800 FED and -2.0 FED position, and \$557,400 PR and 1.0 PR position in 2019-20, and \$3,250,000 GPR and 1.0 GPR position, -\$153,200 FED and -2.0 FED positions, and \$576,600 PR and 1.0 PR position in 2020-21 for the following housing assistance programs:

Housing Assistance Program (HAP). \$1,200,000 GPR annually for the housing assistance program (HAP). Funding would be allocated as follows: (a) \$900,000 GPR annually for HAP grants; and (b) \$300,000 GPR annually to create a grant program under HAP for housing navigation services.

Homeless Prevention Program (HPP). \$800,000 GPR annually for the homeless prevention program (HPP). Funding would be allocated as follows: (a) \$500,000 GPR annually for current services; and (b) \$300,000 GPR annually to establish a new diversion program within HPP.

Housing Quality Standards Grant Program (HQS). Create a housing quality standards grant program (HQS) and provide \$500,000 GPR annually. Under the bill, grants would be awarded to owners of rental housing units for purposes of satisfying applicable housing quality standards.

State Shelter Subsidy Grant (SSSG) Program. \$500,000 GPR annually for the state shelter subsidy grant program (SSSG).

Homeless Case Management Services (HCMS) Grant Program. \$500,000 PR annually for the homeless case management services grant program (HCMS). Funds would be provided from the Department of Children and Families' (DCF) federal temporary assistance for needy families (TANF) program.

Skills Enhancement (SE). \$250,000 GPR annually for skills enhancement (SE) grants under DCF.

Homeless Employment Program (HEP). Repeal the homeless employment program (HEP), created under 2017 Act 59, which provides grants to municipalities to connect homeless individuals with permanent employment. The program is currently funded \$75,000 GPR annually.

Housing Assistance Program Administration. Provide that 2.0 grants specialist - advanced positions within the Division of Energy, Housing, and Community Resources (DEHCR) be funded by GPR (1.0 position) and PR (1.0 position), rather than FED (2.0 positions). The positions would remain classified as grants specialist - advanced. Reduce federal aid for state operations by \$114,800 FED in 2019-20, \$153,200 FED in 2020-21, and 2.0 FED annually. Provide \$75,000 GPR and 1.0 GPR position annually to DEHCR's general program operations appropriation. Provide \$57,400 PR in 2019-20, \$76,600 PR in 2020-21, and 1.0 PR position annually from TANF program funds to support the HCMS grant program.

DISCUSSION POINTS

This paper addresses eight different housing assistance items included in the 2019-21 biennial budget bill. Most of these items were included in a November, 2018, report from the Wisconsin Interagency Council on Homelessness. The paper first addresses the items as a single initiative. Subsequent sections of the paper address each of the budget bill items separately. If the Committee selects an alternative under the first section of the paper (A. Homeless Prevention Initiatives), no further action is required. However, if the Committee wishes to adopt alternatives related to specific budget items, each item is individually addressed in later sections of the paper (Sections B through I).

A. Homelessness Prevention Initiatives

1. Access to stable housing is hindered by factors such as poverty, sudden loss of income, domestic violence, mental illnesses, natural disasters, and a shortage of housing supply. According to the Interagency Council, Wisconsin had a daily average of 3,470 people sleeping in places not meant for human habitation in 2017, such as cars, sidewalks, benches, and parking garages. In addition,

17,905 people stayed in emergency shelters in 2017 (7,890 in Milwaukee, Dane, and Racine counties, and 10,015 in other counties). In the 2016-17 school year, 19,264 children attending Wisconsin public schools lacked a fixed, regular, and adequate nighttime residence.

2. Under 2017 Act 74, the Interagency Council was established under DOA to: (a) establish a statewide policy with the purpose of preventing and ending homelessness; (b) coordinate the implementation of policy established by the Council; and (c) report on the activities of the Council to the Governor and to the Chief Clerk of each house of the Legislature.

3. Membership in the Interagency Council includes the following individuals, or their designees: (a) the Governor, who serves as chairperson; (b) the Secretary of Administration; (c) the Executive Director of the Wisconsin Housing and Economic Development Authority; (d) the Secretary of Health Services; (e) the Secretary of Children and Families; (f) the Secretary of Workforce Development; (g) the Secretary of Veterans Affairs; (h) the Secretary of Corrections; and (i) the State Superintendent of Public Instruction. In addition, membership includes one representative each from the Wisconsin Balance of State Continuum of Care, the Milwaukee Continuum of Care, the Continuum of Care for the City and County of Racine, and the Homeless Services Consortium of Dane County.

Former Lieutenant Governor Rebecca Kleefisch was appointed as chairperson of the Interagency Council prior to its inaugural meeting in February, 2018, and served until the end of her term. Governor Tony Evers now serves as chairperson.

4. The Interagency Council began meeting in February, 2018, hired an Executive Director in April, 2018, and by November, 2018, published "A Hand and a Home: Foundations for Success, 2019-22 Statewide Action Plan," outlining policies to reduce: (a) the number of people who become homeless; (b) the total number of people experiencing homelessness; (c) the length of time people experience homelessness; and (d) the number of people who return to homelessness. The bill's recommendations incorporate all fiscal components of the Interagency Council's plan. In addition, the bill includes provisions not considered by the Interagency Council.

5. While provisions of the bill incorporate all of the fiscal aspects of the Interagency Council's November, 2018, recommendations, the bill would also eliminate the homeless employment program created in the 2017-19 biennial budget, and would utilize a similar amount of GPR funding (\$75,000 GPR annually) to support a grant specialist position in DOA for housing grants. Further, the bill would create a PR-funded grant specialist position funded from TANF monies (\$57,400 PR in 2019-20 and \$76,600 PR in 2020-21). Concurrent to creation of the two new positions, 2.0 FED grant specialist positions and associated funding would be eliminated. The federally-funded positions are currently vacant. With the expansion of the GPR-funded grant programs, and the use of TANF funding to support the HCMS grant program, the newly created positions are intended to provide grant program administrative and oversight support and to align position funding with grant responsibilities.

6. Given that the bill includes all of the Interagency Council's recommendations and provides for grant program administrative support, the Committee could approve the homelessness prevention initiatives as included in the bill and the errata advanced by the administration (to modify

statutes related to the HCMS grant program to specify that DOA may provide grants to any number of eligible applicants, up to \$75,000 each). [Alternative A1]

7. Alternatively, the Committee could approve only the fiscal recommendations identified in the Interagency Council's recommendations, and not approve the creation of new grant specialist positions or the elimination of the homeless employment grant program. [Alternative A2] Under this alternative, DOA would be required to administer its expanded grant programs using existing resources and the homeless employment grant program would be retained. As noted later in this paper, the homeless employment grant program only had one applicant in 2017-18 and none, to date, in 2018-19.

8. In March, 2019, 13 bills were introduced that would codify the recommendations of the Interagency Council. The fiscal components of these bills are similar to the provisions included in the Governor's recommendations. However, the bills also include statutory language related to program eligibility and structure. Given that bills have been introduced to address not only the fiscal but also the programmatic aspects of the Interagency Council's recommendations, the Committee could instead decide to take no action on these issues at this time. Under this alternative, each bill could receive a public hearing and be addressed by a separate standing committee of the Legislature. Subsequent to review by the standing committees, any bill requiring approval by the Joint Committee on Finance could be referred to the Committee. [Alternative A3]

B. Housing Assistance Program (HAP)

9. Under current law, HAP provides up to \$300,000 GPR per year in grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for the operation of housing and associated supportive services for the homeless. The purpose of the grants is to facilitate the movement of homeless persons to independent living. In 2018-19, HAP funds totaling \$300,000 were granted to 12 agencies in the state. Funds were awarded to three agencies in metropolitan counties (Dane and Milwaukee) and nine agencies serving 22 other counties (Adams, Barron, Chippewa, Columbia, Dodge, Dunn, Eau Claire, Fond du Lac, Green Lake, Juneau, La Crosse, Marquette, Pepin, Pierce, Polk, Portage, Sauk, St. Croix, Walworth, Waupaca, Waushara, and Winnebago).

10. Under 2017 Act 59, the statutory title of the program was changed from "transitional housing" to "housing." The Interagency Council reported that Act 59 expanded program "eligibility from purely Transitional Housing to also include all housing program types. As such, it is one of the state's main housing assistance programs and underfunded" at \$300,000 per year.

11. The Governor recommends increasing HAP funding by \$900,000 GPR annually and providing \$300,000 GPR annually to create a program for housing navigation services under the existing HAP appropriation. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council. Funding in the bill is also identical to the amounts provided under 2019 Assembly Bill (AB) 121/Senate Bill (SB) 120, and AB 123/SB 119.

12. The program is currently available in 24 counties. The administration indicates that increasing the amount available for HAP grants could allow DOA to serve all 72 counties in

Wisconsin. According to the Interagency Council, establishing housing navigation grants would allow Continuums of Care to "work with housing providers as well as clients and case managers to provide a link between available units and those who need to rent affordable housing." Given the recommendations of the Interagency Council to expand the program and provide funding for navigation services, the Committee could decide to approve the Governor's proposal. [Alternative B1]

13. It should be noted, however, that AB 121/SB 120 differ from the Governor's recommendation in that the bills would create a continuing GPR appropriation for housing navigation grants. As a continuing appropriation, DOA would be authorized to spend amounts beyond what is appropriated without legislative review, based on available cash balances. In contrast, the recommendation in the bill does not include statutory language to establish a program for housing navigation services. Rather, the Governor recommends allocating funds for housing navigation grants under the existing biennial appropriation for HAP. Creating a separate appropriation could allow for a detailed accounting of expenditures related to housing navigation services. Therefore, the Committee could decide to incorporate the provisions of AB 121/SB 120 to create a continuing GPR appropriation for housing navigation grants. [Alternative B2]

Under current law, the two primary DOA appropriations utilized for housing grants are biennial appropriations. Under a biennial appropriation, an agency may expend up to the total amount indicated in the Chapter 20 schedule at any point during the two-year fiscal period. To reflect the structure of current housing appropriations, the Committee could modify the provisions of AB 121/SB 120 to create a biennial GPR appropriation for housing navigation grants. [Alternative B3]

14. The Committee could instead decide to take no action with regard to HAP, thereby maintaining current funding of \$300,000 GPR annually. [Alternative B4]

C. Homeless Prevention Program (HPP)

15. Under current law, HPP grants \$1,515,000 GPR annually to local Continuums of Care (COC) to provide: (a) rental assistance to households in the form of security deposits, short-term rental subsidy, and/or utility costs; (b) foreclosure prevention, including payment of principal and interest on a mortgage loan that is past due, property taxes, and utility payments, if the homeowner shows the ability to make future payments; and (c) limited administrative funds. Under current law, COCs complete one application to apply for HPP grants and emergency solutions grants. In 2018-19, HPP awarded \$1,499,700 to 22 agencies (\$564,400 to six agencies in the Milwaukee metropolitan area, \$504,000 to seven agencies in other metropolitan areas, and \$431,300 to nine agencies in other parts of the state).

16. According to the Interagency Council, homelessness is often caused by a sudden and temporary loss of income. To prevent homelessness and provide support for income shocks, the Interagency Council's recommendations include the creation of a state diversion program under HPP. Potential services offered under the Interagency Council's plan for the diversion program include "searching for housing, providing a rental subsidy, other financial assistance, utility assistance, case management, mediation, connection to mainstream resources, or legal services."

17. The Interagency Council indicates that having a history of evictions can lessen a

landlord's willingness to rent to that household. In other words, if a household were to be evicted, there would be a greater likelihood that the household would have difficulty securing stable housing in the future. The Interagency Council argues that providing additional resources for homelessness prevention services offered under HPP is appropriate since these services could reduce the likelihood that a household experiences homelessness in the future, thereby averting future costs to the state associated with providing homeless services.

18. The Governor recommends increasing HPP funding by \$500,000 GPR annually and providing \$300,000 GPR annually to establish a diversion program within HPP. Under the Governor's proposal, COCs would only complete one application to apply for diversion grants, HPP grants, and emergency solutions grants. [Emergency Solutions Grants are provided to cities, counties, and private nonprofit agencies for homeless prevention and re-housing programs, shelter and transitional housing building renovations, and shelter operations.] Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council and is identical to the amount provided under 2019 AB 124/SB 144. Given potential cost savings associated with the prevention of homelessness and the recommendations of the Interagency Council, the Committee could decide to approve the Governor's proposal. [Alternative C1]

19. As with the Governor's proposal, AB 124/SB 144 would provide funding for diversion grants under the existing DOA appropriation for housing grants and loans. However, AB 124/SB 144 would create statutory language to establish a separate diversion program. The bills would define diversion programming under statute as "short-term intervention that supports persons or families of low or moderate income in identifying immediate, safe housing arrangements, other than a temporary shelter" and would specify that funds must be "reasonably balanced among geographic areas of the state." The Committee may decide it is appropriate to codify the creation of the diversion program to provide guidance as to program eligibility and implementation. Therefore, the Committee could decide to incorporate the provisions of AB 124/SB 144 to create statutory language establishing a diversion program. [Alternative C2]

20. Alternatively, the Committee could decide to take no action with regard to HAP, thereby maintaining current funding of \$1,515,000 GPR annually. [Alternative C3]

D. Housing Quality Standards (HQS) Program

21. According to the Interagency Council, "one of the highest barriers to affordable housing is a lack of available, quality housing units for persons of low and moderate income. The problem is especially acute in rural areas due to the age of existing dwellings coupled with a low proportion of rental units." Further, all federally funded housing programs require units to be "clean, safe and sanitary" and potential units must pass a housing quality standard (HQS) inspection. The Interagency Council indicates that housing supply has been limited by property owners' "financial inability to make the necessary investments to achieve HQS compliance." According to the U.S. Department of Housing and Urban Development, an estimated 11,000 Wisconsin households live in units that lack complete plumbing or kitchen facilities and an estimated 18,000 households live in units that are overcrowded. The administration indicates that the HQS program could increase the supply of renter-occupied housing units in Wisconsin to meet current demand.

22. In November, 2018, the Interagency Council on Homelessness recommended the creation of a state-funded program, funded at \$500,000 annually, to make forgivable loans to landlords to address quality deficiencies and increase the number of rental units that qualify for federal affordable housing programs.

23. The Governor recommends creating a housing quality standards grant program and providing \$500,000 GPR annually under an annual GPR appropriation. Grants would be awarded to owners of rental housing units for purposes of satisfying applicable housing quality standards. The administration recommends creating a grant program rather than a forgivable loan program because DOA "does not currently have the capacity to take on the potential additional workload that would be associated with loan repayments." Given the recommendations of the Interagency Council and the current capacity of department staff, the Committee could decide to approve the Governor's proposal to create a HQS grant program. [Alternative D1]

24. Under 2019 AB 125/SB 121, HQS would be created as a forgivable loan program, rather than as a grant program. The bills propose one-time funding of \$1,000,000 GPR in 2019-20 in a continuing appropriation for housing quality standards loans. As a continuing appropriation, DOA would be authorized to spend amounts beyond what is appropriated without legislative approval, based on available cash balances. Because funding for the HQS program would only be provided in the first year of the biennium, funding would not be included in the agency's base budget for the 2021-23 biennium. The bills would also create a separate appropriation for loan repayments, which could be used to provide additional loans. The bills further specify requirements related to loan eligibility and geographical distribution. The Committee could decide to incorporate the provisions of AB 125/SB 121 to create a HQS forgivable loan program and to provide \$1,000,000 GPR in 2019-20. [Alternative D2]

25. Given the administration's indication that department staff may not have the capacity to implement a forgivable loan program, if the Committee adopts Alternative D2, the Committee may also wish to provide additional position authority to administer the program. The Committee could therefore modify the proposal to provide \$57,400 GPR in 2019-20, \$76,600 GPR in 2020-21, and 1.0 GPR position annually, to be classified as a grants specialist - advanced. [Alternative D3]

26. Alternatively, the Committee could decide to take no action with regard to the creation of a housing quality standards program. As under current law, landlords could continue to self-fund any necessary improvements to properties to qualify for federally-funded programs. [Alternative D4]

E. State Shelter Subsidy Grant (SSSG) Program

27. Under current law, the SSSG Program provides grants of up to \$1,113,600 GPR annually to local units of government, nonprofit organizations, for-profit organizations, and other entities for shelter renovations, expansions, operations, or for the development of an existing building into a shelter. In 2018-19, DOA awarded \$1,132,600 to 40 grantees (\$400,000 in Milwaukee county, \$145,400 in Dane county, and \$587,200 in other areas of the state). The Department indicates that applications for the program totaled approximately \$11,000,000 in 2018-19, thereby exceeding the amount of funding available.

28. The Interagency Council indicates that emergency shelter is a "critical piece in any community's homeless response" because it "offers a bed and a meal in times of crisis, it is a convenient spot for community resources to gather and provide outreach, and it offers short-term respite until more permanent housing becomes available." According to the Interagency Council, funding has remained at nearly the same level since the program's creation under 1991 Act 39.

29. The Governor recommends increasing SSSG funding by \$500,000 GPR annually. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council and is identical to the amounts provided under 2019 AB 119/SB 122. In addition, DOA indicates that it would be able to distribute increased funds because applications for grants have exceeded available funding in recent years. Given the recommendations of the Interagency Council and program demand, the Committee could decide to approve the Governor's proposal. [Alternative E1]

30. It should be noted that the Interagency Council also recommended that the application process be modified to require the reporting of additional metrics to "create a better framework for success. Shelters should be rewarded for good case management and for providing responsible exits to permanent housing." Under current law, DOA is only required to consider whether the community in which an eligible applicant provides services has a coordinated system of services for homeless individuals and families. The Committee could create statutory language to require DOA to consider performance metrics when reviewing applications, proposed under AB 119/SB 122 to include: (a) the number of shelter days the eligible applicant intends to provide during the year for which the grant application is received; (b) the eligible applicant's history of successfully transitioning homeless individuals or families to permanent housing; (c) whether the eligible applicant provides intensive case management services; (d) whether the eligible applicant provides trauma-informed care; (e) whether the eligible applicant provides opportunities for shelter residents to obtain employment, increase their income, or increase their hours worked; (f) the utilization rate of each unit at each shelter facility operated by the eligible applicant; (g) the average length of stay of shelter residents at each shelter facility operated by the eligible applicant; and (h) the percentage of shelter residents served by the eligible applicant that is chronically homeless. [Alternative E2] Under this alternative, the Interagency Council cautions that modifying eligibility criteria could burden some applicants with reporting requirements.

31. Alternatively, the Committee could take no action with regard to the SSSG program, thereby maintaining current eligibility criteria and funding of \$1,113,600 GPR annually. [Alternative E3]

F. Homeless Case Management Services (HCMS) Grant Program

32. Under 2017 Act 59, the HCMS grant program was created within DOA. The program is currently authorized by statute to support 10 annual grants of \$50,000 to shelter facilities to provide intensive case management services to homeless families. The program is allocated \$500,000 PR annually from TANF block grant funds. In May, 2018, DOA awarded \$50,000 each to the following grantees: Community Advocates (Milwaukee), Family Promise (Washington), Freedom House Ministries (Brown), Homeless Assistance Leadership Organization (Racine), Homeless Connections (Outagamie), Renewal Unlimited (Columbia), Salvation Army (Dane), Salvation Army - Grace Place

(St. Croix), Salvation Army (Milwaukee), and the Lakeshore Interfaith Hospitality Network (Manitowoc). The Department indicates that applications for the program totaled \$950,000 in 2017-18, thereby exceeding the amount of funding available.

33. Funds are used to provide services to homeless families, including: (a) financial management services; (b) employment services, including connecting parents who are job training graduates or who have a recent work history with their local workforce development board and assisting them with using the job center website maintained by the Department of Workforce Development; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in a food stamp employment and training program or in the Wisconsin Works program.

34. The Interagency Council reports that households experiencing homelessness often struggle to navigate simultaneous tasks, such as searching for employment, housing, healthcare, and childcare. Case management services assist households with managing job searches, housing searches, finances, substance abuse disorders, and mental health disorders. Further, according to the Interagency Council, "successful case management has been linked to better housing outcomes, better physical and mental health, decreased abuse of drugs and alcohol, better re-integration into society, decreased costs for crisis response systems, and an overall improvement in quality of life."

35. The Governor recommends increasing HCMS funding by \$500,000 PR annually. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council and is identical to the amounts provided under 2019 AB 120/SB 145. Given the effectiveness of case management services in mitigating homelessness and the recommendations of the Interagency Council, the Committee could decide to approve the Governor's proposal. [Alternative F1] It should be noted that the bill as introduced would provide an increase in expenditures but would not modify state statute to allow DOA to spend additional funds. Under the bill, statutes would still specify that DOA could only provide up to 10 grants with a maximum of \$50,000 each. In the errata letter dated May 1, 2019, the administration corrected this error to specify that the Department may award grants to any number of qualified applicants, up to \$75,000 each.

36. Under AB 120/SB 145, the structure of the grant program would be modified such that DOA would be able to award grants of up to \$75,000 to any number of eligible shelter facilities. In addition, recipients would be allowed to use up to 10% of the grant funds for professional development of case managers, including for travel expenses. To specify that grant funds may be used for travel expenses, the Committee could modify the Governor's proposal to include provisions from AB 120/SB 145. [Alternative F2]

37. There is a sufficient balance in the TANF fund to increase funding for HCMS grants without affecting other programs funded by the appropriation. However, to the extent that TANF funds are allocated for case management services, less funding would be available for other programs. The Committee could decide to take no action with regard to the HCMS program, thereby maintaining current funding of \$500,000 PR annually. [Alternative F3]

G. Skills Enhancement (SE) Grants

38. Under current law, DCF provides skills enhancement grants of up to \$250,000 GPR annually to community action agencies. Skills enhancement services are provided to individuals who work at least 20 hours per week and whose earned income is at or below 150% of the poverty line. Grants are intended to assist eligible persons overcome barriers to employment and education, including access to transportation, childcare, career counseling, job placement assistance, and financial support for education and training. The Interagency Council reports that 92% of participants are low-income parents. In 2018-19, a total of \$250,000 was awarded to 13 agencies. This is the only homelessness prevention provision under the bill that would be administered by DCF rather than DOA.

39. The Governor recommends increasing SE grant funding by \$250,000 GPR annually. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council and is identical to the amounts provided under 2019 AB 144/SB 123. Given the recommendations of the Interagency Council, the Committee could decide to approve the Governor's proposal. [Alternative G1]

40. On the other hand, the Committee could instead decide to take no action, thereby maintaining current funding of \$250,000 GPR annually. [Alternative G2]

H. Homeless Employment Program (HEP)

41. Under 2017 Act 59, HEP was established as a pilot program under DOA. The program provides up to \$75,000 GPR annually to municipalities (counties, cities, villages, or towns) to connect homeless individuals with permanent employment. Each municipality receiving a grant must contribute at least \$50,000 of its own funds and must use both the grant and the contribution for the purpose of connecting homeless individuals with permanent employment. In May, 2018, \$75,000 was awarded to Oconto County.

42. The Governor recommends repealing HEP due to a lack of applications. The administration indicates, "Despite reaching out to 15 different municipalities, the League of Municipalities, and the Wisconsin Counties Association, only one applicant applied for funding in the first year of the program's existence. In the second year of existence, no municipalities applied for funding." Given limited demand, the administration believes that funds could be utilized more effectively for other purposes. Therefore, the Committee could approve the Governor's recommendation to repeal HEP. [Alternative H1]

43. While the Interagency Council did not mention HEP in its statewide action plan, it did report that "the best way" to prevent a household from returning to homelessness "is to prepare for a lifetime of independence through gainful employment." In addition, the Interagency Council indicates that there has historically been a disconnect between employment and homeless services. The current program attempts to foster coordination between homeless service providers and employment services; however, eligibility is limited to municipalities and requires a significant local match of at least \$50,000. These restrictions may limit the number of entities applying for the program.

44. To allow for increased utilization of the program, the Committee could expand eligibility to include categories of applicants defined under state statute as qualified for other DOA housing programs. In addition, the Committee could eliminate the matching requirement to lessen the local burden of participation. [Alternative H2] Under this alternative, applications could exceed available funding, thereby requiring DOA to distribute funds based on the Department's evaluation of applications.

45. Alternatively, the Committee could decide to take no action with regard to HEP, thereby maintaining current eligibility requirements and funding of \$75,000 GPR annually. [Alternative H3]

I. Homelessness Prevention Program Administration

46. The Division of Energy, Housing and Community Resources (DEHCR) within DOA is currently authorized \$2,386,800 (\$886,200 GPR and \$1,500,600 FED) and 25.2 positions (8.5 GPR and 16.7 FED) to administer its housing program responsibilities.

47. The Governor recommends reducing federal aid for state operations by \$114,800 FED in 2019-20, \$153,200 FED in 2020-21, and 2.0 FED annually. Both FED positions have been vacant since August 5, 2018. The administration indicates that DOA lacks the federal funding necessary to fill the positions.

48. The Governor recommends providing \$75,000 GPR and 1.0 GPR position annually to DEHCR's general program operations appropriation to assist with housing programs administered by the Division. Further, the Governor recommends providing \$57,400 PR in 2019-20, \$76,600 PR in 2020-21, and 1.0 PR position annually to support the HCMS program. According to the administration, DOA requires additional staff support to manage the workload associated with doubling the amounts awarded under the program. Funding for the position would be provided from TANF funds. The administration indicates that there is a sufficient balance in the fund to provide compensation for the position without affecting other TANF recipients.

49. The positions would remain classified as grants specialist - advanced and would: (a) administer and manage grants programs; (b) develop policies, procedures, and program activities for grants programs; (c) provide technical assistance to grantee applicants in the development of grant applications and project proposals; (d) develop grant selection criteria, applications and guidelines; (e) coordinate grant selection committee activities; (f) negotiate, develop and administer contracts between grantees and the organization; (g) maintain grant records; and (h) develop and administer public information and education activities related to the grant program.

50. Given the lack of federal funding for existing positions and DOA's indication that additional staff would be required to support homelessness prevention program expansions, the Committee could decide to approve the Governor's request. [Alternative II]

51. It should be noted that the technical budget instructions for 2019-21 requested that new positions be provided nine months of funding in the first year of the biennium to allow time for the hiring process. The administration indicates that it requested \$75,000 and 1.0 GPR position for DEHCR because that was the proposed amount to be eliminated from HEP grants. Given that the

position is the same classification as the proposed HCMS position (grants specialist - advanced), it could be argued that the positions should be provided equal amounts for compensation. Therefore, the Committee could modify the proposal to provide \$57,400 GPR in 2019-20, \$76,600 GPR in 2020-21, and 1.0 GPR position annually to DEHCR's general program operations appropriation. This alternative would result in a net decrease of \$16,000 GPR in 2019-21 from the bill as introduced and a net change of \$0 from the base budget. [Alternative I2]

52. Given that the 2.0 FED positions have been vacant for more than six months and that DOA does not anticipate securing federal funding for the positions, the Committee could decide to delete the 2.0 FED positions. [Alternative I3]

53. Alternatively, the Committee could determine that DOA has sufficient position authority to administer housing-related provisions under the bill. Therefore, the Committee could take no action with regard to position authority for DEHCR. [Alternative I4]

ALTERNATIVES

A. Homelessness Prevention Initiatives

1. Approve the Governor's recommendations with regard to the expansion of homelessness prevention programs, which are based on the "2019-2022 Statewide Action Plan" authored by the Interagency Council on Homelessness in November, 2018.

ALT A1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$6,500,000	1.00	\$0	0.00
FED	- 268,000	- 2.00	0	0.00
PR	<u>1,134,000</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$7,366,000	0.00	\$0	0.00

2. Modify the proposal to include only the fiscal recommendations identified in the Interagency Council's November, 2018, plan as follows: (a) provide an additional \$1,200,000 GPR annually for the housing assistance program; (b) provide an additional \$800,000 GPR annually for the homeless prevention program; (c) create a housing quality standards grant program and provide \$500,000 GPR annually; (d) provide an additional \$500,000 GPR annually for the state shelter subsidy grant program; (e) provide an additional \$500,000 PR annually for the homeless case management services grant program and modify statutory language to specify that DOA may provide any number of grants of up to \$75,000 each per year; and (f) provide an additional \$250,000 GPR annually for skills enhancement grants under the Department of Children and Families.

ALT A2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$6,500,000	0.00	\$0	- 1.00
FED	0	0.00	268,000	2.00
PR	<u>1,000,000</u>	<u>0.00</u>	<u>- 134,000</u>	<u>- 1.00</u>
Total	\$7,500,000	0.00	\$134,000	0.00

3. Take no action with regard to homelessness prevention programs.

ALT A3	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	-\$6,500,000	- 1.00
FED	0	0.00	268,000	2.00
PR	<u>0</u>	<u>0.00</u>	<u>-1,134,000</u>	<u>-1.00</u>
Total	\$0	0.00	-\$7,366,000	0.00

B. Housing Assistance Program

1. Approve the Governor's recommendation to provide an additional \$1,200,000 GPR annually for HAP. Funding would be allocated as follows: (a) \$900,000 GPR annually for HAP grants; and (b) \$300,000 GPR annually to create a grant program under HAP for housing navigation services.

ALT B1	Change to	
	Base	Bill
GPR	\$2,400,000	\$0

2. Provide an additional \$900,000 GPR annually for HAP grants. In addition, include the provisions of 2019 AB 121/SB 120 to create a separate continuing GPR appropriation for housing navigation grants funded at \$300,000 GPR annually.

ALT B2	Change to	
	Base	Bill
GPR	\$2,400,000	\$0

3. Provide an additional \$900,000 GPR annually for HAP grants. In addition, modify the provisions of 2019 AB 121/SB 120 to create a separate biennial GPR appropriation for housing navigation grants funded at \$300,000 GPR annually.

ALT B3	Change to	
	Base	Bill
GPR	\$2,400,000	\$0

4. Take no action with regard to the housing assistance program.

ALT B4	Change to	
	Base	Bill
GPR	\$0	-\$2,400,000

C. Homeless Prevention Program

1. Approve the Governor's recommendation to provide an additional \$800,000 GPR annually for HPP. Funding would be allocated as follows: (a) \$500,000 GPR annually to expand HPP services; and (b) \$300,000 GPR annually to establish a diversion program within HPP.

ALT C1	Change to	
	Base	Bill
GPR	\$1,600,000	\$0

2. Include the provisions of 2019 AB 124/SB 144 to: (a) provide an additional \$500,000 GPR annually to expand HPP services; (b) create statutory language establishing a diversion program; and (c) provide \$300,000 GPR annually for the diversion program within HPP.

ALT C2	Change to	
	Base	Bill
GPR	\$1,600,000	\$0

3. Take no action with regard to the homeless prevention program.

ALT C3	Change to	
	Base	Bill
GPR	\$0	-\$1,600,000

D. Housing Quality Standards Program

1. Approve the Governor's recommendation to create a HQS grant program and provide \$500,000 GPR annually under an annual appropriation. [This alternative may be selected in addition to Alternative D3.]

ALT D1	Change to	
	Base	Bill
GPR	\$1,000,000	\$0

2. Include the provisions of 2019 AB 125/SB 121 to create a forgivable loan program for housing quality standards under a continuing GPR appropriation. Provide \$1,000,000 GPR in 2019-20 for loans. In addition, create an annual PR appropriation to receive loan repayments, which may be used to provide additional loans. [This alternative may be selected in addition to Alternative D3.]

ALT D2	Change to	
	Base	Bill
GPR	\$1,000,000	\$0

3. Provide 1.0 GPR position to support the HQS program. Provide \$57,400 GPR in 2019-20 and \$76,600 GPR in 2020-21 for salary and fringe benefits. [This alternative may be selected in addition to Alternative D1 or D2.]

ALT D3	Change to	
	Base	Bill
GPR	\$134,000	\$134,000

4. Take no action with regard to the creation of a housing quality standards program.

ALT D4	Change to	
	Base	Bill
GPR	\$0	-\$1,000,000

E. State Shelter Subsidy Grant Program

1. Approve the Governor's recommendation to provide an additional \$500,000 GPR annually to expand the SSSG program.

ALT E1	Change to	
	Base	Bill
GPR	\$1,000,000	\$0

2. Include the provisions of 2019 AB 119/SB 122 to provide an additional \$500,000 GPR annually to expand the SSSG program and modify the application process to include the review of performance metrics.

ALT E2	Change to	
	Base	Bill
GPR	\$1,000,000	\$0

3. Take no action with regard to the state shelter subsidy grant program.

ALT E3	Change to	
	Base	Bill
GPR	\$0	-\$1,000,000

F. Homeless Case Management Program

1. Approve the Governor's recommendation, as corrected, to provide an additional \$500,000 PR annually for the HCMS program from the federal TANF program and to modify statute to allow DOA to award grants of up to \$75,000 to any number of eligible shelter facilities.

ALT F1	Change to	
	Base	Bill
PR	\$1,000,000	\$0

2. Include the provisions of 2019 AB 120/SB 145 to: (a) provide an additional \$500,000 PR annually for the HCMS grant program from the federal TANF program; and (b) modify statute to allow DOA to award grants of up to \$75,000 to any number of eligible shelter facilities and to specify that recipients may use up to 10% of the grant funds for professional development of case managers, including for travel expenses.

ALT F2	Change to	
	Base	Bill
PR	\$1,000,000	\$0

3. Take no action with regard to the homeless case management services program.

ALT F3	Change to	
	Base	Bill
PR	\$0	-\$1,000,000

G. Skills Enhancement Grants

1. Approve the Governor's recommendation to provide an additional \$250,000 GPR annually for skills enhancement grants under the Department of Children and Families.

ALT G1	Change to	
	Base	Bill
GPR	\$500,000	\$0

2. Take no action with regard to skills enhancement grants.

ALT G2	Change to	
	Base	Bill
GPR	\$0	- \$500,000

H. Homeless Employment Program

1. Approve the Governor's recommendation to repeal the homeless employment program.

ALT H1	Change to	
	Base	Bill
GPR	- \$150,000	\$0

2. Maintain current funding of \$75,000 GPR annually. Expand program eligibility to include entities defined under s. 16.304 of the statutes, including local units of government, nonprofit organizations, for-profit organizations, and other entities. In addition, eliminate the matching requirement for grant recipients.

ALT H2	Change to	
	Base	Bill
GPR	\$0	\$150,000

3. Take no action with regard to the homeless employment program.

ALT H3	Change to	
	Base	Bill
GPR	\$0	\$150,000

I. Homelessness Prevention Program Administration

1. Approve the Governor's recommendation to provide that 2.0 grants specialist - advanced positions within the Division of Energy, Housing, and Community Resources (DEHCR) be funded by GPR (1.0 position) and PR (1.0 position), rather than FED (2.0 positions).

ALT I1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$150,000	1.00	\$0	0.00
FED	- 268,000	- 2.00	0	0.00
PR	<u>134,000</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$16,000	0.00	\$0	0.00

2. Provide that 2.0 grants specialist - advanced positions within the Division of Energy, Housing, and Community Resources be funded by GPR (1.0 position) and PR (1.0 position), rather than FED (2.0 positions). However, modify funding for the 1.0 GPR position to provide \$57,400 GPR in 2019-20 and \$76,600 GPR in 2020-21, rather than \$75,000 GPR annually, to account for nine months of employment in the first year of the biennium and full funding in the second year.

ALT I2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$134,000	1.00	- \$16,000	0.00
FED	- 268,000	- 2.00	0	0.00
PR	<u>134,000</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	- \$16,000	0.00

3. Modify the provision to delete 2.0 FED positions and associated funding. Take no action with regard to providing position and expenditure authority for 1.0 GPR and 1.0 PR position.

ALT I3	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	- \$150,000	- 1.00
FED	- 268,000	- 2.00	0	0.00
PR	<u>0</u>	<u>0.00</u>	<u>- 134,000</u>	<u>- 1.00</u>
Total	- \$268,000	- 2.00	- \$284,000	- 2.00

4. Take no action with regard to position authority for DEHCR.

ALT I4	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	- \$150,000	- 1.00
FED	0	0.00	268,000	2.00
PR	<u>0</u>	<u>0.00</u>	<u>- 134,000</u>	<u>- 1.00</u>
Total	\$0	0.00	- \$16,000	0.00

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