



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #120

Homeless Case Management Services (Administration -- Housing and Homelessness)

[LFB 2021-23 Budget Summary: Page 31, #6, and Page 95, #22]

CURRENT LAW

The homeless case management services (HCMS) program is currently authorized by statute to support 10 annual grants of \$50,000 to shelter facilities. Total annual funding is \$500,000 PR and is provided from the federal temporary assistance for needy families (TANF) program.

Funds are used to provide intensive case management 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.

The federal American Rescue Plan Act of 2021 provides \$2.5 billion in direct payments to Wisconsin to respond to the pandemic. On May 10, 2021, the U.S. Department of the Treasury indicated that funds may be used for investments in housing and neighborhoods, such as residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity. The one-time allocation must be used prior to December 31, 2024, and therefore would not provide ongoing program support.

DISCUSSION POINTS

1. Households experiencing homelessness often struggle to navigate simultaneous tasks, such as searching for employment, housing, healthcare, and childcare. Case managers assist

households with managing job searches, housing searches, finances, substance abuse disorder treatments, and mental health disorder treatments.

2. The Interagency Council on Homelessness was established under 2017 Act 74 to coordinate statewide policies to address homelessness. In 2018, the Council published a statewide report with recommendations to end homelessness. The report concluded that case management services have 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 overall improvement in quality of life. In accordance, the Council recommended that the HCMS program be increased by \$500,000 annually.

3. Under 2019 Act 9, an additional \$500,000 PR per year was reserved for HCMS in the Joint Committee on Finance's supplemental appropriation. The allocation has not yet been transferred to DOA. If the funds are not transferred prior to June 30, 2021, funds will lapse to accounts specified under s. 49.175(1) of the statutes ("Children and Family Support Services: public assistance and local assistance allocations").

4. 2021 Assembly Bill 68/Senate Bill 111 would provide an additional \$500,000 PR annually for HCMS grants. The bill would increase the annual limit on grants from \$50,000 to \$75,000 per recipient, and eliminate the statutory restriction that limits the program to 10 grants per year. A corresponding increase is provided under the TANF allocation.

5. According to DOA, the revised limit of \$75,000 is based on a review of prior applications and would be sufficient to ensure that assistance is available for agencies of various sizes throughout the state. In 2018-19, applications from 19 agencies totaled \$1.8 million, exceeding amounts available by \$1.3 million. In 2019-20, applications from 19 agencies totaled \$2.5 million, exceeding amounts available by \$2.0 million. Application amounts for 2018-19 and 2019-20 by agency are attached. Given the volume of prior applications and evidence that case management services help alleviate homelessness, the Committee could provide an additional \$500,000 for HCMS. [Alternative 1]

6. In March, 2021, AB 146/SB 185 was introduced. The legislation is nearly identical to the HCMS provisions of the budget bill and would increase HCMS funding by \$500,000 per year, increase the limit from \$50,000 to \$75,000 per recipient, and eliminate the provision that restricts the program to 10 grants per year. However, AB 146/SB 185 differ from the budget bill in allowing shelters to use up to 10% of funds for professional development of case managers, including for travel expenses. To specify that funds may be used for professional development, the Committee could include the corresponding provision from AB 146/SB 185. [Alternative 2]

7. Alternatively, the Committee could instead decide to take no action with regard to HCMS, thereby maintaining current funding of \$500,000 PR annually. The program's statutory limitations and allocations could be modified separately through passage of AB 146/SB 185. [Alternative 3]

ALTERNATIVES

1. Provide an additional \$500,000 PR annually for the homeless case management services program. Increase the annual limit on grants from \$50,000 to \$75,000 per recipient, and eliminate the statutory restriction that limits the program to 10 grants per year. Funds would be provided from the federal temporary assistance for needy families program.

ALT 1	Change to Base
PR	\$1,000,000

2. Incorporate the provision of 2021 AB 146/SB 185 specifying that up to 10% of grant funds may be used for the professional development of case managers, including travel expenses necessary for case managers to participate in training for professional development. [This alternative may be selected in addition to Alternative 1.]

3. Take no action.

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Attachments

ATTACHMENT 1

Homeless Case Management Services Grant Applications 2018-19

<u>Organization</u>	<u>Amount Requested</u>
Community Advocates, Inc.	\$276,400
Hebron House of Hospitality	272,500
YMCA Madison	227,500
Salvation Army - La Crosse	103,600
Homeless Assistance Leadership Organization	100,000
Salvation Army - Milwaukee	87,400
Salvation Army - Sheboygan	75,000
Homeless Connections (Pillars)	71,700
Lakeshore IHN (Hope House of Manitowoc)	63,500
Freedom House Ministries	62,300
Family Promise of Washington County	60,000
Salvation Army - Grace Place	59,000
Western Dairyland	55,000
Harbor House	54,200
Renewal Unlimited	52,800
Salvation Army - Dane County	52,000
Community Advocates	50,000
Shalom Center	50,000
Hope House*	<u>0</u>
Total Requested	\$1,772,900
Average Request	\$93,300

* The application submitted by Hope House was incomplete and therefore not considered.

ATTACHMENT 2

Homeless Case Management Services Grant Applications 2019-20

<u>Organization</u>	<u>Amount Requested</u>
Cathedral Center	\$351,100
Salvation Army - Waukesha	330,000
Community Action Inc. of Rock & Walworth	276,000
Solutions Center	275,500
Salvation Army - La Crosse County	271,600
Central Wisconsin CAC	151,700
Homeless Assistance Leadership Organization	100,000
Family Promise of Washington County	89,000
Salvation Army - Milwaukee	87,400
Pillars	79,300
Salvation Army - Grace Place	68,500
Lakeshore Interfaith	65,500
Freedom House Ministries	64,400
Shalom Center	64,000
Salvation Army - Dane County	56,200
Renewal Unlimited	51,000
Community Advocates	50,000
Our Sister's House Emergency Shelter	50,000
Southwest Wisconsin Community Action Program	<u>50,000</u>
Total Requested	\$2,531,200
Average Request	\$133,200