

**OFFICE OF HOMELESS SERVICES
FISCAL YEAR 2020 BUDGET TESTIMONY
APRIL 23, 2019**

INTRODUCTION

Good morning President Clarke and Members of City Council. I am Liz Hersh, Director of the City of Philadelphia’s Office of Homeless Services. Joining me today is David Holloman, Chief-of-Staff, and Rodney Cherry, Fiscal Officer. I am pleased to provide testimony on the Office of Homeless Services’ Fiscal Year 2020 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The mission of Philadelphia’s Office of Homeless Services (OHS) is to provide the leadership, coordination, planning and mobilization of resources to make homelessness rare, brief, and non-recurring in the city. OHS works with more than 60 homeless housing and service providers, as well as City, state, and federal government, to make up the homeless service system. This system provides prevention, diversion, emergency, temporary, and long-term housing to people experiencing homelessness.

Plans for Fiscal Year 2020:

- Support, refine and expand the work to address unsheltered homelessness related to the opioid crisis including low-barrier shelter, recovery-oriented housing and employment;
- Work with health care systems to explore new approaches to increase housing stability for people with medical and/or treatment needs who are experiencing homelessness;
- Develop policies and test strategies to reduce the number of people who enter homelessness from institutional settings such as prison, foster care, and hospitals;
- Develop a Facilities’ Strategic Plan;
- Continue to implement recommendations from the PHL Participatory Design Lab to make our access points more welcoming and trauma-informed;
- Employ mobile assessors, e.g. as multi-lingual and culturally-competent staff dispatched throughout the community to reach people who are under-represented in the homeless service system or are unable to come to centralized sites;
- Meet the unique housing needs of people experiencing street homelessness who have an Opioid Use Disorder;
- Expand our landlord engagement program to increase the number of landlords and housing units available to people exiting homelessness;
- Implement a “move-on” strategy to help people exit to permanent supportive housing when they no longer need the level of enriched services provided.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of November 2018): All Funds				
	Total	Minority	White	Female
Number of Full-Time Staff	171	143	28	116
Number of Exempt Staff	24	13	11	18
Number of Executive Staff (deputy level and above)	5	2	3	3
Average Salary, Full-Time Staff	\$59,828	\$55,479	\$71,879	\$57,073
Average Salary, Exempt Staff	\$83,298	\$84,855	\$84,308	\$83,220
Average Salary, Executive Staff	\$104,460	\$92,700	\$112,300	\$113,300
Median Salary, Full-Time Staff	\$61,759	\$52,747	\$63,860	\$56,319
Median Salary, Exempt Staff	\$82,400	\$87,550	\$77,250	\$77,997
Median Salary, Executive Staff	\$103,000	\$92,700	\$103,000	\$103,000

Employment Levels (as of November 2018): All Funds		
	Budgeted in FY19	Filled as of the Increment Run (11/18)
Number of Full-Time Positions	188	171
Number of Exempt Positions	27	24
Number of Executive Positions (deputy level and above)	5	5
Average Salary of All Full-Time Positions	\$59,828	\$59,828
Median Salary of All Full-Time Positions	\$61,759	\$61,759

General Fund Financial Summary by Class						
	FY18 Original Appropriations	FY18 Actual Obligations	FY19 Original Appropriations	FY19 Estimated Obligations	FY20 Proposed Appropriations	Difference: FY20-FY19
Class 100 - Employee Compensation	\$8,802,194	\$8,685,048	\$8,830,135	\$9,120,404	\$9,545,748	\$425,344
Class 200 - Purchase of Services	\$39,069,215	\$39,045,924	\$43,554,815	\$47,319,942	\$49,073,423	\$1,753,481
Class 300/400 - Materials, Supplies & Equipment	\$344,127	\$253,494	\$344,127	\$344,127	\$344,127	\$0
Class 500 - Contributions	\$32,421	\$32,370	\$32,421	\$32,421	\$32,421	\$0
	\$48,247,957	\$48,016,836	\$52,761,498	\$56,816,894	\$58,995,719	\$2,178,825

Contracts Summary (Professional Services only)						
	FY14	FY15	FY16	FY17	FY18	FY19 YTD (Q1 & Q2)
Total amount of contracts	\$4,546,644	\$4,378,024	\$4,390,706	\$3,823,226	\$1,717,088	\$1,745,745
Total amount to M/W/DSBE	\$1,242,480	\$1,830,730	\$1,216,353	\$1,615,331	\$893,250	\$762,558
Participation Rate	27%	42%	28%	42%	52%	44%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY18	FY19	FY20
M/W/DSBE Contract Participation Goal	30%	32%	35% ¹

¹ Pursuant to OEO's recommendation, the M/W/DSBE Contract Participation Goal for OHS increased to 35% in FY20. The recommendation was made pursuant to the fact that OHS has successfully met and surpassed the M/W/DSBE Contract Participation Goals in previous fiscal years.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2020 General Fund budget totals \$58,995,719, an increase of \$2,178,825 over Fiscal Year 2019 estimated obligation levels. This increase is primarily to fund services to address homelessness linked to the opioid crisis, the 21st-Century living wage increase, and the addition of three staff positions.

The proposed budget includes:

- \$9,545,748 in Class 100, a \$425,344 increase over FY19. This funding will fund DC33 pay increases and three additional new positions to support expanded services;
- \$49,073,423 in Class 200, a \$1,753,481 increase over FY19. This funding will provide additional temporary and long-term housing to address street homelessness largely related to the opioid crisis;
- \$344,127 in Class 300/400, level with FY19. This funding will provide materials, supplies and equipment needed to carry out the agency's mission.
- \$32,421 in Class 500, level with FY19. This funding will provide enrichment activities for residents residing at the City's Riverview Personal Care Home.

STAFFING LEVELS

The department is requesting 160 General Fund positions for FY20, an increase of three from FY19. The increase is attributed to additional staff support needed for opioid crisis initiatives.

NEW HIRES

New Hires (from 7/1/2018 to 11/25/18)	
	Total Number of New Hires
White	1
Total	1

Since 11/25/19 OHS has hired an additional 9 employees consisting of 2 Black males, 5 Black females, 1 Latino female and 1 Asian female.

PERFORMANCE, CHALLENGES, AND INITIATIVES**INFRASTRUCTURE AND ADMINISTRATIVE SERVICES PROGRAM**

FY20 Strategic Goals				
<ul style="list-style-type: none"> Work with health care systems to test new approaches to increase housing stability for people with medical and/or treatment needs who are experiencing homelessness. Develop policies and test strategies to reduce the number of people who enter homelessness from institutional settings such as prison, foster care, and hospitals. Develop a Facilities' Strategic Plan. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Data Quality: Number of key data elements in the Homeless Management Information System (HMIS) that meet the completeness threshold ¹	12 of 16 Data Elements	N/A	10 of 16 Data Elements	11 of 16 Data Elements

¹ This is an annual measure, and FY19 data will be available at year-end. Completeness Threshold: Less than 10% error rate for each data element. OHS anticipates that the data quality for newly participating programs will not be as high as the data quality of existing programs, so the FY19 target is lower than the FY18 year-end figure.

HOMELESSNESS PREVENTION AND DIVERSION PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Continue to implement recommendations from PHL Participatory Design Lab. Employ mobile assessors, e.g. as multi-lingual and culturally-competent staff persons who can do assessments in the community and reach people who are under-represented in the homeless service system or are unable to come to centralized sites. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Number of households provided homeless prevention assistance ¹	837	546	725	800

¹ This figure measures the number of households provided Homeless Prevention assistance. "Household" means individual and/or family. Annual targets are based on funding awarded through the Housing Trust Fund and Community Services Block Grant (CSBG). OHS's annual target assumes \$1,000 of assistance per household. Often, households require less assistance, and OHS is able to serve more households. The number might vary, based on level of need.

EMERGENCY AND TEMPORARY HOUSING PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Meet the unique housing needs of people exiting street homelessness who have an Opioid Use Disorder. Eliminate the practice of providing chairs to people experiencing homelessness who come in for shelter after hours by providing beds instead. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Percent of exits to permanent housing destinations from shelter and transitional housing programs ¹	35.0%	35.0%	30.0%	35.0%
Median length of stay in shelter, transitional, and safe haven programs ²	154	141	160	154

¹ OHS expanded the number of programs participating in the Homeless Management Information System (HMIS) starting in late FY18. The FY19 target is lower than the FY18 year-end, as it is not yet clear whether OHS will see the same overall rate in FY19 as was seen in FY18. While the target is lower because of that uncertainty, the year-to-date percent is equal to the year-end percent in FY18. Over time, this expansion will give OHS a better overall picture of the system.

² Safe Havens serve hard-to-reach homeless persons who have severe mental illness, are on the streets, and have been unable or unwilling to participate in supportive services. The program provides 24-hour residence for an unspecified duration.

PERMANENT HOUSING PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> • Implement landlord engagement program to increase the number of landlords and housing units available to people exiting homelessness. • Implement a “move-on” strategy to help people exit to permanent housing from high-cost, service-rich housing when they are ready. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Number of households provided Rapid Rehousing assistance to end their homelessness ¹	447	195	400	425
Number of households placed into all types of permanent housing, including permanent supportive housing and rapid rehousing ²	841	412	860	875

¹ Totals vary across quarters, and the pace toward the year-end goal depends administratively on grant timing, contracting, referrals, and time it takes for households to locate and move into a housing unit in the community.

² The Philadelphia Housing Authority has reduced the number of blueprint vouchers since FY17.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

OHS receives \$37M in federal dollars. These funds are used for Prevention, Diversion & Intake, Emergency & Temporary Housing, Permanent Housing and Infrastructure/Administrative Services.

OHS receives \$8M in state dollars. These funds are used for Prevention, Diversion & Intake, Emergency & Temporary Housing and Administrative Services.

Half of the funds that support the 12,000+ ‘beds’ in the city’s homeless system are funded by Federal and State dollars. Any reduction in state and/or Federal funds would result in a decrease of available ‘beds’ for those experiencing homelessness.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts with For-Profit Vendors											
Top Five Largest Contracts over \$34,000 for FY19											
Vendor Name	Brief Description of Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBES	Total \$ Value Participation - All DSBES	Is This a Local Business? (principal place of business located within City limits) [yes / no]	Does the Vendor Have a Waiver for Living Wage Compliance ? [yes / no]
Food Management Serv. Inc d/b/a Lintons Managed Serv.	Food Service for the Riverview Home	\$765,511	4/1/2016	7/1/2016	MBE: 8-11%	8%	\$58,000	8%	\$58,000	No	No
					WBE: 7-11%	0%	\$0				
					DSBE: best efforts	0%	\$0				
US Facilities	Maintenance service at 6 City Supported Housing Facilities	\$747,558	4/7/2017	7/1/2017	MBE: 12-15%	100%	\$747,558	100%	\$747,558	Yes	No
					WBE: 8-11%	0%	\$0				
					DSBE: best efforts	0%	\$0				
Core Care Food Service Inc.	Food Service for Families Forward Phila. Campus	\$688,747	3/24/2017	7/1/2017	MBE: 9-12%	9%	\$61,987	9%	\$61,987	Yes	No
					WBE: 8-11%	0%	\$0				
					DSBE: best efforts	0%	\$0				
Darlene Morris	Emergency Housing & Support Services to Homeless Families	\$656,947	4/3/2018	7/1/2018	MBE: 1-3%	0%	\$0	100%	\$656,947	Yes	No
					WBE: 1-3%	100%	\$656,947				
					DSBE: best efforts	0%	\$0				
Eccovia d/b/a Client Track ¹	Customization/ on-going support for HUD Mandated HMIS database	\$319,100	6/25/2013	10/1/2015	MBE: N/A	0%	\$0	0%	\$0	No	No
					WBE: N/A	0%	\$0				
					DSBE: N/A	0%	\$0				

¹ In order to protect the City from the potential loss of State and Federal Grant funds, OHS received an exemption on 6/17/15 for this contract in order to immediately purchase a new data collection and reporting system (Homeless Management Information System (HMIS)).

Office of Homeless Services

Non-Profit Vendor Demographics		
PHMC	Minority %	Female %
Workforce	72%	77%
Executive	52%	81%
Board	52%	43%
Hispanic Assoc. of Contractors & Engineer (HACE)	Minority %	Female %
Workforce	83%	72%
Executive	83%	72%
Board	83%	33%
Women Against Abuse	Minority %	Female %
Workforce	65%	86%
Executive	33%	92%
Board	29%	83%
Urban Affairs Coalition	Minority %	Female %
Workforce	93%	55%
Executive	100%	50%
Board	60%	43%
Pennsylvania Real Estate Corp.	Minority %	Female %
Workforce	78%	72%
Executive	100%	80%
Board	50%	67%

EMPLOYEE DATA

Staff Demographics (as of November 2018)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	39	81	<i>Total</i>	1	0
<i>% of Total</i>	23%	47%	<i>% of Total</i>	20%	0%
<i>Average Salary</i>	\$58,395	\$55,679	<i>Average Salary</i>	\$82,400	\$0
<i>Median Salary</i>	\$62,314	\$53,360	<i>Median Salary</i>	\$82,400	\$0
	White	White		White	White
<i>Total</i>	11	17	<i>Total</i>	1	2
<i>% of Total</i>	6%	10%	<i>% of Total</i>	20%	40%
<i>Average Salary</i>	\$70,605	\$72,702	<i>Average Salary</i>	\$100,000	\$118,450
<i>Median Salary</i>	\$63,773	\$67,465	<i>Median Salary</i>	\$100,000	\$118,450
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	8	<i>Total</i>	0	0
<i>% of Total</i>	1%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$71,241	\$51,215	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$71,241	\$42,185	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	2	6	<i>Total</i>	0	0
<i>% of Total</i>	1%	4%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$49,614	\$42,445	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$49,614	\$34,749	<i>Median Salary</i>	\$0	\$0
	Other	Other		Other	Other
<i>Total</i>	2	4	<i>Total</i>	0	1
<i>% of Total</i>	1%	2%	<i>% of Total</i>	0%	20%
<i>Average Salary</i>	\$50,583	\$50,016	<i>Average Salary</i>	\$0	\$103,000
<i>Median Salary</i>	\$50,583	\$36,967	<i>Median Salary</i>	\$0	\$103,000
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	4	13	<i>Total</i>	0	1
<i>% of Total</i>	2%	8%	<i>% of Total</i>	0%	20%
<i>Average Salary</i>	\$62,758	\$52,619	<i>Average Salary</i>	\$0	\$103,000
<i>Median Salary</i>	\$68,890	\$36,167	<i>Median Salary</i>	\$0	\$103,000
	Male	Female		Male	Female
<i>Total</i>	55	116	<i>Total</i>	2	3
<i>% of Total</i>	32%	68%	<i>% of Total</i>	40%	60%
<i>Average Salary</i>	\$60,467	\$57,072	<i>Average Salary</i>	\$91,200	\$113,300
<i>Median Salary</i>	\$63,373	\$56,319	<i>Median Salary</i>	\$91,200	\$103,000

LANGUAGE ACCESS

1. Has your leadership received language access training?

Yes. September 2018

2. Do you currently have a language access coordinator?

Yes. Linda White, Communication Coordinator

3. Has your department written a language access plan and is it posted online?

Yes: <https://www.phila.gov/documents/language-access-plans/>

4. Explain what your department has done to improve language access services over the past year.

We've continued to operationalize and implement the City's language access plan. We are currently in the process of hiring bi-lingual mobile accessors to outreach to the Latino community in effort to engage and provide homeless services. We have revamped all intake forms to into Spanish. We are actively recruiting bi-lingual staff to work in our intake sites and on our leadership.