

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 269

(Delegate Krimm, *et al.*)

Environment and Transportation and
 Appropriations

Finance

Housing Navigator and Aftercare Program

This bill codifies the Housing Counselor and Aftercare Program, currently within the Department of Human Resources (DHR), as the Housing Navigator and Aftercare Program; the stated purpose of the program is to assist families and individuals who are experiencing, or who are in imminent danger of, a housing crisis in obtaining and maintaining permanent housing. Beginning in fiscal 2019, the program is funded with an annual appropriation of \$516,828, subject to the limitations of the State budget. The bill also adds a contingency provision regarding other legislation to transfer functions of the Bureau of Homeless Services within DHR to the Department of Housing and Community Development (DHCD).

Fiscal Summary

State Effect: General fund expenditures increase by \$258,400 annually beginning in FY 2019, assuming budget limitations do not prevent the annual appropriation. This estimate assumes that historical funding of \$258,400 annually would have been provided for the program in the absence of the bill. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	258,400	258,400	258,400	258,400
Net Effect	\$0	(\$258,400)	(\$258,400)	(\$258,400)	(\$258,400)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Potential increase in local grant revenues and expenditures for jurisdictions that receive new or increased funding for local programs.

Small Business Effect: None.

Analysis

Bill Summary: A family may apply for program services if the family is the recipient of, or is in the process of applying for, temporary cash assistance (TCA). Housing navigators in the program must assist families or clients with securing and maintaining housing by:

- assisting the client with searching for and obtaining permanent, affordable housing;
- developing a comprehensive, current list of housing resources and expanding the list to include new resources;
- establishing a working relationship with clients and advocating for clients with landlords, property managers, realty companies, and other sources of low-income housing;
- working with the clients' case manager, when applicable, to coordinate services to the client;
- assisting clients, as needed, with issues that contribute to chronic housing problems, including budgeting and household management; and
- performing other duties as assigned by DHCD.

Program funds may be used for (1) salaries and benefits for housing navigators and aftercare case managers; (2) client-related expenses; and (3) other items as designated by DHCD. A local administrative agency must be designated by DHCD or a local government to manage the program in a particular subdivision, provide services, and provide funds for additional costs, including operating costs, related to the program.

The bill also establishes that if House Bill 134 of the 2017 session, which transfers the functions, powers, and duties of the Bureau of Homeless Services, as well as associated employees, from DHR to DHCD takes effect, the Housing Navigator and Aftercare program is established within DHCD, not DHR. House Bill 134 was signed by the Governor as Chapter 105 of 2017 on April 11, 2017, and takes effect July 1, 2017. Accordingly, this fiscal and policy note reflects that action.

Current Law/Background: DHR's Housing Counselor Program was established by regulation in 1985 (but is not codified in statute). The program provides grant funds to

certain jurisdictions to fund a housing counselor staff position, which is generally based within an emergency shelter program or a local department of social services. The housing counselor assists homeless individuals or families or those in imminent danger of homelessness to obtain and maintain permanent housing. Eligible individuals and families must be receiving TCA or in the process of applying for assistance. DHR reports that, due to staffing and caseload concerns, emergency shelter case managers are not able to provide the types of housing support services provided through the program.

In addition to funding the housing counselor position, grant funds may be used for client-related expenses such as rent, essential furnishings, credit checks, housing application fees, and security deposits. Although each jurisdiction receiving a grant may determine whether any funds are used for client expenses, in practice, funding is generally used for housing counselor salary costs only. The program historically operated in five jurisdictions (Baltimore, Harford, Montgomery, and Washington counties and Baltimore City). Beginning in fiscal 2016, unused funds from Baltimore City resulting from staff vacancies allowed expansion to a sixth county (Caroline). Since 2011, an average of 1,624 individuals have been served annually through the program.

State Expenditures: Despite the bill's October 1, 2017 effective date, no fiscal impact is assumed in fiscal 2018, as the fiscal 2018 budget includes \$258,414 in general funds to support the existing Housing Counselor and Aftercare Program, as established in regulation.

Assuming that, in the absence of the bill, the program would have been funded at \$258,414 annually, general fund expenditures for DHCD increase by \$258,414 annually beginning in fiscal 2019 to fund the program as specified under the bill. This assumes that budget limitations do not prevent the annual general fund appropriation.

Even with the enactment of Chapter 105, there is still no fiscal impact assumed in fiscal 2018, as Chapter 105 also transfers all appropriations held by DHR to carry out functions of the Bureau of Homeless Services to DHCD. Accordingly, there is no impact on DHR.

Local Fiscal Effect: Beginning in fiscal 2019, as funding for the program increases pursuant to the appropriation (subject to the limitations of the State budget), additional jurisdictions may receive grant funds to support housing services. Jurisdictions already receiving grant funds may receive increased amounts. As is the case with the existing program, jurisdictions receiving grant funding must provide funds for additional costs related to the programs as established within the jurisdictions.

Additional Information

Prior Introductions: HB 1467 of 2016, a similar bill, received a hearing in the House Appropriations Committee but was subsequently withdrawn.

Cross File: SB 531 (Senator Benson, *et al.*) - Finance.

Information Source(s): City of College Park; Montgomery and Talbot counties; Department of Human Resources; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2017
mm/jc Third Reader - April 3, 2017
Revised - Amendment(s) - April 3, 2017
Revised - Updated Information - May 9, 2017

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