

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 1218

(Senator Smith, *et al.*)

Finance

Appropriations

Ending Youth Homelessness Act of 2018

This bill establishes the Ending Youth Homelessness Grant Program within the Department of Housing and Community Development (DHCD) to (1) prevent and end youth homelessness in the State and (2) address related disparities based on race, ethnicity, sexual orientation, and gender identity. The bill also establishes an Ending Youth Homelessness Grant Fund as a special fund within DHCD to support the program; the fund consists of money appropriated in the State budget and any other money from any other source accepted for the benefit of the fund. In addition, the bill establishes a reporting requirement for DHCD and requires DHCD to serve as the lead State agency for Youth REACH Maryland.

Fiscal Summary

State Effect: General fund expenditures increase significantly (likely by several million dollars annually) beginning in FY 2019 to capitalize the new fund. Special fund revenues to and expenditures from the fund increase correspondingly. Potential minimal increase in general fund revenues from interest.

Local Effect: Local government revenues and expenditures may increase significantly to the extent local jurisdictions are eligible to receive financial assistance under the program.

Small Business Effect: Minimal, assuming small businesses are not grant recipients.

Analysis

Bill Summary:

Ending Youth Homelessness Grant Program and Fund

DHCD must adopt regulations to carry out the program. DHCD must establish application procedures for grants and any other procedures or criteria necessary to implement the bill. The program must be a competitive, performance-based grant program to provide funds to housing and supportive services for unaccompanied homeless youth and youth at risk of homelessness. The individuals eligible under the program must meet specified criteria and be 24 years old or younger. In addition, the program may provide a grant only to services that are voluntary and individualized.

Recipients of grants may provide supportive services directly or may provide services through sub-recipients or partners. Funding recipients must conduct an annual assessment of program participants and update and adjust the services offered accordingly. Grants must be allocated based on an assessment of the gaps in existing resources, with a primary focus on ensuring access to permanent affordable housing.

The fund may only be used for grants made by DHCD for the program, as well as outreach, technical assistance, capacity building, and administrative costs. Expenditures from the fund may be made only in accordance with the State budget. Interest earnings must be credited to the general fund.

Beginning with the third year of funding, DHCD must allocate at least 50% of the money appropriated to the fund for specified housing programs.

Grant Making Process

DHCD must establish a grant making process that is inclusive of currently and formerly homeless youth from diverse geographic regions within the State. The grant making process must:

- ensure that youth are involved in the planning and evaluation activities of the program, including by providing opportunities for youth to participate in decision making;
- adequately support youth participation in the grant making process; and
- to the extent practicable, support youth participation in the grant making process through stipends and reasonable expense reimbursements.

In addition, DHCD must engage currently or formerly homeless youth and representatives of service provider or advocacy organizations that address youth homelessness in the development of request or proposals or other grant application materials as may be required under the bill.

Eligible Recipients of Funding

Eligible recipients of grant funding are limited to the following types of programs, as specified in the bill:

- street and community-based outreach and drop-in programs;
- emergency shelter programs; and
- housing programs that are either time limited or nontime limited.

Performance Standards for Fund Recipients

DHCD must establish performance standards, monitor performance, and require data collection and reporting for all grant recipients. The standards must meet specified criteria, and DHCD must again engage currently and formerly homeless youth and representatives of relevant service provider or advocacy organizations in the development of the standards and data collection tools.

Reporting Requirement

The bill requires DHCD to report to the General Assembly by December 1 each year on specified information related to youth homelessness and implementation of the program.

Youth REACH Coordination

DHCD must serve as the lead State agency for Youth REACH Maryland. DHCD must work with the organization to perform data collection and analysis in order to determine the number and character of unaccompanied homeless youth in each jurisdiction in the State. DHCD must also select and monitor a coordinating entity to assist the department's involvement with Youth REACH Maryland. The coordinating entity must assist in the collection of data through surveys administered in schools and through street and community-based outreach. Participating jurisdictions must implement procedures to conduct the data collection once every two years.

Current Law/Background: The [Maryland Interagency Council on Homelessness](#) (ICH), established by Chapter 341 of 2014, is tasked with examining statewide initiatives and recommending policy solutions to end homelessness in Maryland.

The majority of State-funded homeless service grants are managed by DHCD; the Office of Community Programs within DHCD oversees efforts to reduce homelessness in the State. DHCD does not provide direct housing placement or emergency support services specifically to homeless individuals; instead, it coordinates with and awards grant funding to local administering agencies and service providers to support various programs.

The majority of funding for homeless services in Maryland comes from the U.S. Department of Housing and Urban Development (HUD). In federal fiscal 2017, Maryland received slightly more than \$50 million in federal funding from HUD.

Youth Homelessness in Maryland

According to the most recent [report](#) by ICH, children and youth who lack a fixed, regular, and adequate nighttime residence, and unaccompanied youth not under the physical custody of their parent(s), are eligible to receive services according to the federal [McKinney-Vento Homeless Assistance Act](#). Through this Act, the Maryland State Department of Education (MSDE) receives federal funding to support Local Education Agencies in addressing barriers faced by homeless children and youth in enrolling, attending, and succeeding in school. Services provided include, but are not limited to, addressing educational concerns faced by homeless children, including transportation needs, immunization and residency requirements, lack of birth certificates and school records, and guardianship.

During federal fiscal 2017, MSDE received \$1.1 million in McKinney-Vento funds. According to MSDE data, there were approximately 16,521 school-aged youth experiencing homelessness during the 2015-2016 school year. This number is separate and apart from HUD's point-in-time (PIT) or annual counts and is gathered through surveys completed by students while in school. Of the 16,521 counted, approximately 20% are students doubled up with other families, 79% are students living in shelter, and approximately 1% are unsheltered.

The 2017 [PIT count](#) includes 272 unaccompanied youth. (Unaccompanied youth are defined as youth who are not part of a family during their episode of homelessness and who are between the ages of 18-24.) In spring 2017, a Youth REACH count funded by DHCD was conducted within 12 jurisdictions in Maryland. Youth included in the count were between the ages of 16-24, were not in the physical custody of a parent, and lacked a fixed, regular, or adequate nighttime residence. Maryland Youth REACH surveyed more than 1,800 youth and found 1,219 (67%) younger than age 25 without stable housing. The 2017 report is available [online](#). A third count is planned for spring 2018.

Youth REACH Maryland

Youth REACH MD is managed by the [Institute for Innovation & Implementation](#) at the University of Maryland School of Social Work. The purpose of the initiative is to survey youth and young adults who are experiencing homelessness in the State. The project was authorized by Chapter 425 of 2017.

State Fiscal Effect: The bill does not specify a funding source for the required activities. Nevertheless, the Department of Legislative Services advises that, given the broad range of activities identified in the bill, a significant amount of funding is required in order to operate the program. Thus, general fund expenditures increase significantly beginning in fiscal 2019 in order to capitalize the new fund. A viable program likely requires a general fund appropriation to the Ending Youth Homelessness Grant Fund of several million dollars. Special fund revenues to and expenditures from the fund increase correspondingly.

Due to the scope of activities required under the bill, DHCD advises that it anticipates hiring additional staff in order to implement the bill. However, because a funding source is not specified and the amount of any future general fund appropriation is unknown, DHCD is unable to estimate the number of personnel required to implement the bill. In any event, DHCD is authorized to use the new special fund to cover its administrative costs.

Local Fiscal Effect: Local government revenues may increase significantly to the extent local jurisdictions are eligible to receive financial assistance under the program to prevent and end youth homelessness and address related disparities. Although the bill does not explicitly indicate that local jurisdictions may apply for funds, it is assumed that local jurisdictions could receive grants for activities that meet the criteria specified by the bill.

Additional Information

Prior Introductions: None.

Cross File: HB 1224 (Delegate M. Washington, *et al.*) - Appropriations.

Information Source(s): Montgomery County; Department of Housing and Community Development; Department of Human Services; Maryland Interagency Council on Homelessness; U.S. Department of Housing and Urban Development; Youth REACH MD; Department of Legislative Services

Fiscal Note History: First Reader - April 3, 2018
md/mcr Third Reader - April 9, 2018
Revised - Amendment(s) - April 9, 2018

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510