

Homelessness Prevention Liaison Meeting

Budget Deep Dive

Date of Meeting: March 18,2024

Attendees:

CON	HSB	MOHCD	OCOH
<ul style="list-style-type: none">• Radhika Mehlotra• Ivy Huwald	<ul style="list-style-type: none">• Gigi Whitley• Marion Sanders• Christine Rolan• Reyna McKinnon	<ul style="list-style-type: none">• Brian Cheu• Helen Hale	<ul style="list-style-type: none">• Bonnie Preston• Scott Walton

1. Welcome and Introductions

2. Fiscal Update on Homelessness Prevention

- **Unspent OCOH Balance – Mid-Year Budget Update**

The mid-year budget update showed \$41M in the projected year-end total balance (including reserves) in the Prevention service area.

- How has the March revenue update affected this balance amount?
 - There is a projected year end surplus of \$31.26M but all of this is being used to balance the structural shortfall in the Prevention service area over the next two years.
- What portion of this balance is entirely uncommitted and available for new or expanded programs? Please delineate one-time vs. ongoing.
 - All of the funds are committed to existing or planned programs. Any surplus has been budgeted to offset the shortfall over the next two years.
- **Maintain Current Programming**
 - How much funding is needed in FY24-25 and FY25-26 to **maintain** current programming? Please delineate one-time vs. ongoing.
 - Current projections show that the fund is running out of one-time dollars for ERAP and Problem Solving.
 - Based on the March revenue update, will there be enough funding to cover the cost of maintaining current programming, including any inflationary costs?
 - No, there is not enough funding. About a 50% reduction in services may be needed to balance FY27 and FY28.
 - If not, are there any other sources available to cover the cost of maintaining current programming? If so, what are those sources (underspend from prior year years/fund balance, reserves, acquisition, or any other unearmarked/uncommitted funds)? Please indicate whether these sources are available one-time or on an ongoing basis.

- One-time sources have been used to help balance spending plan for FY24-25 and FY25-26. Beyond those years, there is an ongoing shortfall.
- **Planned Programming – Delayed**
 - What **delayed** programs are expected to start in FY24-25 and FY25-26? What are their funding commitments (amount and nature)?
 - Due to previous shortfall, HSH has been slow to launch the programmed initiatives built into the FY23-24 budget. Roughly \$9M total for two programs have been delayed in this:
 - a. Prevention assistance for Latine youth was budgeted - \$960,000 annually.
 - b. New prevention slots were going to be added - \$8,000,000
 - Based on the March revenue update, should the Committee consider choices to delay further or not move forward at all, to generate savings to maintain current programming?
 - This will be something for the Committee to discuss further in the coming weeks and months.
 - MOHCD noted that the Emergency Rental Assistance (as opposed to an ongoing subsidy program) is an example of something that can be scaled up or down.
- **Planned Programming – New**
 - Is there any **new programming** that is expected to start in FY24-25 and FY25-26? If so, are there any **new costs** associated with that programming?
 - Based on the March revenue update, will there be enough funding to cover the cost of new programming?
 - If not, where are the decisions points to delay new programming or make policy decisions to not move forward at all, to generate savings to maintain current programming?
- **State/Federal Funding**
 - Are there possible OCOH funds that will get supplanted by State/federal funding over the two budget years and generate savings in the fund?
 - No, there is no guarantee of state or federal funding that may be used to help generate savings in the Prevention service area. The Biden administration does not have Congressional support to prioritize funding prevention efforts.