

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

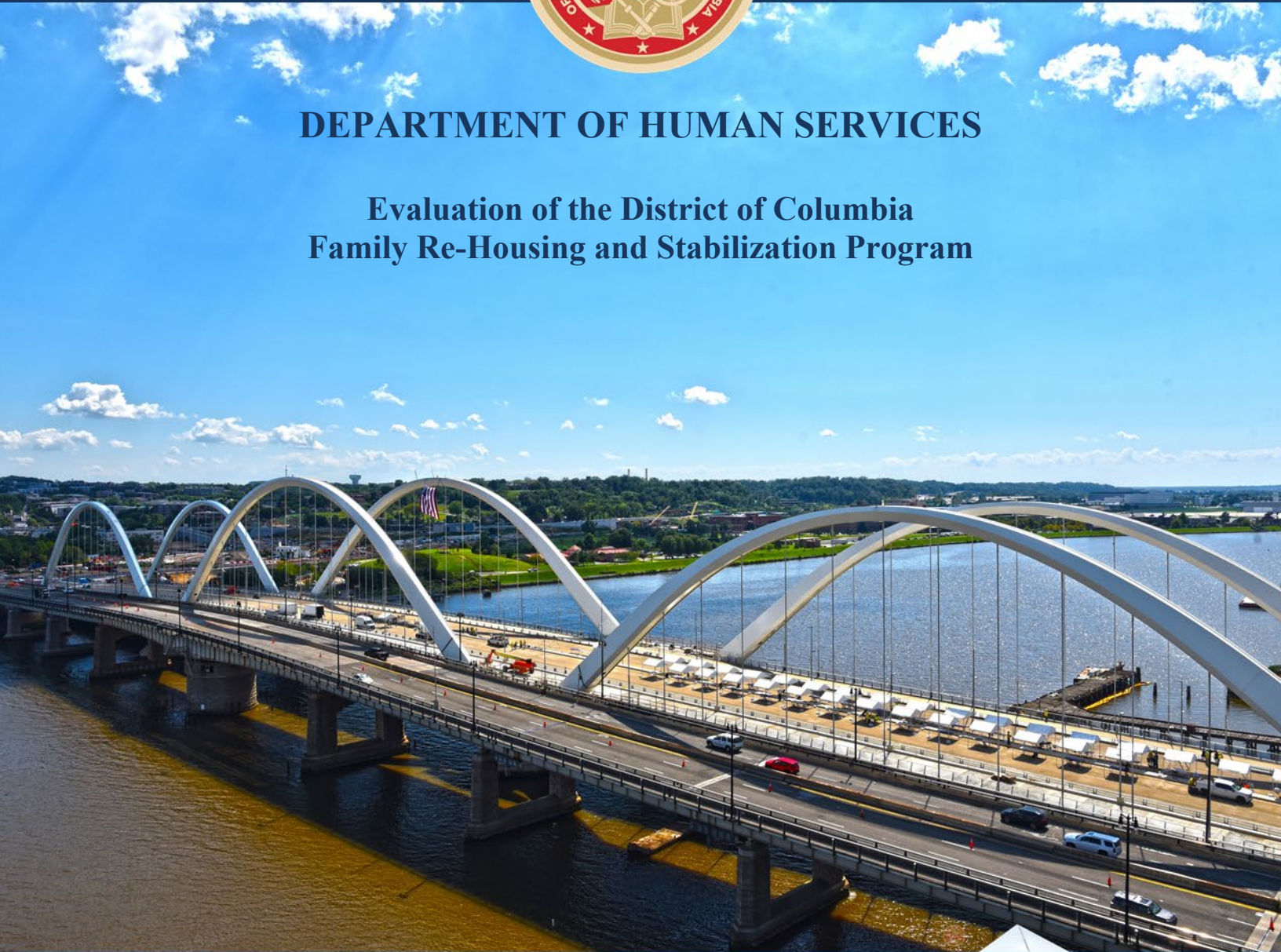
OIG Project No. 22-I-01JA

January 2022



DEPARTMENT OF HUMAN SERVICES

Evaluation of the District of Columbia Family Re-Housing and Stabilization Program



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Executive Summary

Evaluation of the District of Columbia Family Re-Housing and Stabilization Program

WHY WE DID THIS EVALUATION

The purpose of the Family Re-Housing and Stabilization Program (FRSP) is to support District residents who are experiencing homelessness or at imminent risk of experiencing homelessness, to achieve stability in permanent housing. The OIG selected this program because of its rapid expansion in size and budget during recent fiscal years and its impact on a vulnerable population (the program serves roughly 4,000 children).

OBJECTIVES

The objectives for this evaluation were to: (1) evaluate whether DHS was managing FRSP in accordance with D.C. Code and D.C. Municipal Regulations (DCMR); and (2) determine the extent to which the program met the goal of providing enough stability so participants could transition to their own housing.

WHAT WE FOUND

We found that DHS has opportunities to improve its management of FRSP, oversight of service providers, and coordination with other District agencies supporting these District residents.

WHAT WE RECOMMEND

We made 11 recommendations to assist DHS in strengthening its management of FRSP.

MANAGEMENT RESPONSE

Of the 11 recommendations we made, DHS agreed fully with 6, agreed in part with 1 and disagreed with 4.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



January 31, 2022

Laura Zeilinger
Director
Department of Human Services
64 New York Avenue, N.E., 6th Floor
Washington, D.C. 20002

Dear Director Zeilinger:

Enclosed is our final report, *Evaluation of the District of Columbia Family Re-Housing and Stabilization Program (OIG Project No. 22-I-01JA)*. The objectives for this evaluation were to: (1) evaluate whether DHS was managing FRSP in accordance with D.C. Code and D.C. Municipal Regulations (DCMR); and (2) determine the extent to which the program met the goal of providing enough stability so participants could transition to their own housing. This project was conducted under the *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency.

On December 10, 2021, the OIG sent a draft report to Department of Human Services for comment. We received your response on January 17, 2022. We made 11 recommendations; DHS fully agreed with 6, agreed in part with 1, and disagreed with 4. In some instances in the final report, the OIG commented on your written response.

If you have any questions concerning this report, please contact me or Edward Farley, Assistant Inspector General for Inspections & Evaluations, at (202) 727-2540 or edward.farley@dc.gov. The OIG will follow up on the implementation status of each recommendation next fiscal year.

Sincerely,

A handwritten signature in blue ink, appearing to read "DW Lucas".

Daniel W. Lucas
Inspector General

DWL/ef

Enclosure

cc: See Distribution List

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BACKGROUND

The purpose of FRSP is to "support District residents, who are experiencing homelessness or at imminent risk of experiencing homelessness, to achieve stability in permanent housing through individualized and time-limited assistance. FRSP offers a range of supports responsive to participant needs, including individualized case management services, housing identification, connection to mainstream and community-based resources, and financial assistance."¹

FRSP is "the *primary* housing intervention for families who are transitioning from the emergency shelter system."² The program is run primarily through a contract with The Community Partnership (TCP), which subcontracts specific participant services to several other providers (service providers). As set forth in the DCMR:

FRSP assistance shall include the appropriate supports, including any or all of the following:

- (a) The assignment to a qualified Service Provider ...;
- (b) Development of an individualized plan to facilitate attainment of participant's goals, including housing stability....;
- (c) Connection to other community resources and services that are responsive to the needs of the household (*e.g.*, behavioral health, primary health care, educational supports, food, and nutrition resources);
- (d) Financial assistance in the form of a monthly rental subsidy if needed ...;
- (e) Housing Identification assistance through which the Service Provider assists participants with:
 - (1) Identification of a unit ...;
 - (2) Assistance in negotiating with landlords to reduce the rent or include utilities; and
 - (3) Scheduling a timely inspection of the unit;

¹ 29 DCMR § 7800.1.

² BARBARA POPPE AND ASSOCIATES, REPORT TO THE DIRECTOR OF D.C. DEP'T OF HUMAN SERVICES FROM THE FAMILY REHOUSING AND STABILIZATION PROGRAM (FRSP) TASK FORCE, RECOMMENDATIONS TO IMPROVE QUALITY, CUSTOMER OUTCOMES, EFFECTIVENESS, EFFICIENCY, AND ACCOUNTABILITY 3 (Jan. 15, 2020), <https://dhs.dc.gov/sites/default/files/dc/sites/dhs/publication/attachments/FRSP%20Task%20Force%20Final%20Report%2001152020.pdf> (last visited Aug. 4, 2021).

- (f) Job placement and workforce development;
- (g) Documentation of activities that can be credited toward a participant's [Individual Responsibility Plan],³ such as housing search, housing counseling services ... or other barrier remediation activities specifically identified in the plan.⁴

We undertook this evaluation as part of the OIG's *Fiscal 2021 Audit and Inspection Plan*.⁵ The OIG selected this program because of its rapid expansion in size and budget during recent fiscal years⁶ and its impact on a vulnerable population (the program serves roughly 4,000 children).

The objectives for this evaluation⁷ were to: (1) evaluate whether DHS was managing FRSP in accordance with D.C. Code and D.C. Municipal Regulations (DCMR); and (2) determine the extent to which the program met the goal of providing enough stability so participants can transition to their own housing. The scope of our evaluation included any FRSP participants who were enrolled during Fiscal Years (FYs) 2018, 2019, and 2020.

To conduct the evaluation, we reviewed the contract between DHS and TCP, DHS policies and procedures, internal monitoring reports, documents created by the DHS FRSP Task Force,⁸ and other internal data. Additionally, we conducted interviews with DHS and TCP personnel and housing advocacy groups. Finally, the bulk of our fieldwork consisted of a review of selected client files.⁹

Our ability to observe processes, including those involving intake and eligibility determinations, was limited due to the COVID-19 Public Health Emergency. Further, we did not speak directly with clients or observe their living conditions out of consideration for their privacy. FRSP also experienced changes during our evaluation due to the COVID-19 Public Health Emergency, including changing both the policies and data it produced. Changes included the District prohibiting evictions, the program not exiting any participants, and participants having little hope

³ An Individual Responsibility Plan is the “self-sufficiency plan that the [FRSP] participant has entered into with the shelter, housing, Temporary Assistance for Needy Families (TANF), or other service provider that sets out the steps and goals necessary for the participant to achieve greater housing and economic self-sufficiency.” 29 DCMR 7899.2.

⁴ 29 DCMR 7805.2.

⁵ This document is accessible on the OIG website at: <http://oig.dc.gov/>.

⁶ The budget for FRSP has increased from \$34 million in FY 2018 to \$82 million in FY 2021. The number of families served has expanded from approximately 1,400 in FY 2018 to approximately 2,900 in FY 2021.

⁷ I&E projects are conducted under the *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency.

⁸ DHS launched the FRSP Task Force to allow stakeholders to participate in improving the program by discussing their experiences and developing recommendations to improve outcomes of the families in need of housing sustainability services.

⁹ We selected the files using a random number generator, matching that number with numbers DHS assigned to cases, and then adjusted our selection to ensure the sample included files from as many service providers as possible and included a reasonable distribution of closed and active cases. We selected the size of the random sample so we could extrapolate the results at a 90% confidence interval with a margin of error of +/- 10 percent. We excluded from much of the analysis two sample client files that contained special circumstances outside of the ordinary FRSP program.

of improving their economic status during the shutdowns. As a result of these changes, we relied heavily on data from FYs 2018, 2019, and when possible, 2020.

FINDINGS

DHS has opportunities to improve its management of FRSP, oversight of service providers, and coordination with other District agencies supporting District residents.¹⁰ We present 6 findings and 11 recommendations to assist DHS in strengthening its management of FRSP.

Participants who entered FRSP in FY 2019 waited an average of 70 days between their program entry date, also known as "lease up" date, and the date they were assigned a case management service provider; participants who entered the program after March 2020 waited an average of 169 days.

TCP's role begins when participants are still living in shelters.¹¹ During this time, TCP has a team that helps participants find an acceptable living unit and begin the leasing process. On the entry date, also known as the "lease-up" date, TCP begins assisting participants with rent. Thereafter, TCP assigns participants to a service provider (provider assignment date) that begins providing more individualized case management services.

It is important to note that neither the DCMR nor DHS policy delineates an acceptable period of time between a participant's entry date and their provider assignment date. However, working to minimize this waiting period could help improve program efficacy. DHS's FRSP Service Provider Manual (FRSP Manual) indicates that while the timing of assigning a service provider depends on each family's specific needs, families who have been without case management for 60 days are "the priority" for having a case manager assigned.¹² Therefore, 60 days provides some guidance as to when the agency deems the wait time to be too long. The FRSP Manual also contains the following guidance regarding timeliness of case management:

Transparency about the program and its limitations is vital.
FRSP is time limited. By providing rental assistance for a year, it

¹⁰ TCP, service providers, and various District agencies other than DHS all play roles within the administration of FRSP. Briefly, each entity is responsible for the following:

- DHS – responsible for overseeing and administering the contract with TCP; also responsible for about 20 percent of case management;
- TCP – vendor that is responsible for locating units, assisting with leases, assigning service providers to participants, overseeing and evaluating service providers, and establishing the rules of FRSP along with DHS;
- Service providers – responsible for day-to-day case management, referring participants for services and conducting home visits;
- D.C. Housing Authority (DCHA) – responsible for rent payments and, along with the Department of Consumer and Regulatory Affairs (DCRA), inspecting units; and
- Office of Administrative Hearings (OAH) – responsible for hearing participant appeals.

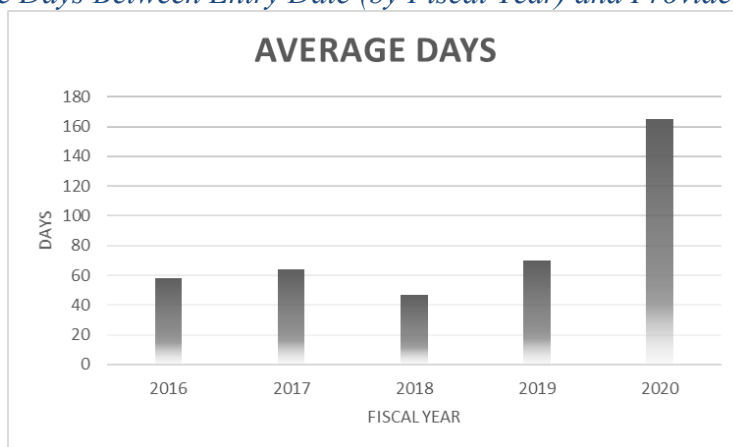
¹¹ "Families residing in a Department [of Human Services]-funded family hypothermia shelter, temporary shelter, transitional housing program, or determined to be at imminent risk of needing admission to shelter or supportive housing ... shall receive the first priority for the [FRSP]." 29 DCMR 7804.1.

¹² D.C. DEPT. OF HUMAN SERVICES, FAMILY REHOUSING AND STABILIZATION PROGRAM, SERVICE PROVIDER MANUAL 15 (effective Apr. 20, 2020) (FRSP Manual).

gives the family some time to stabilize and figure out next steps. It is not meant to be indefinite housing support. The family needs to start planning next steps from day one of the program.

In the files we sampled,¹³ the average period of time between a participant's entry date and provider assignment date was 78 days. Sixty-two percent of the sample waited 60 days or longer. Due to the COVID-19 Public Health Emergency, the interval increased from 64 days for participants with program entry dates before March 2020 to 169 days for those with program entry dates after March 2020. Table 1 below illustrates the increase in the length of time between entry date and provider assignment date over time, with the largest increase beginning with COVID-related increases in March 2020.

Table 1: Average Days Between Entry Date (by Fiscal Year) and Provider Assignment Date



DHS has attempted to address this issue in two ways. First, short-term, shelter case managers (i.e., those case managers in a hypothermia or domestic violence shelter that FRSP participants work with to identify housing so that they can exit the shelter) have been maintaining contact with FRSP participants up to 60 days after their lease-up. Second, DHS created an “unassigned provider” team¹⁴ comprised of DHS employees. The unassigned provider team performed minimal case management services for families waiting more than 60 days for a service provider assignment. This team's purpose was to triage cases and provide only critical case management services before eventually transferring cases to a service provider's case manager when one became available. In both cases described above, the case management services provided are significantly less, both in depth and frequency, than those provided once FRSP case management starts.

Further, the time between program entry and service provider assignment is often a time of uncertainty and change for FRSP participants. Many participants have never lived in a home of their own, and they have not learned skills associated with such independence. One interviewee

¹³ Our sample of files included any family enrolled in FRSP at any point during our scope, FY 2018 – FY 2020. Some of those families began participation prior to FY 2018, and some continued to participate beyond FY 2020.

¹⁴ Unassigned provider use fluctuated in the 8 months DHS tracked it, reaching a high of 489 families in September 2020 and a low of 344 families in June 2020. The unassigned provider team has served at least 437 families per biweekly period since August 2020.

stated that, left without adequate support, participants often lost "motivation, momentum, and progress" during this critical time.

The length of time it takes to assign participants to case management service providers (months) can contribute to participants remaining in FRSP for longer than the program authorizes. The DCMR limits FRSP assistance to 12 months unless a participant requests and DHS grants an extension of assistance as set forth below:

[DHS] or [its] designee shall consider requests for FRSP assistance extending past twelve (12) months if funding is available. Extensions of subsidy beyond twelve (12) months must be requested in writing and may be granted to participants who have made good faith efforts towards the achievement of goals set forth in their individualized plan or IRP, as observed by the Service Provider at the three (3), six (6), nine (9), and twelve (12) month reviews, but who cannot yet sustain housing stability independently of the program, and have not yet been approved for permanently affordable housing. When making a determination of whether to grant a participant an extension beyond twelve (12) months, [DHS] or [its] designee shall consider the totality of the circumstances. FRSP is not an entitlement and the program is not designed to be an infinite bridge to long-term affordable housing; therefore, length of participation in the program beyond eighteen (18) months may be a valid factor for denial of an extension.¹⁵

DHS calculates the 12-month period beginning on the participant's provider assignment date, even when the participant has already received several months of rental assistance. This practice of calculating the 12-month term of FRSP assistance does not reflect the amount of time a participant has been receiving financial assistance, which could cause participants to receive FRSP assistance longer than DCMR authorizes.

We believe that a lack of a defined policy contributes to long waiting periods between lease-up dates and the assignment of case management service providers. Although a policy alone will not reduce such gaps, having one will establish a clear goal for TCP and its service providers to meet. We recognize that a primary reason waiting periods exist and have grown is the increasing number of participants reaching the limits of service providers' allowable caseloads.¹⁶ DHS cannot place additional families with service providers that have reached contractual capacity limits. We commend DHS for attempting to find a solution using the unassigned provider team. However, case management during participants' initial few months of the program is too critical for DHS to provide only limited services.

¹⁵ 29 DCMR § 7805.10.

¹⁶ A service provider's contract with TCP limits the number of participants DHS can assign service providers. In FY 2020, DHS contracted with service providers to serve 1,550 families. At the time DHS submitted its performance oversight responses to the D.C. Council, it was serving 1,555 families, exceeding program capacity.

To address the issues associated with the increased time between participants' entry date and provider assignment date, the OIG recommends that DHS:

Recommendation 1: Adopt a policy requiring DHS or TCP to assign case managers within a specific period of time following a participant's entry date.

Agree X Disagree

DHS's Response to Recommendation 1:

DHS agrees with this recommendation. As DHS works towards enhancing the Family Rehousing and Stabilization Program (FRSP), new provider contracts will require case manager assignments prior to lease signing.

To ensure continuity of services for families who are transitioning from Short Term Family Housing programs (STFH) to FRSP, DHS also modified the STFH contracts to require shelter case managers to follow up with families for up to 60 days post program exit.

Finally, to address the need for services during periods of insufficient capacity among FRSP providers, DHS established a team to provide temporary services to families until the time a FRSP case manager could be assigned.

Recommendation 2: Expand capacity or take other measures to improve delivery of case management services to new participants.

Agree X Disagree

DHS's Response to Recommendation 2:

DHS agrees with this recommendation. We continue to work to improve FRSP service delivery and have implemented enhancements to provide more information and resources to both providers and families regarding FRSP program policy, practices, and expectations.

These include:

- *Online Resource Guide for Providers compiled by DHS. This is an online comprehensive guide providers can reference for resource information and day-to-day service delivery documents and procedures.*
- *Shelter providers, in collaboration with DHS, will provide FRSP program orientations in Shelters. These sessions provide families a program overview and orientation that includes information on service delivery expectations, program procedures and expectations for engagement. This allows families to receive a full understanding of the FRSP program prior to entering the program.*

- *Expansion of Case Management Capacity.* To support a reduced timeframe for incoming FRSP families to be connected to a primary FRSP case manager, DHS onboarded four additional provider entities to increase case management capacity.
- *Updated DHS Service Provider Manual and ongoing training to FRSP service providers.* This manual serves as a comprehensive policy document for service providers to ensure consistent service delivery across all FRSP providers.
- *Online Client Rental Payments.* To provide increased options for families to pay their rental portions, DHS collaborated with the District of Columbia Housing Authority (DCHA) to implement an online rental payment system that allows families to make monthly rental payment electronically.

DHS is currently in the process of implementing enhancements to the FRSP program, including issuing a direct solicitation [] for FRSP services, rather than subcontracting through the management contract. This will give DHS added oversight, streamline communications and policy implementation, and allow DHS to enhance service delivery to customers.

DHS also plans to implement updated FRSP Key Performance Indicators (KPIs) that will focus on increasing income, assisting with stabilization after the program ends, program incentives for families and providers, enhanced oversight and monitoring, and increased resources for families.

Recommendation 3: Review its current practice of using provider assignment date as the start of a participant's 12-month term of FRSP assistance and determine whether this practice comports with the language and intent of Title 29 DCMR Chapter 78.

Agree _____ Disagree X

DHS's Response to Recommendation 3:

DHS does not agree with this recommendation. We follow this practice to ensure each family in the program receives – at a minimum – a full 12 months of program services, which includes the connection to their FRSP case manager so the family can work towards realizing program goals. DHS will continue to assess this practice to ensure compliance with applicable regulations.

OIG Comment: DHS's concurrence with recommendation #1 and the other program enhancements discussed in its response should help to address one of the primary concerns cited in this finding: new program participants having to wait long periods before being assigned to a case management services provider.

Service providers did not perform required recertifications, allowed participants to avoid recertifications, and applied rent increases unevenly.

According to 29 DCMR § 7805.4, service providers are required to conduct formal reviews of services, or recertifications, after 3, 6, 9, and 12 months of assistance. During these reviews, case managers determine whether a household should contribute 40 percent, 50 percent, or 60 percent of their adjusted annual income¹⁷ (AAI) toward rent (hereinafter referred to as "payment tiers"). The DCMR specifies that case managers decide the percentage of AAI using the approved budget component of a participant's Individual Responsibility Plan (IRP).¹⁸ DHS policy further specifies that a family should start in the 40 percent payment tier; case managers can then move participants to the 50 percent or 60 percent payment tier when warranted, based on various factors, including the family's budget.¹⁹

We determined that these recertifications did not occur at the frequency required.²⁰ Seventy-five percent of the files we reviewed were missing at least 1 required recertification; 31 percent of the files did not have evidence that any recertifications occurred. When recertifications did not occur, we found that participants remained in the same payment tier.

The reason DHS missed recertifications in FY 2018, FY 2019, and the first half of FY 2020 was unclear. Case managers indicated in case files that, at least in some cases, missed recertifications were due to participants not submitting required information for the recertification to occur (i.e., proof of income or loss of income) or simply missing the meeting with their case manager. Some interviewees asserted that participants have intentionally skipped recertifications because there was no penalty for doing so. For example, participating in recertifications may result in higher rents, but failing to participate would not. We did not find evidence indicating that DHS has actively monitored whether recertifications are conducted.

When recertifications did occur, determinations regarding whether and when a family would move from the 40 percent payment tier to the 50 percent or 60 percent payment tier were made solely by case managers and often seemed arbitrary. Figures 1 and 2 on the next page illustrate when participants moved into each of the payment tiers.

¹⁷ The FRSP Program Manual states the annual adjusted income (AAI) "is calculated by reviewing the client's last 30 days of income, subtracting any excluded sources of income, and applying any applicable credits (e.g., each family gets a \$480 credit per child in the household) and multiplying it by 12 to get an annualized estimate." DHS Program Manual, *supra* note 11 at 13.

¹⁸ Title 29 DCMR § 7899.2 defines an Individual Responsibility Plan (IRP) as "the self-sufficiency plan that the Family Re-Housing and Stabilization Program participant has entered into with the shelter, housing, Temporary Assistance for Needy Families (TANF), or other service provider that sets out the steps and goals necessary for the participant to achieve greater housing and economic self-sufficiency."

¹⁹ Other factors include participants' exit plan, any significant expenses, and any change in their financial situations.

²⁰ DHS halted recertifications during the Covid-19 Public Health Emergency because it halted exits from the program. The OIG only counted a recertification as "missing" if it was missed prior to March 2020.

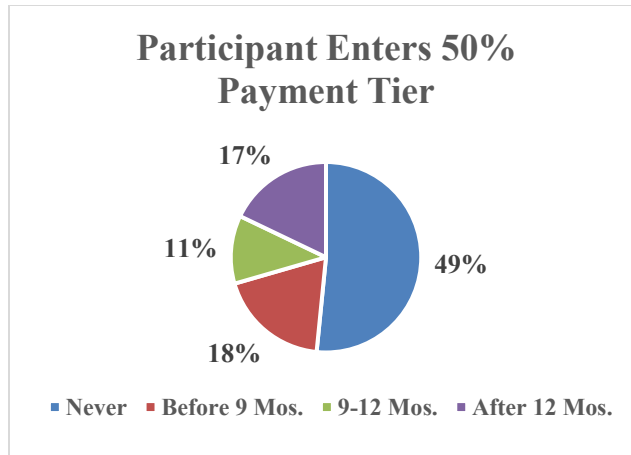


Figure 1: Increase in FRSP Participant Payment Tier (50%)²¹

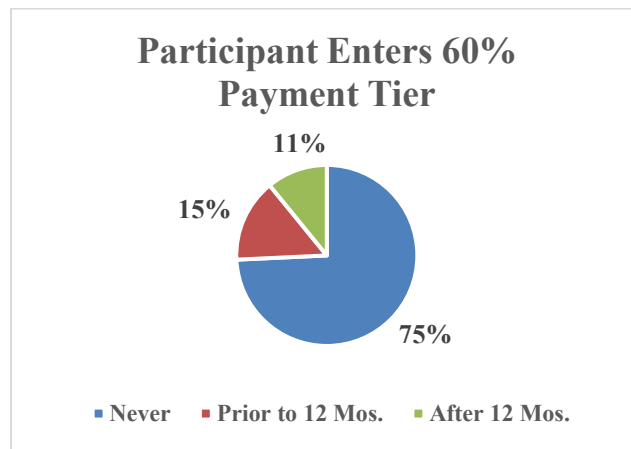


Figure 2: Increase in FRSP Participant Payment Tier (60%)²²

Many of the participants who moved to a higher payment tier did so despite budgets indicating they had not increased income or were running deficits in the prior month. Interviewees stated that although a participant could protest a decision to their case manager or call FRSP to complain, there is no formal process for a participant to appeal a decision of a decision-maker.

The arbitrariness of deciding when a participant moves to a higher payment tier seems to result from broad discretion DHS gives its service providers' case managers. DHS lists the factors case managers should use to make payment tier decisions, but DHS does not set guidelines for how long participants should remain in each payment tier or actively monitor whether these decisions are made using objective criteria. Participants' inability to formally appeal a decision leaves them with little recourse beyond complaining to the same case manager who made the decision.

²¹ The numbers presented in Figure 1 are taken from our analysis of the data contained in FRSP participants' files that TCP and DHS provided to the OIG.

²² The numbers presented in Figure 2 are taken from our analysis of the data contained in FRSP participants' files that TCP and DHS provided to the OIG.

The lack of internal controls surrounding these decisions could lead to potential abuses by case managers. Allowing complete discretion could allow case managers to make payment tier decisions based on unallowable factors or even inappropriate or illegal reasons.²³

To address the issues associated with recertifications, the OIG recommends that DHS:

Recommendation 4: Implement a process for monitoring case managers' payment tier decisions to determine whether decisions were justified and allow participants to appeal these decisions to an independent decision-maker.

Agree _____ In Part _____ Disagree _____

DHS's Response to Recommendation 4:

DHS agrees with the recommendation to establish a process to monitor case managers' payment tier decisions. However, it is not feasible to allow participants to appeal these decisions to an independent decision-maker, as this will create an undue administrative burden. In new provider contracts, DHS will establish a two-tier process for payment decisions.

OIG Comment: The OIG stands by its recommendation that participants should have an avenue to appeal disputed decisions. Careful monitoring of payment tier decisions should be the first step.

Recommendation 5: Implement a policy that establishes objective criteria for making participant tier changes.

Agree _____ Disagree _____ X _____

DHS's Response to Recommendation 5:

DHS disagrees with this recommendation. DHS's FRSP program manual outlines an objective policy for making participant tier changes (see page 34 of FRSP manual).

OIG Comment: Although some criteria for making participant tier changes exist in the FRSP manual, the OIG team did not find documentation confirming the criteria's use, justifying those changes, or describing what led to those changes. The OIG would accept a requirement that case managers detail how the decision was made in lieu of the objective criteria mentioned in the recommendation above.

²³ The OIG found no evidence that case managers used inappropriate or illegal reasons to justify rent decisions. However, we view this issue as a potential risk.

Case managers did not complete mandatory monthly family budgets.

The DCMR requires service providers to have regular (but not less than monthly) engagements with FRSP participants and document those visits.²⁴ As part of the quarterly reviews mentioned in the previous finding, service providers must review participants' approved budget plans.²⁵ The DHS Program Manual increases the frequency of budget reviews to monthly, requiring that, "[e]ach month, case managers are expected to complete a monthly budget."²⁶

Of the files we reviewed, 94 percent lacked the required monthly budgets; 28 percent of the files were missing between 4 and 12 monthly budgets; and 42 percent of the files were missing more than 12 required budgets. In addition, many of the budgets we reviewed were incomplete, contained errors in calculations, or repeatedly showed deficits, (i.e., the participant's itemized monthly expenses exceeded their monthly income.)

Monthly budgets are essential to FRSP case management. Approved budget plans are used to: (1) help inform income changes for recertification and what percent of a participant's AAI they should pay in rent; (2) help inform progress on individualized plans; (3) emphasize the importance of paying rent before other expenses; and (4) help families consider their income as well as expenses and stay on track to pay their rent and utilities. The DHS Program Manual calls monthly budgets "pivotal" because they "should be the final stop-gap to recognize the family may have had a loss of \$50.00 or more in monthly income resulting in the need to request a rent recalculation."²⁷ If case managers do not complete these budgets properly, the benefits of the budget process cannot be realized.

Therefore, the OIG recommends that DHS:

Recommendation 6: Ensure that case managers complete budget documents monthly.

Agree _____ Disagree X

DHS's Response to Recommendation 6:

DHS does not agree with this recommendation. DHS temporarily modified case management requirements during the COVID-19 pandemic to allow for budgets to be updated on an as needed basis when there are changes to a family's income.

General FRSP service delivery requirements include monthly budgets. As DHS shifts back to normal case management requirements, we will revisit this requirement to determine the frequency and relevance towards achieving housing stability.

²⁴ 29 DCMR § 7805.3.

²⁵ *Id.* § 7805.4.

²⁶ DHS Program Manual *supra* note 11 at 33.

²⁷ *Id.* at 21.

OIG Comment: The OIG found that case managers were not completing monthly family budgets at the required frequency prior to the COVID-19 pandemic. We reiterate our recommendation that DHS must find a way to ensure these documents are completed monthly.

TCP and service providers could not easily determine whether DCHA had paid rent to landlords.

For an organization's internal controls to be sufficient, "[m]anagement should design the entity's information system and related control activities to achieve objectives and respond to risks."²⁸ Additionally, "[m]anagement should externally communicate the necessary quality information to achieve the entity's objectives."²⁹ Contrary to these principles, FRSP's rent payment process uses an information system that lacks transparency, which affects its ability to communicate the required accurate information to external stakeholders.

In 2017, to reduce the likelihood that FRSP participants would default on their rent, and to increase their ability to withhold rent legally when severe health and safety conditions are present, DHS implemented the Rental Partnership Initiative (RPI). Under the RPI, TCP informs the D.C. Housing Authority (DCHA) of the amount due, and DCHA pays the landlord in full. The tenant and TCP then pay DCHA their portions of the rent.

After TCP informs DCHA of the rent due, neither TCP nor their service providers can confirm whether DCHA paid the rent on time. TCP and its service providers must trust that DCHA has done so. Mistakes are frequently made. For example, according to an Excel spreadsheet DHS provided to the OIG, 130 rent payments were either missed, over-, or under-paid during the month of April 2020. If DCHA does not pay rent on time or in the correct amount, a participant's credit rating may be negatively impacted.

Interviewees stated that these mistakes frustrate landlords, leading to their reluctance to participate in the program or projecting their frustration onto tenants. In addition, fixing an error requires multi-step, inefficient, and often urgent efforts. Only certain people can engage with participants, while others can only see the payment issues. To fix a mistake, a landlord or participant usually contacts TCP, which contacts DHS, which contacts DCHA to determine whether and why the problem exists. The information is then relayed back through the communication chain.

TCP and DHS cannot view whether rent payments have been made because they lack read-only access to DCHA's payment data system. An interviewee reported that DHS has previously explored providing TCP access to DCHA's system, but this process improvement was never implemented. In addition, existing systems are unable to issue automated notifications to DHS and TCP when DCHA either pays rent in full or when payments are late or incorrect. Although direct access is a preferable solution, it may not be possible due to privacy restrictions. An

²⁸ U.S. GOV'T ACCOUNTABILITY OFFICE, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT, GAO-14-704G, Principle 11 (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf>.

²⁹ *Id.* Principle 15.01.

efficient method of reporting rental payments to both TCP and DHS is essential if access to DCHA's payment data system is not feasible.

To address the lack of transparency and efficiency in the rent payment process, the OIG recommends that DHS:

Recommendation 7: Modify existing systems to generate automatic notifications, which will alert TCP, DHS, and the relevant service provider when rent payments are processed.

Agree X Disagree

DHS's Response to Recommendation 7:

DHS agrees with this requirement. We are currently in the process of working with our partners to automate the entire rental payment process. Updated technology will allow for online rental payments, payment reminders, rental balance inquiries, and other enhancements that allow for a more streamlined process to complete transactions.

IT systems used to administer FRSP were not integrated, which created delays and unnecessary duplication of effort.

DHS and TCP use several IT systems to manage FRSP cases, including the Homeless Management Information System (HMIS)³⁰, the Customer Assessment Tracking and Case History (CATCH)³¹, the Shelter to Exit Planning Tool (STEP Tool)³², and the District of Columbia Access System (DCAS).³³ The contract between TCP and DHS and the DHS Policy Manual requires case managers to use each system to document case notes, coordinate with Temporary Assistance for Needy Families (TANF) employment providers,³⁴ and otherwise coordinate case management effectively.

Currently, service providers and their case managers do not have access to all of the relevant systems to efficiently perform their duties. As a result, problems (e.g., a late rent payment; an unpaid TANF benefit) take longer to identify, delaying resolution and preventing those addressing the problems from attending to other tasks. When issues arise, the employees receiving the calls often must make several calls to gain access to the relevant systems to identify the problem and determine fixes. Frequently, these employees face resistance from those who grant access and must justify why they are entitled to the access, which lengthens the time to

³⁰ TCP manages HMIS as the primary system used to collect client-level data for housing and services.

³¹ CATCH is the case management system for TANF customers, documenting participation in work activities and financial support.

³² The Virginia Williams Family Resource Center and Short-Term Family Housing use STEP Tool for the process of getting clients into a home. This program also creates a case for the family and documents the eligibility determination.

³³ DCAS is the eligibility determination system.

³⁴ Participants receiving TANF are assigned a case manager from the DHS Office of Work Opportunity who tries to address employment barriers and assist in a participant's job search. According to DHS's FY 2021 Performance Oversight Hearing responses, 70 percent of all families in FRSP received TANF in FY 2020.

resolve issues. One interviewee stated they spent over half the day dealing with system access issues instead of actually serving program participants.

These delays cause case management to suffer. One interviewee opined that the difficulty entering case notes and viewing other relevant materials has resulted in case managers not entering case notes, which leads to FRSP administrators meeting with participants without necessary, important information that should be readily available. For example, when case managers cannot see what actions TANF providers have taken in the system, they often perform the work themselves rather than take extra time to gather the data from the system. This process duplicates TANF providers' efforts and reduces FRSP case managers' availability to perform other case management duties.

The lack of interface between systems has been a problem since the beginning of FRSP. The contract between DHS and TCP does not address the IT implications of the partnership or describe a process that would grant access to critical IT systems. DHS and TCP have previously identified these issues but have not taken the necessary steps to correct them, in part, because of privacy restrictions related to the HMIS. Linking of the systems must address giving access privileges to only those who need it while protecting participants' privacy, as necessary.

To address the issues related to the IT systems, the OIG recommends that DHS:

Recommendation 8: Work with all required stakeholders to ensure case managers have access to all systems needed to execute the FRSP while continuing to maintain program participants' privacy.

Agree _____ X _____ Disagree _____

DHS's Response to Recommendation 8:

DHS agrees with this recommendation and will work with TCP to resolve these issues. However, given the challenges with HMIS, this is a complex issue that has proven challenging.

Recommendation 9: Designate an individual within DHS to correct system access issues, streamline processes, and be TCP's and service providers' IT liaison during system integration.

Agree _____ X _____ Disagree _____

DHS's Response to Recommendation 9:

DHS agrees with the recommendation to provide assistance to service providers regarding access and system integration issues. DHS plans to provide direct technical assistance to FRSP service providers as we shift to contracting directly with FRSP providers.

DHS admitted families to FRSP that did not fit key criteria, which affected its ability to meet participants' needs.

According to 29 DCMR 7800.1, the purpose of FRSP is to "support District residents, who are experiencing homelessness or at imminent risk of experiencing *homelessness to achieve stability in permanent housing* through individualized and time-limited assistance." (Emphasis supplied). The DCMR states that an applicant is "eligible to receive FRSP assistance if the applicant unit is a family that: (a) [i]s currently experiencing homelessness or is at imminent risk of experiencing homelessness; and (b) [i]s a resident of the District of Columbia."³⁵ After the minimum eligibility criteria, the DCMR also lists "relevant factors" that DHS should consider when "determining whether a household is appropriate for FRSP assistance," including "[c]urrent income," "[e]xpected future income," and "[e]mployment potential based on job skills"³⁶

FRSP has expanded rapidly, in part because DHS is using FRSP as a bridge from shelters to the next step in the continuum of care. Interviewees indicated that when making admissions to FRSP, DHS has focused only on the minimum eligibility criteria listed above and seemingly ignored many of the relevant factors listed in the DCMR that make a family "appropriate for FRSP assistance." This practice has led to two sub-groups of families entering FRSP: families who are temporarily homeless and have a strong chance of regaining employment (hereafter "TANF Model families") and families who, in all likelihood, will exclusively need to rely on other D.C. housing programs, like Permanent Supportive Housing (PSH)³⁷ and Targeted Affordable Housing (TAH),³⁸ and have no realistic chance of independently achieving stability in housing (hereafter "Bridge Model families").

Focusing only on the minimum eligibility criteria has also had consequences for FRSP in general and for FRSP participants in particular, because it has contributed to the lack of capacity issues discussed previously in this report. By not distinguishing between the two distinct groups of families entering FRSP, DHS has applied a single set of policies for groups that should have distinctly different goals and a single measure of "success" for groups that should be measured using different criteria.

The FRSP Task Force recognized the need for distinguishing between TANF Model families and Bridge Model families. The FRSP Task Force recommended that case management for TANF Model families should focus more fully on increasing participants' ability to earn income and connecting them with job opportunities. Success should be measured on participants' wage increases (as opposed to increases from TANF or other sources) and progress toward independently sustaining permanent employment. Case management for Bridge Model families should be transferred to more permanent programs as quickly as possible and work toward breaking down any barriers that can move them toward more stability. Success should be

³⁵ 29 DCMR § 7803.1.

³⁶ 29 DCMR §§ 7803.2(a), (b), and (e).

³⁷ Permanent Supportive Housing is for families with a head of household who are chronically homeless, unable to work, on disability, or otherwise unable to follow through with basic program requirements. This program allows case management to continue while being housed.

³⁸ Targeted Affordable Housing is a voucher program for families who are unable to earn an income even with engagement with TANF and are engaged with community resources without need for case management. This program allows case management to end while housed.

measured by assessing DHS's ability to provide case management and quickly and effectively connect participants with more appropriate long-term solutions.³⁹

There is no single root cause for or simple solution to the rapid expansion of FRSP. However, the DHS contributes to the capacity issues by not adequately screening participants for PSH and TAH at the outset and ignoring the relevant factors in the DCMR to identify participants appropriate for the program. Given the stated purpose of FRSP, not every family who enters a shelter is the right fit for this program.

We recognize the difficult decisions DHS must make regarding eligibility. On the one hand, being more selective means longer stays for families in shelters or additional time searching for alternatives. On the other hand, admitting families with such different needs to FRSP may result in serving a larger population less effectively.

To be clear, we are not advocating a return to large shelters or the use of motels like those in recent years. Instead, we have identified two steps that we believe will help alleviate some of the overcrowding and better focus resources on attainable goals.

To address program capacity issues discussed above, the OIG recommends that DHS:

Recommendation 10: Screen participants for PSH or TAH upon intake into FRSP.

Agree _____ X _____ Disagree _____

DHS's Response to Recommendation 10:

DHS agrees with this recommendation. Families are assessed upon FRSP entry using the F-SPDAT. This screening tool helps case managers understand how to assist the family in overcoming barriers to stable housing and to determine appropriate housing interventions. To be eligible for PSH or TAH, families must meet certain disability and chronic homelessness criteria.

DHS plans to implement new program requirements for providers that will require case managers to assess families within the first 90 days in the program for a specific pathway.

Recommendation 11: Convene a meeting with the FRSP Task Force to discuss the feasibility of creating distinct TANF and Bridge Model paths within FRSP.

Agree _____ Disagree _____ X _____

DHS's Response to Recommendation 11:

DHS disagrees with this recommendation. We are currently phasing in recommendations of the FRSP Task Force. As part of the implementation process, DHS is coordinating

³⁹ BARBARA POPPE AND ASSOCIATES, *supra* note 2, at 13-20.

with the TANF program and building in “bridge models” to the updated FRSP service model in the upcoming solicitation.

OIG Comment: Once DHS implements a two-pronged approach, the OIG will consider meeting with the Task Force to be moot and close the recommendation.

CONCLUSION

To serve its participants most effectively, FRSP must acutely focus on program efficiency. The program expanded rapidly and is pushing the limits of its capacity while operating with a finite budget and an increasing number of District residents to serve. DHS must make use of all of the time participants are in the program by offering comprehensive case management services throughout, ensuring that case managers make decisions about rent payments fairly and transparently, correcting inefficiencies in its IT systems to make rent payments more transparent and give parties access to address participants' issues efficiently and effectively, and using FRSP only for its intended purposes.

DHS will face issues that could significantly impact FRSP and the program's continued operation as the COVID-19 public health emergency ends. In this regard, FRSP will soon need to address a series of impending issues, including:

- the wave of participants who must exit the program once the pandemic-induced moratorium on exits is lifted;
- questions about whether to count the time in the program during the health crisis towards a participant's 12-month limit on time in the program, despite the fact that participants are less likely to have been able to work towards gaining meaningful income during this time; and
- a possible economic/eviction crisis following the end of the pandemic brought about by the high cost of rent and unemployment creating more homelessness and an increasing demand for the program.

Transparency, efficiency, and clear guidelines will be essential to perform this complex, difficult, but necessary work.

Appendix A. Objectives, Scope, and Methodology

The objectives for this evaluation⁴⁰ were to: (1) evaluate whether DHS was managing FRSP in accordance with D.C. Code and D.C. Municipal Regulations (DCMR); and (2) determine the extent to which the program met the goal of providing enough stability so participants can transition to their own housing. The scope of our evaluation included any participants in FRSP who were enrolled during fiscal years (FYs) 2018, 2019, and 2020.

To evaluate the objectives, we used the Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (GAO-14-704G, the Green Book),⁴¹ which state "internal control is a process . . . that provides reasonable assurance that the objectives of an entity will be achieved"⁴² Further, "internal control serves as the first line of defense in safeguarding assets []"⁴³ and is an "integral part of the operational processes management uses to guide its operations"⁴⁴ The Green Book sets internal control standards for federal entities and may be adopted by state and local entities as a framework for an internal control system.⁴⁵

Internal control is "a process used by management to help an entity achieve its objectives."⁴⁶ See Figure 3 below.

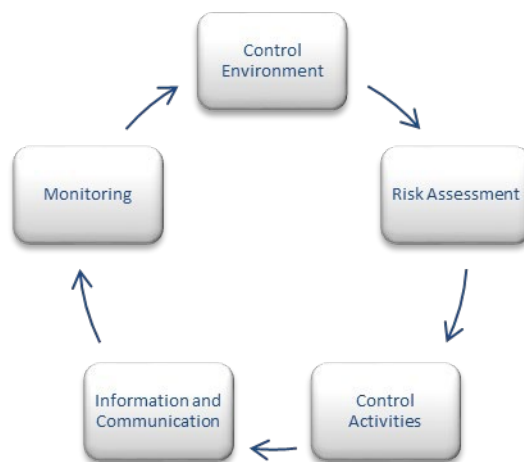


Figure 3: Internal Control Process (Source: *OIG Analysis of the GAO Standards for Internal Control in the Federal Government*).

Further, internal control helps assure accurate financial reporting and deter fraud, waste, and abuse. The Green Book explains, "[m]anagement is directly responsible for all activities of an entity, including the design, implementation, and operating effectiveness of an entity's internal control system,"⁴⁷ and "personnel throughout an entity play important roles in implementing and

⁴⁰ I&E projects are conducted under the *Quality Standards for Inspection and Evaluation* promulgated by the Council of the Inspectors General on Integrity and Efficiency.

⁴¹ U.S. GOV'T ACCOUNTABILITY OFFICE, *supra* note 29.

⁴² *Id.* § OV1.01.

⁴³ *Id.* § OV1.03.

⁴⁴ *Id.* § OV1.05.

⁴⁵ *Id.* Forward.

⁴⁶ *Id.* at Frontispiece.

⁴⁷ *Id.* § OV2.14.

operating an effective internal control system."⁴⁸ The internal control system comprises five components that "must be effectively designed, implemented, and operating together in an integrated manner, for an internal control system to be effective."⁴⁹ The five components of internal control are:⁵⁰

- **Control Environment:** The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.
- **Risk Assessment:** Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.
- **Control Activities:** The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, including the entity's information system.
- **Information and Communication:** The quality information management and personnel communicate and use to support the internal control system.
- **Monitoring:** Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

⁴⁸ *Id.* § OV1.06.

⁴⁹ *Id.* § OV2.04.

⁵⁰ *Id.* at 7-8.

Appendix B. Acronyms and Abbreviations

AAI	Adjusted Annual Income
DCHA	D.C. Housing Authority
DCMR	D.C. Municipal Regulations
DCRA	D.C. Department of Consumer and Regulatory Affairs
DHS	D.C. Department of Human Services
FRSP	Family Re-Housing and Stabilization Program
FY	Fiscal Year
GAO	U.S. Government Accountability Office
Green Book	GAO Standards for Internal Control in the Federal Government
IRP	Individual Responsibility Plan
OAH	Office of Administrative Hearings
OIG	D.C. Office of the Inspector General
RPI	Rental Partnership Initiative
TANF	Temporary Assistance for Needy Families
TCP	The Community Partnership

Appendix C. Table of Recommendations

Responsible Agency	Recommendations	Potential Monetary Benefits	Agency Response
DHS	1. Adopt a policy requiring DHS or TCP to assign case managers within a specific period of time following a participant's entry date.		DHS agrees with this recommendation.
DHS	2. Expand capacity or take other measures to improve delivery of case management services to new participants.		DHS agrees with this recommendation.
DHS	3. Review its current practice of using provider assignment date as the start of a participant's 12-month term of FRSP assistance and determine whether this practice comports with the language and intent of DCMR Title 29 Chapter 78.		DHS disagrees with this recommendation.
	4. Implement a process for monitoring case managers' payment tier decisions to determine whether decisions were justified and allow participants to appeal these decisions to an independent decision-maker.		DHS agrees in part with this recommendation.
	5. Implement a policy that establishes objective criteria for making participant tier changes.		DHS disagrees with this recommendation.
	6. Ensure that case managers complete budget documents monthly.		DHS disagrees with this recommendation.

Responsible Agency	Recommendations	Potential Monetary Benefits	Agency Response
DHS	7. Modify existing systems to generate automatic notifications, which will alert TCP, DHS, and the relevant service provider when rent payments are processed.		DHS agrees with this recommendation.
DHS	8. Work with all required stakeholders to ensure case managers have access to all systems needed to execute the FRSP while continuing to maintain program participants' privacy.		DHS agrees with this recommendation.
DHS	9. Designate an individual within DHS to correct system access issues, streamline processes, and be TCP's and service providers' IT liaison during system integration.		DHS agrees with this recommendation.
DHS	10. Screen participants for PSH or TAH upon intake into FRSP.		DHS agrees with this recommendation.
DHS	11. Convene a meeting with the FRSP Task Force to discuss the feasibility of creating distinct TANF and Bridge Model paths within FRSP.		DHS disagrees with this recommendation.

Appendix D. DHS Response to the Draft Report



DC DEPARTMENT OF HUMAN SERVICES Office of the Director

Office of the Director

January 14, 2022

Daniel W. Lucas
Inspector General
717 14th Street, NW
Washington, DC 20005

Dear Inspector General Lucas:

By this letter, I am providing DHS' written response to the draft report, *Evaluation of the District of Columbia Family Re-Housing and Stabilization Program (OIG Project No. 22-I-01JA)*. Please do not hesitate to reach out if you have any questions about this response.

DHS Response to Draft OIG Evaluation Report and Recommendations

Recommendation 1: Adopt a policy requiring DHS or TCP to assign case managers within a specific period of time following a participant's entry date

DHS agrees with this recommendation. As DHS works towards enhancing the Family Rehousing and Stabilization Program (FRSP), new provider contracts will require case manager assignments prior to lease signing.

To ensure continuity of services for families who are transitioning from Short Term Family Housing programs (STFH) to FRSP, DHS also modified the STFH contracts to require shelter case managers to follow up with families for up to 60 days post program exit.

Finally, to address the need for services during periods of insufficient capacity among FRSP providers, DHS established a team to provide temporary services to families until the time a FRSP case manager could be assigned.

Recommendation 2: Expand capacity or take other measures to improve delivery of case management services to new participants.

DHS agrees with this recommendation. We continue to work to improve FRSP service delivery and have implemented enhancements to provide more information and resources to both providers and families regarding FRSP program policy, practices, and expectations.

These include:



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- *Online Resource Guide for Providers compiled by DHS.* This is an online comprehensive guide providers can reference for resource information and day-to-day service delivery documents and procedures.
- *Shelter providers, in collaboration with DHS, will provide FRSP program orientations in Shelters.* These sessions provide families a program overview and orientation that includes information on service delivery expectations, program procedures and expectations for engagement. This allows families to receive a full understanding of the FRSP program prior to entering the program.
- *Expansion of Case Management Capacity.* To support a reduced timeframe for incoming FRSP families to be connected to a primary FRSP case manager, DHS onboarded four additional provider entities to increase case management capacity.
- *Updated DHS Service Provider Manual and ongoing training to FRSP service providers.* This manual serves as a comprehensive policy document for service providers to ensure consistent service delivery across all FRSP providers.
- *Online Client Rental Payments.* To provide increased options for families to pay their rental portions, DHS collaborated with the District of Columbia Housing Authority (DCHA) to implement an online rental payment system that allows families to make monthly rental payment electronically.

DHS is currently in the process of implementing enhancements to the FRSP program, including issuing a direct solicitation to for FRSP services, rather than subcontracting through the management contract. This will give DHS added oversight, streamline communications and policy implementation, and allow DHS to enhance service delivery to customers.

DHS also plans to implement updated FRSP Key Performance Indicators (KPIs) that will focus on increasing income, assisting with stabilization after the program ends, program incentives for families and providers, enhanced oversight and monitoring, and increased resources for families.

Recommendation 3: Review its current practice of using provider assignment date as the start of a participant's 12-month term of FRSP assistance and determine whether this practice comports with the language and intent of Title 29 DCMR Chapter 78.

DHS does not agree with this recommendation. We follow this practice to ensure each family in the program receives – at a minimum - a full 12 months of program services, which includes the connection to their FRSP case manager so the family can work towards realizing program goals. DHS will continue to assess this practice to ensure compliance with applicable regulations.

Recommendation 4: Implement a process for monitoring case managers' payment tier decisions to determine whether decisions were justified and allow participants to appeal these decisions to an independent decision-maker.

DHS agrees with the recommendation to establish a process to monitor case managers' payment tier decisions. However, it is not feasible to allow participants to appeal these decisions to an independent decision-maker, as this will create an undue administrative burden. In new provider contracts, DHS will establish a two-tier process for payment decisions.



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Recommendation 5: Implement a policy that establishes objective criteria for making participant tier changes.

DHS disagrees with this recommendation. DHS's FRSP program manual outlines an objective policy for making participant tier changes (see page 34 of FRSP manual).

Recommendation 6: Ensure that case managers complete budget documents monthly.

DHS does not agree with this recommendation. DHS temporarily modified case management requirements during the COVID-19 pandemic to allow for budgets to be updated on an as needed basis when there are changes to a family's income.

General FRSP service delivery requirements include monthly budgets. As DHS shifts back to normal case management requirements, we will revisit this requirement to determine the frequency and relevance towards achieving housing stability.

Recommendation 7: Modify existing systems to generate automatic notifications, which will alert TCP, DHS, and the relevant service provider when rent payments are processed.

DHS agrees with this requirement. We are currently in the process of working with our partners to automate the entire rental payment process. Updated technology will allow for online rental payments, payment reminders, rental balance inquiries, and other enhancements that allow for a more streamlined process to complete transactions.

Recommendation 8: Work with all required stakeholders to ensure case managers have access to all systems needed to execute the FRSP while continuing to maintain program participants' privacy

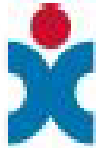
DHS agrees with this recommendation and will work with TCP to resolve these issues. However, given the challenges with HMIS, this is a complex issue that has proven challenging.

Recommendation 9: Designate an individual within DHS to correct system access issues, streamline processes, and be TCP's and service providers' IT liaison during system integration.

DHS agrees with the recommendation to provide assistance to service providers regarding access and system integration issues. DHS plans to provide direct technical assistance to FRSP service providers as we shift to contracting directly with FRSP providers.

Recommendation 10: Screen participants for PSH or TAH upon intake into FRSP.

DHS agrees with this recommendation. Families are assessed upon FRSP entry using the F-SPDAT. This screening tool helps case managers understand how to assist the family in overcoming barriers to stable housing and to determine appropriate housing interventions. To be



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eligible for PSH or TAH, families must meet certain disability and chronic homelessness criteria.

DHS plans to implement new program requirements for providers that will require case managers to assess families within the first 90 days in the program for a specific pathway.

Recommendation 11: Convene a meeting with the FRSP Task Force to discuss the feasibility of creating distinct TANF and Bridge Model paths within FRSP.

DHS disagrees with this recommendation. We are currently phasing in recommendations of the FRSP Task Force. As part of the implementation process, DHS is coordinating with the TANF program and building in "bridge models" to the updated FRSP service model in the upcoming solicitation.

Regards,

Laura Green Zeilinger

Laura Green Zeilinger
Director, Department of Human Services

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