



TO: Mayor Linda Gorton

Urban County Council

FROM: Polly Ruddick, Director, Office of Homelessness Prevention and Intervention

CC: Sally Hamilton

DATE: March 1, 2021

SUBJECT: Budget Modification for Payee Program with Welcome House

Request

Authorization to execute an amendment to the 2019 agreement with Welcome House Northern Kentucky for the operation of the Lexington Payee Program reducing the total contract cost by \$60,896 and extending the original contract to include a 4th year, for a cost not to exceed \$422,661. The amendment also includes a performance-based optional 5th year (\$94,960.00) for a total cost not exceed \$517,621.00.

Why are you requesting?

Department needs this action completed because on December 16, 2020, the HPI Program Performance and Evaluation Committee evaluated the performance of the Welcome House Payee Program. Welcome House leadership presented impacts the COVID-19 pandemic has had and continues to have on their ability to scale the program, successfully engaging and enrolling clients in the Social Security Representative Payment Program (Payee Program) which provides financial management of benefits for people who are incapable of managing their payments on their own.

Welcome House presented the Committee with budget modification proposal which would reduce the annual cost of the program to right size it to the current case load and projected future caseloads with the ongoing pandemic. The Committee agreed that the reduction in the annual amount would allow the contract to be extended an additional year with no further cost impact, reducing the overall contract by \$60,896.00.



The Committee feels strongly this is an important program necessary to reduce and end homelessness and, therefore, agreed to an option 5th year extension to be award upon satisfactory performance at a cost of \$94,960 from the Innovative and Sustainable Solution for Ending Homelessness Fund (the \$60,896 reduction to this contract + an additional \$34,064).The Committee will reevaluate the program each year in order to ensure compliance with agreements, amendments, modifications, increased enrollment into the program, and overall performance outcomes.

The recommendation from the Committee was unanimously supported by the full Homelessness Prevention and Intervention Board at the January 13, 2021 meeting.

What is the cost in this budget year and future budget years?

The cost for this FY21 is: Net decrease of \$75,691 (to be used in FY23)

The cost for future FY22 is: Net decrease of \$77,399 (to be used in FY23 and FY24)

The cost for future FY23 is: No impact - \$92,194.00 (to be covered by fund balance of \$75,691 from FY21 and \$16,503.00 from FY22)

The cost for future FY24 is: Net increase of \$34,064 (5th year contract is \$94,960, with \$60,896 being covered by remaining fund balance from FY22)

Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: Yes

Account number: 1145-155003-0001-78112

File Number: 0217-21

Director/Commissioner: Ruddick/Hamilton

