



Supportive Housing Services Oversight Committee Meeting Summary

Meeting: Supportive Housing Services Oversight Committee Meeting
Date: July 24, 2023
Time: 9:30 a.m. to 12:00 p.m.
Place: Virtual meeting (Zoom)
Purpose: Update on Metro tax collection and disbursement through June 2023; update on Multnomah County corrective action plan; discussion on county reimbursement / invoicing processes and opportunities for system improvements.

Member attendees

Co-chair Susan Emmons (she/her), Dan Fowler (he/him), Jenny Lee (she/her), Carter MacNichol (he/him), Felicita Montebanco (she/her), Jeremiah Rigsby (he/him), Co-Chair Dr. Mandrill Taylor (he/him), Becky Wilkinson (she/her)

Absent members

Maria Hernandez (she/her), Seth Lyon (he/him), Mike Savara (he/him), Kathy Wai (she/her)

Elected delegates

Washington County Chair Kathryn Harrington (she/her), Multnomah County Commissioner Susheela Jayapal (she/her), Metro Councilor Christine Lewis (she/her)

Absent elected delegates

Clackamas County Chair Tootie Smith (she/her), City of Portland Mayor Ted Wheeler (he/him)

Metro

Nui Bezaire (she/her), Ash Elverfeld (they/them, she/her), Liam Frost (he/him), Breanna Hudson (she/her), Rachael Lembo (she/her), Patricia Rojas (she/her)

Kearns & West Facilitator

Ben Duncan (he/him)

Welcome and introductions

Co-chairs Susan Emmons and Dr. Mandrill Taylor provided opening remarks and welcomed the Supportive Housing Services (SHS) Oversight Committee members to the meeting.

Ben Duncan introduced himself as facilitator and facilitated introductions between SHS Oversight Committee members.

Conflict of interest declaration

Jenny Lee, Dan Fowler, Carter MacNichol and Becky Wilkinson all shared potential or perceived conflicts of interest.

Public comment

No public comments provided in advance or testimony given in the meeting.

Supportive Housing Services Oversight Committee Meeting Summary

Metro finance update: Metro tax collection and disbursement update

Rachael Lembo, Finance Manager, Metro, shared that Metro had collected \$337 million total for the fiscal year 2023. She said the high number was primarily due to payments from the previous fiscal year. She was not expecting this dollar amount to be repeated in future years due to taxpayers being broadly aware of the tax at this point in time and therefore late tax filings will not be as high.

Update on Multnomah County corrective action plan

Patricia Rojas, Regional Housing Director, Metro, shared that an agreement had been reached between Metro and Multnomah County on the Corrective Action Plan areas of investment. Metro will send the plan to the committee once it has been finalized. She said the funds will be spent throughout the next fiscal year.

Patricia let the committee know that Metro will provide the oversight committee regular updates as part of their fiscal oversight responsibility.

Members of the committee asked questions and expressed urgency to move forward with the plan.

Discussion: Opportunities for system improvements on reimbursement/invoicing

Details for this presentation are in a slide deck and found in the final meeting record.

Co-chair Dr. Taylor opened by noting that service providers have shared their challenges of receiving reimbursement from the Counties with the committee in anecdotal ways. He introduced Adam Brown (he/him), Deputy Director, Health Housing and Human Services, Clackamas County, to present the standardized elements that the three counties use for their contracting terms and business practices. Adam noted that there are nuances to each County process, but he would be focusing on the similarities and he used a slide deck for his presentation. He reviewed contract payment terms, invoice timelines and processes, challenges and opportunities, and administrative and indirect costs.

Co-chair Dr. Taylor thanked the county representatives for being at the meeting. He noted that advances are provided on a case-by-case basis to providers and asked if there had been any recent consideration to create a more standardized approach for advances especially for contractors demonstrating excellency.

Adam said they have talked about advancing often and from his perspective it solves cash flow in a moment and then becomes a rigorous administrative process for counties and providers afterward. He wondered if they can be more creative to solve the cash flow problem without advances and instead provide funding up front as a one-time offer to solve the problem.

Ben asked what the difference is between advances and up-front funds?

Adam said that the Joint Office has done it and Clackamas County has as well- it is providing one or two months of contract value and it is not something the contractor has to reconcile against. That would get that up-front money out to providers in addition to the funds that would ultimately be reimbursed for the provision of services.

Felicita Montebianco thanked Adam for the presentation. She asked him who decides which providers get advances?

Adam said that so far, their experience has been that the Chief Financial Office is involved in this decision at Clackamas and Multnomah Counties.

Supportive Housing Services Oversight Committee Meeting Summary

Jes Larson (she/her), Assistant Director, Department of Housing Services, Washington County, said that at their county the division's finance director would be responsible for the decision.

Felicita also asked about the difference between indirect and administrative costs, do providers get to negotiate administrative reimbursement?

Adam said that for Clackamas and Multnomah County, it is not really a negotiation. The providers have a federally approved indirect rate and have to be consistent with their methodology across their funding sources.

Rachael Lembo noted that Metro does not decide whether counties provide advances. She added that Metro has been working closely with county finance staff. She said Metro is leaning into their role as a convener and creative thinker with county finance staff to bring ideas to their county leadership to help encourage some of the change.

Adam said that the black and white thinking is what finance staff do well and rigid thinking is good for financial spaces. But he also noted a culture shift may need to happen and that fiscal staff need leadership support for flexibility in policies.

Carter said that now is the time to be more flexible. He mentioned the slide on definitions and asked about the difference between indirect and admin costs.

Adam replied that the terms often get conflated but that general administrative overhead that is not attributable to any specific program is indirect cost. He said admin cost has to be directly attributable to work performed for a specific program.

Adam added that if an agency is getting federal funding, they must have a set indirect rate they use universally.

Dan liked the idea of double allocation in the first month that Adam had mentioned and referred to as a one-time upfront funding. He wondered what else they could do besides parallel processing to shorten the timeline of handling errors.

Jes confirmed that Washington County has really struggled with the invoicing and are in the midst of making big changes to improve their processes.

Jes shared that Washington County has used the advances method and have also run into challenges with it, like Clackamas County. Previously, Washington County had one staff member reviewing invoices and that was not enough staffing, but now they have four staff in response to the need. They also hired Fahad to streamline processes in their department, and they are looking at creating automation processes next year to improve accounting processes.

Kanoe Egleston (she/her), Director of Programs, Joint Office of Homeless Services, Multnomah County, shared that they have established a parallel invoice review process that has been integral for them internally. She said they are also seeing opportunities to provide technical assistance to providers as issues arise so that invoices are coming in in better condition for quicker review and approval.

Ben asked on behalf of the committee if the investments are leading toward a quicker turnaround.

Adam said that if they had a perfect invoice coming in, they would not be having this slow return. He stated that there are processes in government that can be improved, there is a lot of systemic issues tied up in it and he sees them making progress.

Supportive Housing Services Oversight Committee Meeting Summary

Jeremiah asked if there is a good sense of the financial need for providers when it comes to cash flow?

Felicita has heard from a provider that had to dip into their reserves and she thinks it depends on the scope of their services, which is different from provider to provider.

Jeremiah asked about the third-party technical assistance and if it is a model that could be used in more areas than just technical assistance?

Adam said there is a question around fiscal sponsorship support and that some small organizations could be working with larger organizations and utilize their support.

Patricia said that the SHS Work Plan requires Metro to engage in program evaluation in year three. She said this conversation dovetails with the next steps for Metro.

Felicita asked how the counties are approaching risk in this current housing and homelessness emergency? Are there options for piloting and doing new things?

Adam thinks that warrants a larger conversation at the Chief Financial Officer level and they have not talked about it in terms of risk tolerance.

Antoinette Payne, Multnomah County, agreed with Adam and thought it would be helpful for them to discuss as a group of lead finance staff at the counties.

Fahad Kazi, Senior Financial Analyst, Washington County, shared that they have a backlog of invoices, and they do not have the correct supporting documentation. He said they are closing the fiscal year out and taking stock of the invoices and then will work on getting leadership to sign off on paying them.

Dr. Taylor asked if they are tracking where things are going awry?

Adam said invoice errors have mostly been reviewed anecdotally and addressed on one-off basis. Their response has been to grow the system as fast as they can and now they are ironing things out and evaluating what needs to change.

Patricia said the Metro evaluation of programs will begin this year and there is opportunity for the committee to advise on how that evaluation could happen. This is one area that Metro will be reviewing and will work with the counties together to discover options for solving challenges.

Becky thanked Jes for sharing their challenges with advances. She asked how they are incorporating suggestions and needs of service providers into discussions of solutions for quality improvement?

Rachael has asked each county to bring what they know and are being told by providers to the regular meeting between finance teams. They will then categorize the challenges and project plan on how to address each one.

Jes said they have a monthly meeting with the executive directors of service providers and shape the agenda based on what they want to discuss. They are receiving feedback from providers there and sometimes the providers have differing experiences. And for providers operating in three different counties, they should not have to do things differently in every county.

Adam would like to figure out how to bring service providers to the table when fiscal conversations are happening but noted that the counties need to build trust and respect with an orientation toward problem solving with the providers first.

Supportive Housing Services Oversight Committee Meeting Summary

Co-chair Emmons appreciated Adam's statement and them owning the problem. She hears them saying that they can do better and wanted to also hear that providers are considered equal partners with the counties, but she had not yet.

Co-chair Emmons asked if besides Washington County, whether the other counties are also able to feel the same latitude to invest in their fiscal teams.

Felicita asked if human service providers are treated differently than other vendors in procurement like someone selling toilet paper?

Adam said that there is a difference between when you provide human services and items like paper products.

Felicita asked if it is similar oversight to construction crews?

Adam said yes.

Commissioner Jayapal noted Washington County's approach and that down the road they may have reimbursements based on outcomes. She said it is more complicated than the toilet paper analogy, but it could solve some issues and get everyone on the same page about outcomes.

Fahad said that they have some precedence where shelter invoicing is connected to outcomes. Their supporting documentation requirement for shelters is next to nothing and they hope to expand that to their other programs. They want to create equitable rates across the system.

Jes said that shift would be really significant and they would want to do it in alignment with the other counties.

Jenny was heartened to hear that Washington County is looking at a different approach. She has seen for-profit businesses state their rate and have it approved, but for human service providers, it is not the case. She said that right now she feels the urgency requires some boldness in approach and the public is most concerned with outcomes. She added that people care about fraud or misuse of funds but would care more about meaningful change in outcomes.

Ben reflected back on the conversation and appreciated the counties joining the meeting and answering questions with transparency and courage.

Co-chairs Dr. Taylor and Emmons thanked everyone and closed out the conversation.

Next steps

Nui reiterated that in the committee meeting packet members will find updates on the progress being made in response to the recommendations made to Metro Council.

Adjourn

Meeting adjourned at 11:51 a.m.

Minutes respectfully submitted by Ash Elverfeld.