

Simtech*Solutions*,inc.

*Proposed Enhancements & Reforms to the
Massachusetts' Homeless Response System*

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OVERVIEW

The suggested reforms are being proposed on the basis that they will reduce the overall costs to the Commonwealth of Massachusetts, and the communities within the Commonwealth, to adequately support the housing needs of all individuals and families. The intent is to provide “just enough” help and to do so by leveraging existing resources, controlling costs as effectively as possible, and measuring the effectiveness of any assistance that is provided.

Proposed Reform #1: DHCD should replace the current use of Excel with a proper database application geared towards addressing the logistical issues surrounding shelter placements as soon as possible. The estimated cost-savings for school transportation budgets alone should justify this effort. *In just looking at the City of Brockton, an estimated \$59,062 would have been saved if families originating from the area were to have swapped hotel units with others that are staying in hotels in Brockton that are from outside of the region.* As of March 2, 2012 there were 1,434 families living in hotels¹ throughout the state. According to state auditor Suzanne Bump, “the estimated price tag to bus transient homeless students within and between school districts will reach \$11.3 million this year”.²

The Commonwealth should start by swapping the families identified in this pilot study as being out of region and follow this up by conducting a comprehensive statewide audit to ensure that others are not in this same situation. Any instances where families are being placed outside of the 20 mile radius should be prioritized with a follow up effort for any households that are outside of their community of origin, regardless of distance. Going forward, DHCD should use HMIS to track family’s community of optimal placement (usually but not necessarily the community of origin) and use logistics management applications, such as GIS based inventory management software, to identify potential swaps and improve the placement process. Ensuring families are as close to community supports as possible should result in significant cost savings for all. This is demonstrated by the pilot study conducted by Simtech that was shared with DHCD staff on December 14th, 2011. Details from this study can be found below. Note that moving the hotel unit management to a proper database environment is essential if there is to be a framework in place that will support a multi-disciplinary team approach to rapidly re-house and stabilize these families (see proposed reform #3) going forward.

Process

We ran queries off of the weekly “EA Hotel List” provided by DHCD to determine the extent of clients from Brockton that were placed elsewhere. As of 11/15/11, there were 134 families from Brockton out of which 88 were placed in Brockton. While there were a total of 42 families that were placed elsewhere, 4 of these families had “Health & Safety/DV” listed as their “Reason for Homelessness” so it would be expected they would be placed elsewhere. This still left a list of 38 families that were placed outside of the region that are candidates for return. Our second step was to run queries off of the same weekly “EA Hotel List” to determine the roster of families from outside of the Brockton area that were placed within Brockton. As of 11/15/11, there were 113 families placed in Brockton hotels with 25 of these coming from other regions. Since one family had “Health & Safety/DV” listed as their “Reason for Homelessness” there was a total of 24 families living outside of Brockton that were candidates for being moved back into their home community. These two lists were compared and a roster of potential hotel bed swaps was produced. An estimated cost of transportation was calculated based on the round trip distance between the two communities³, the total Length of Stay (LOS) for each family⁴, and the total estimated transportation costs per mile of \$3.20. These total costs were pro-rated based on the average number of days in the school year of 180 days⁵.

¹ State House News Service, “Coalition: Mass. Homelessness at an All Time High” March 2, 2012

<http://www.wickedlocal.com/hanover/newsnow/x570344698/Coalition-Mass-homelessness-rates-at-all-time-high#axzz1ob2fq7om>

² Barry, Stephanie, “Busing Costs for Mass. Homeless students Expected to Reach 11.3 Million in 2012”. The Republican.

http://www.masslive.com/news/index.ssf/2012/02/busing_costs_for_mass_homeless.html

³ [Google Maps](#)

⁴ EA Hotel List, November 15, 2011

⁵ U.S. Department of Education, National Center for Education Statistics, Private School Universe Survey (PSS), 2001-2002.

http://nces.ed.gov/surveys/pss/tables/table_15.asp

Limitations of Approach

This analysis does not include the potential cost savings that could be derived from simply moving families closer to their community of origin and instead only is looking for direct matches where a community with a hotel serving as an emergency shelter has a family that could be swapped with another community that has a hotel that is also serving as an emergency shelter. This analysis also does not take into consideration three or four way swaps that might potentially require multiple families to move simultaneously in order to realize a reduction in the proximity of placement to the community of origin. The *Massachusetts Department of Education* was contacted to determine if there is a set transportation rate per mile but none was available as each town manages their transportation logistics using separate methods. For this reason the cost estimates provided by Guilford, NC County Schools.⁶ A more accurate estimated rate per mile in savings could be derived if all transportation logistics were centralized alongside the shelter and/or housing placement details.

Results

The initial direct match query resulted in a list of 10 families that are potential candidates for a hotel location swap. While there are known costs related to transportation to and from employment, as well as potential costs related to finding day care outside of a client’s community support network, the focus for the cost-savings was on those related to school transportation. The “*No Child Left Behind Act*” dictates that towns and cities share the cost of transporting school age children to or from their community equally which provides hard costs for this study. Based on this alone, we found that if the hotel swaps were initiated at the initial time of placement of the second “out of community” family that an estimated savings of \$20,132.16 X 2 (or \$40,264.32) would have been realized for the Brockton/Fall River families shown in both Exhibit A and Exhibit B. While the family from Norton that was placed in Brockton did not have any school age children, the family from Brockton that was placed in Norton did. If these two families were swapped this would result in an additional estimated cost savings of \$13,490.

Exhibit A: Families from Outside of Brockton that were placed in Brockton⁷

Community Of Origin	Community of Placement	# Family Membe	Total # of Childre	# school aged children (5-18]	# non-school aged childre	EA System Entrance Date	Distance Each W	Round Trip	Total LOS	Estimated Total Cost To Date @ 1/2 LOS and \$3.20/Mile
Fall River	Brockton	3	2	1	1	3/7/11	31.3	62.6	254	\$25,440.64
Norton	Brockton	2	1		1	5/4/11				
Weymouth	Brockton	3	1		1	4/19/11				

Exhibit B: Families from Brockton that were placed Outside of Brockton

Community Of Origin	Community of Placement	# Family Membe	Total # of Childre	# school aged children (5-18]	# non-school aged childre	EA System Entrance Date	Distance Each Way	Round Trip	Total LOS	Estimated Total Cost To Date @ 1/2 LOS and \$3.20/Mile
Brockton	Fall River	4	3	1	2	4/29/11	31.3	62.6	201	\$20,132.16
Brockton	Fall River	2	1		1	3/4/11		NA		
Brockton	Fall River	2	1		1	1/10/11		NA		
Brockton	Norton	3	2	1	1	6/29/11	21.4	42.8	140	\$9,587.20
Brockton	Norton	4	3	3		5/3/11	21.4	42.8	197	\$13,490.56
Brockton	Norton	2	1		1	8/5/11		NA		
Brockton	Weymouth	2	1		1	4/26/11		NA		

⁶ Guilford County Schools, “No Child Left Behind - Transportation Cost Estimates and Assumptions for 2011 – 2012”.

⁷ “DHCD Weekly Hotel / Motel List”. November 15, 2011

According to the state auditor report, Brockton ranks 8th across the state among communities projected to spend the most on transportation of homeless students this school year. The region is projected to spend \$285,000 in 2012 compared to \$279,600 in 2011.⁸ Using the methodology and data sources described, *the net savings that would have been derived if these families were to have been placed in their community of origin upon entry to the EA system is estimated at \$59,062.* Note that the first family in Norton was not included in the overall cost savings as the household with the most school age children and earlier EA shelter entrance date would for a housing swap than the household with just one school age child. This is where proper logistics management comes into play to influence any placement decisions.

In addition to the cost, according to the guidance provided from *Massachusetts Advocates for Children* “The legislature requires DTA to place families as near to their communities of origin as possible, and no further than 20 miles.”⁹ The examples above demonstrate that each of these ten families should have new placements found for them based on the fact that both are further than 20 miles from their community of origin. In addition to the households with school age children there is a family from Weymouth placed in Brockton with a corresponding family from Brockton placed in Weymouth. While neither of these families have school age children, and therefore there are no attributed school transportation cost savings of a hotel swap, it is likely that there are other benefits that would be obtained if both families were able to reside within their community of origin.

Proposed Reform #2: Enforce the 20 Mile Rule by Conducting Hotel and Shelter Unit Swaps as Needed

The rationale for looking at tools to better control hotel placements extend well beyond the cost-savings. By locating families closer to their community of origin, it is more likely that the family will be nearer to supports such as extended family, faith based institutions, schools, medical care providers, counselors and employers. The excerpt from the spring 1988 issue of *Children’s Environment Quarterly* provides ample rationale for getting the children out of the hotel environment as quickly as possible.

**STRESS IN HOTEL CHILDREN:
THE EFFECTS OF HOMELESSNESS
ON ATTITUDES TOWARD SCHOOL**

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The problems of hotel children are obvious. Hotel children lack adequate clothing and materials necessary for attending school. There is a lack of space for these children to do homework and relax. Additionally, hotel children often fall behind in academic performance or face ostracism by peers and teachers; and among hotel children there are high instances of aggressive behavior and acting out. Hotel children very often end up in special education classes or are truant. These children have been found to be a high-risk population in terms of serious emotional problems (Bassuk, 1985; Bassuk & Rubin, 1987; Fitzhugh, 1985).

Being nearer to the family’s support network should help make that happen. Other outlying factors such as employment opportunities and cost of living may influence the decision on ultimately where the ideal placement for each family would be. Proper search and placement tools that work with both the shelter and traditional housing stock can help ensure that the placement of an individual or a family is well thought out and all factors are considered.

⁸ Shrivane, Christian, “Cost to Transport Homeless Kids Adds Up in Weymouth”. The Patriot Ledger. Feb. 7, 2012. <http://www.patriotledger.com/topstories/x1085184641/Cost-to-transport-homeless-kids-adds-up-in-Weymouth#ixzz1oae4cyp7>

⁹ Lerner, Michelle, Esq. “Education Rights of Children Affected by Homelessness and/or Domestic Violence”, p. 63. Massachusetts Advocates for Children: Children’s Law Support Project. <http://www.massadvocates.org/pdfs/homeless/Advocates-Guide-8MB.pdf>

Proposed Reform #3: Shift the Allocation of Funds Away from Shelter and Towards A Per Diem Payment System for Successful Rapid Re-Housing and Stabilization Work

As there is a finite budget, it is easiest to start the process of securing funds for a per diem payment system for successful rapid re-housing and stabilization by freeing up dollars elsewhere. The most noticeable candidate for these dollars is the 34 to 40 million the state spends annually on hotel units for homeless families. The lack of an open market for hotel units restricts competition and the lack of competition results in a higher nightly rate. It appears that the state is compensating hotel owners on a nightly unit rate which is apparently higher than the long term rates charged being charged by these same exact hotels in the open market.

The first component of this conversion strategy would be to free up resources so that they might be reallocated to this rapid re-housing and stabilization work. An area to look to for these dollars would be the expensive hotel budget. According to data provided by the state Department of Housing and Community Development there were 1299 families living in hotels as of 11/15/2011. The average length of stay for the 1105 families with an "Emergency Assistance (EA) System Entry Date" listed was 200 days. A March 8, 2011 article in the [Brockton Enterprise](#), notes that the state pays an estimated \$80 per night or \$2400/month for each hotel room. This results in an estimated cost per night of \$103,920 or \$37,930,800 per year for sheltering families in hotels. *If long term contracts were worked out with the hotels and/or landlords to "lease up" 1299 voucher based units at the 2012 two bedroom FMR for Brockton of \$1148/month this would represent a savings of \$37,930,800 –\$ 17,895,024 or \$20,035,776.* Given a turnover rate of 1.825 families per unit (365/200 day avg LOS) this would represent an average annual subsidy of \$8,453 for each of the estimated 2370/households served this past year (1.825 x 1299) or a monthly subsidy of \$704.49. According to the Craigslist.com ad below (also found [here](#)) the HomeSuites Inn in Waltham is asking for a weekly hotel rate of \$294. At 4.3 weeks per month the weekly rate for the HomeSuites Inn would run \$1264 which is 48% less expensive than the current \$2400/month average hotel rate being paid by the state. At a daily rate this would translate to just \$42/day. As of 11/15/2011 there were 56 homeless families staying at this very same HomeSuites Inn in Waltham. *By renting these units at the advertised weekly rates, instead of the nightly rate of \$80, the state would save taxpayers an estimated annual savings of \$776,720 from this one hotel alone.*

To realize these savings, the state should look towards longer term procurements of site based (not tenant based) hotel units and/or scattered site "transition in place" apartments for a set number of hotel rooms per region. The number of rooms needed could be determined based on the minimum number of hotel units that were needed within a particular area over the past 365 days.

Exhibit C: Asking Weekly Rental Rate for HomeSuites Inn in Waltham (as of 12/29/11)

455 Totten Pond Rd, Waltham, MA
 Weekly Hotel Room Rentals - Fully Furnished

Studio/1BA Sublet/Temporary \$294/week

Bedrooms	Studio
Bathrooms	1 full, 0 partial
Sq Footage	340
Parking	1 dedicated
Pet Policy	Cats, Dogs
Deposit	\$0

DESCRIPTION

- * Free Cable TV
- * Free High Speed Internet
- * Microwave and Fridge
- * Toaster Oven
- * Iron and Ironing Board
- * Coin Operated Laundry Facilities
- * 24 hour front desk
- * Free Parking
- * Security
- * NO housekeeping services
- * Pets allowed - \$50 Pet Fee
- * Easy access to Rt. 95/128
- * Close to restaurants and downtown Waltham
- * 20 minutes from Downtown Boston



see additional photos below

RENTAL FEATURES

- Air conditioning
- Refrigerator
- Cable-ready
- Central heat
- Microwave
- High-speed internet
- Breakfast nook
- Laundry area - inside

Proposed Reform #4: Move towards a Multi-Disciplinary Approach to Rapidly Re-House Sheltered Families

Hennepin County, MN is a national example of the success that can be had from a properly staffed rapid re-housing model. In the past 16 year, the county has succeeded in placing over 8,000 families, including over 20,000 children, into housing. One year after case closing, 92% had not returned to shelter.¹⁰ A roster of potential community supporters that can help regions in Massachusetts reach similar results includes the following roles:

Housing Supply Specialists - The 20 mile rule is made more difficult to enforce when there is a lack of inventory available to place families in. There are currently a total of 49 hotels being used as shelter for families within the state. These 49 hotels are located within just 33 of the 351 (or 9.4%) cities and towns located throughout the Commonwealth.¹¹ The role of a Housing Supply Specialist would be to build up a local inventory of entry level housing options, using all means available, and to share this information with others in the community.

Housing Search Specialists - Since local staff has more of an opportunity to get to know each individual and family they should be given greater influence on placements.

Landlord Advisory Committee – This was considered as a critical role within the Hennepin County plan and is in place to build up and maintain a roster of landlords that are willing to accept low-income individuals and families.

Community Stakeholders – Using a centralized “Rapid-Exit Screener” similar to the version adopted by Hennepin County, MN all stakeholders will be able to triage incoming homeless families and refer them to the proper housing search specialists.

Proposed Reform #5: Improve the Data Tracking through the Introduction of a Centralized Intake System

To measure the success of any of these initiatives will require a sound data collection framework. There is currently an insufficient amount of data tracking being conducted for the 1434 homeless families living in hotels in Massachusetts. Under the current approach, the \$40M budget expense that is hotels being used as emergency shelter is being managed in an Excel spreadsheet. The data is provided by DHCD to community HMIS liaisons on a weekly basis but it is not in a usable format and lacks compliance with the HUD Homeless Management Information System (HMIS) Data Standards. This makes it extremely difficult for regions to report on the usage of these hotel units. The lack of universal data elements, aside from the personal identifiers for the adult head of household, may also have detrimental impacts to regional reporting, and subsequently regional funding. Case in point, the Brockton/Plymouth CoC had 498 hotel beds in inventory as of the night of the 2011 point in time count. No subpopulation data exists for any of these hotel clients so the annual HUD Point in Time count cannot be completed nor can these beds be included as part of the Annual Homelessness Assessment Report (AHAR).

Excel also lacks the ability to track history which results in DHCD managing one spreadsheet per year and creating a new one each time a new fiscal year starts up. To report over these spreadsheets to show performance measures touted in the upcoming HEARTH act, including recidivism or length of stay, would entail an intricate and cumbersome process of stitching each spreadsheet together, removing duplicates, reformatting the mashed data set into a usable format, and subsequently running the report. There is also no standardization of response categories so non-HUD questions such as “reason for homelessness” might use DV and Domestic Violence as responses. This becomes an issue when it comes to reporting as in reality both are one and the same. Using a properly structured data management application, whether it be HMIS or a separate system that can interface with it, would address this.

¹⁰ Wherley, Marge. “Community Spotlight: Rapid Re-Housing, Rapid Exit Program in Hennepin County, MN”

<http://hudhre.info/documents/HennepinCounty.pdf>

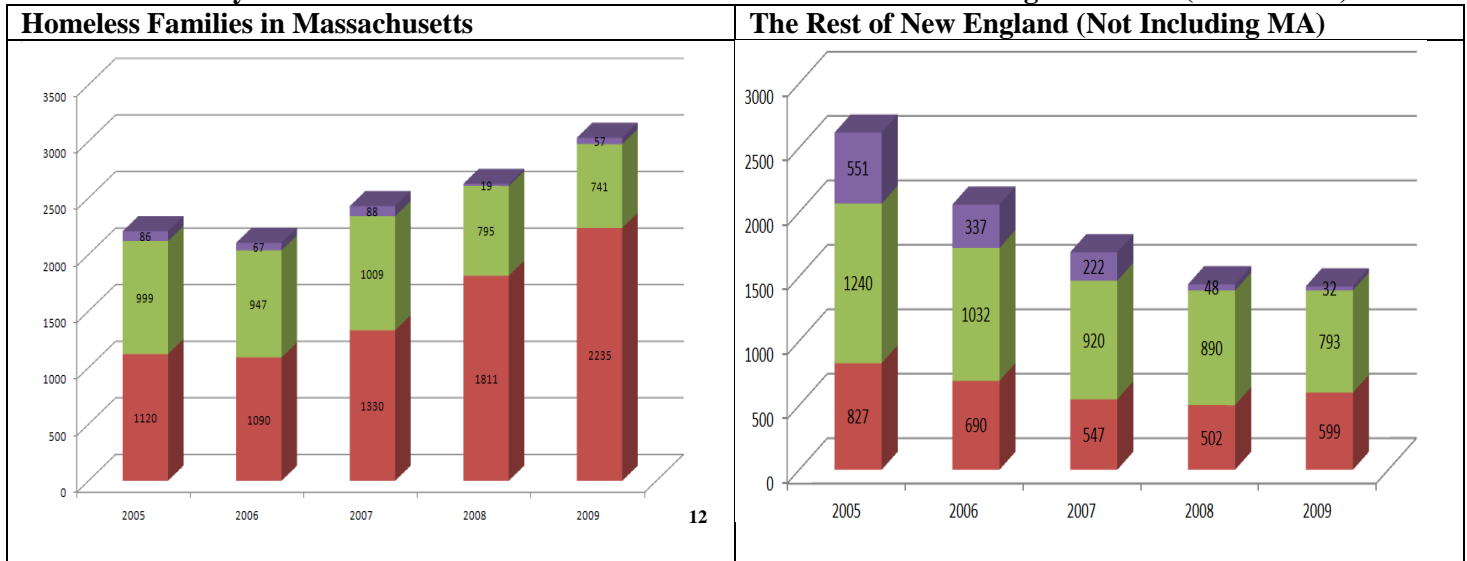
¹¹ <http://www.mass.gov/portal/government-taxes/local/cities-towns/cities-and-towns.html>

Proposed Reform #6: Region housing and shelter placement specialists should be able to assist with the local placements by working in collaboration with local emergency assistance (EA) offices and subsequently the central office. The ICHH Pilot project demonstrated that local placement worked well for the South Shore but the state decided to take away this responsibility despite it often being touted as a successful and innovative model. Local control allows for more creativity in housing approach while allowing regional stakeholders to align supportive services with housing. The current approach to place families in hotels with little or no regional supports has resulted in average Length of Stay per family surpassing 200 days per household as of 11/15/2011. Marge Wherley from Hennepin County, MN, a nationally recognized leader of the rapid re-housing and stabilization movement, has stated how important it is to manage landlord relationships and how it is “smart business” to align clients with the landlords. In the case of Massachusetts, the same could be true by expanding this to include managing relationships with hotel owners/managers. A more flexible approach of a de-centralization placement can be implemented while still allowing for that essential layer of management oversight while allowing market forces of supply and demand to dictate the cost of assistance. The added benefit of placement being controlled locally is the local oversight that can be wrapped in to ensure that landlords’ needs are addressed and the rights of the family are protected.

Proposed Reform #7: Either the state should consider moving away from a “right-to shelter” model OR the Federal Government should consider supporting all states in the adoption of a similar model.

The rationale for this proposed reform is that out of state families are being sheltered and provided assistance in the state of Massachusetts at an alarming rate. In April of 2009, Simtech Solutions shared the results of a [5 Year Trend Analysis of Homelessness Throughout New England](#) using annual point in time data gathered from all 43 Continuums of Care throughout New England, at the New England Regional HMIS (NERHMIS) conference held at UMass Boston. One of the more intriguing findings from the study was that family homelessness in Massachusetts continued to rise from 2005 to 2009 whereas all other states in New England saw a marked reduction in family homelessness (see Exhibit D below). While other factors may be at play, one of the more obvious policy differences between Massachusetts and other states is Massachusetts is considered a “right to shelter” state whereas others are not. “A benefit to one is a benefit to all” so all are eligible for assistance regardless of whether or not they came directly from another state or country that does not provide such a benefit.

Exhibit D: Family Homelessness Trends in Massachusetts Vs. All Other New England States (2005 – 2009)



■ Emergency ■ Transitional ■ Unsheltered

¹² Simtech Solutions Inc in Conjunction with NERHMIS - [5 Year Trend Analysis of Homelessness Throughout New England](#)

According to a second study conducted by Simtech Solutions on 9/16/09, an estimated 9.3% of the homeless families being sheltered within the state were from out of state. At the average price of \$91.14 per night, these 277 out of state families cost Massachusetts roughly \$9.2 million in hotel room costs alone (see Exhibit E below). Other costs such as those for supportive services, medical benefits, and transportation should be included in any true cost-benefit analysis. It is important to note that the "right to shelter" is not a uniform approach adopted by all neighboring states.

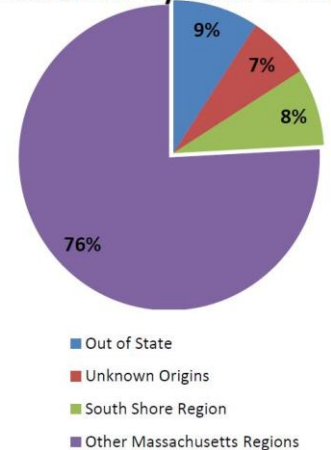
Exhibit E: Estimated Annualized Cost of Sheltering Families Originating from Out of State

Actual Counts of Homeless Families in Hotels	Count	% of State Total
Out of State	86	9.23%
Unknown Origins	63	6.76%
South Shore Region	76	8.15%
Other Massachusetts Regions	+	707
Total Number of Homeless Families in Hotels on 8/11	932	100.00%
Homeless Families in Most Recent Hotel Census*		1010
Total Homeless Family Units in Massachusetts*	+	2000
Total Homeless Families in Massachusetts on 9/16		3010

Estimated Counts of All Homeless Families in Shelters & Hotels	% of State Total	Estimate
Out of State	9.23%	277.7
Unknown Origins	6.76%	203.5
South Shore Region	8.15%	245.5
Other Massachusetts Regions	75.86%	2283.3
Total Number of Homeless Families in Massachusetts	100.00%	3010.0

Estimated Costs of Sheltering Out of State Homeless Families	
Total Annualized Costs of Hotels for Homeless Families*	33,600,000.00
Estimated Average Nightly Unit Rate	91.14
Costs for All Hotel Families Per Night	92,054.79
Percent of Hotel Budget Attributable to Out of State Homeless*	27.50%
Costs for Out of State Families in Hotels Per Night*	\$25,314.78
Total Annualized Cost of Providing Hotels to Out of State Homeless Families	\$9,239,892.92

Breakdown by Place of Origin



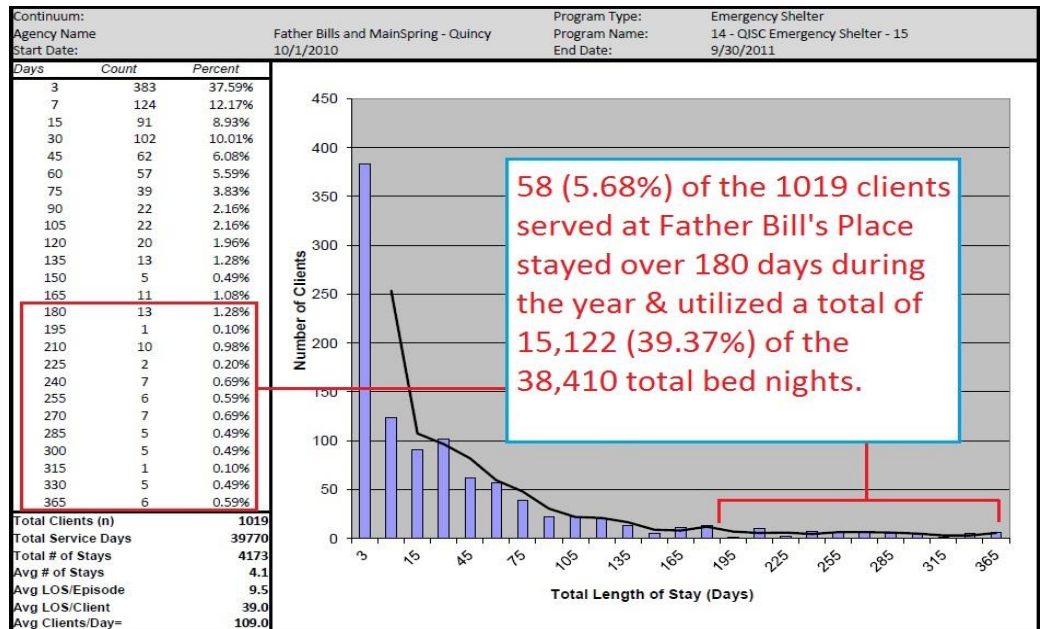
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¹³ Boston Globe, "Homeless Families Use of Hotels on the Rise". 9/16/2009

Proposed Reform #8: Determine assistance levels based on demonstrated need and shift the flow of money from shelter services to a system of per diem payments for successful re-housing and stabilization work. This practice is already being utilized by "Housing First" programs that came to the realization that targeting resources to those that consistently demonstrate need for them makes financial sense. The full report is entitled "[FBMS – Analysis of Stay Patterns and Impact on Occupancy Rates](#)" and should be looked at for more details on the usage of performance measures such as length of stay, recidivism on the service delivery model.

Heavy Users (180 days and over)

With the nightly cost of shelter services estimated at \$45/client it is actually 54 cents cheaper per client per month to provide the group of 66 "heavy users" with \$950 a month in housing assistance than it is to provide those same clients with shelter beds. Since these 66 clients consumed nearly 40% of the bed resources then if they were to be housed there would be a subsequent 40% reduction in demand for shelter. *As Father Bill's Place served an average of 113 clients per night in FY09, a 40% reduction in demand would result in the average nightly census dropping to 68 clients per night.*



CONCLUSION

We fully understand that addressing homelessness is an intricate issue and that there are those with opposing viewpoints on what the ideal approach is. Some suggest that more dollars should go towards prevention, others to shelter, and others yet to building up the affordable housing stock. Our intent is to help find the balance point so that the most impact can be had with each invested tax dollar. Given the need to maximize existing resources, this will require a coordinated approach to achieve a viable "no wrong door" community response.

We hope that our proposed reforms will be taken into consideration by the Commonwealth and that together we can cost-effectively reduce the number of families that are facing homelessness. It is our hope that our proposed reforms will help to get these individuals and families out of these expensive shelters and hotels and into more stable living environments while simultaneously freeing up precious resources that can be used for preventing future instances of homelessness. If you agree with any of our suggested reforms, please pass this document along to others that you think might benefit from this research. If you disagree, or find fault with any of our research, please let us know by emailing support@simtechsolutions.com. This is an ongoing learning process for all of us so please understand that your constructive criticisms are as welcome as any support you might have for ideas that we have shared.