

Seattle Homelessness Services



As part of Bloomberg Philanthropies' What Works Cities initiative, the GPL provided pro bono technical assistance to help Seattle 1) consolidate its contracts with homeless services agencies and 2) re-orient these contracts to focus on performance.

The Challenge: Despite an increase in spending on homeless services over the past five years, the number of people experiencing homelessness in Seattle has risen at an average rate of 13% per year between 2011 and 2016. Structural factors, including housing affordability, poverty, and inadequate mental health care, have contributed to this challenge, resulting in the Mayor's declaration of a state of emergency on homelessness in 2015. Moreover, the City's system of funding homeless services was not focused on achieving desired outcomes—specifically, permanent housing placements and retention. Historically, services have not been coordinated across providers, and for the last decade there has not been a competitive, strategic procurement for homeless services. Instead, the City relied on the renewal of legacy contracts and creation of new contracts to disburse additional funding. As a result, the City held roughly 200 contracts with 60 providers, with one provider having as many as 18 contracts for its different programs. Due to the high volume of contracts, contract managers on the City and provider side spent most of their time on administrative tasks, such as invoice and audit preparation. This left little time for monitoring performance to learn if spending was producing results, to flag operational challenges, and to develop and implement course corrections during the course of the contract.

The Project: To improve outcomes for people experiencing homelessness, Seattle and the GPL piloted a coordinated and strategic approach to funding homeless services with five service providers that collectively received \$8.5 million in spending. This approach:

- 1) **Consolidated contracts to align structure with goals.** The Human Services

Department (HSD) and providers merged 26 existing contracts into 8 portfolio contracts in order to free up staff time to focus on performance. The consolidation also gave providers more flexibility to shift funding and staff time between programs based on the need on-the-ground.

2) Re-oriented contracts to be more performance-focused, including by:

- a. **Specifying performance metrics.** Seattle lacked reliable, actionable, real-time information about the size of the homeless population, the barriers homeless households face in securing stable housing, and the role of HSD-funded services in helping the people experiencing homelessness overcome these barriers. Metrics for providers were inconsistent, sometimes even across the same program type, and focused primarily on counting activities rather than measuring outcomes. To better understand program impact, HSD collaborated with providers to identify consistent metrics that accurately measure program performance in real-time and can be aggregated to understand system-wide progress.
- b. **Streamlining reporting to improve data quality.** HSD previously collected data through three separate databases. These systems were not linked, which meant that HSD could not easily access all program or performance data for a specific provider. The GPL helped HSD identify what pieces of data it was capturing where, and streamline reporting through one system – the federally mandated Homeless Management Information Systems (HMIS). HSD partnered with service providers to improve HMIS data reliability and quality through a focus on improving data completeness and client consent rate, and now only uses information submitted through the HMIS portal to make decisions about key programmatic, funding and policy issues.
- c. **Implementing active contract management.** HSD realized that merely collecting and sharing data is insufficient. Instead, HSD set up a system with the GPL's support to regularly review program performance data to identify homelessness trends and challenges in delivering effective services. Using this information, HSD and providers can swiftly and collaboratively develop solutions to achieve better outcomes. HSD implemented a) monthly meetings with each provider, b) quarterly internal meetings, and c) quarterly executive meetings with groups of providers serving the same target population.

3) Prepared for the City's first comprehensive competitive procurement for homeless services in over a decade. The City used the procurement, which constituted \$30 million in spending and was released in June 2017, as a tool to expand results-driven contracting, adjust the portfolio of homeless services to meet system-wide needs, and transform the homeless services system to be person-centered, evidence-based, and racially equitable. The RFP scoring also took into account past performance of service providers.

The Results: Since the results-driven contracting pilot, HSD has expanded the use of the key metrics to all of its homeless services contracts. With these data, HSD will be able to a)

compare the performance of similar programs, b) identify characteristics or strategies of high-performing programs and share best practices amongst providers, and c) understand system-wide progress in moving people from homelessness to permanent housing. Anecdotal feedback from providers who participated in the pilot indicates that the contract consolidation has helped them direct more staff time to service delivery and performance improvement, reduced the volume of invoicing and reporting, and enable them to leverage newly flexible client assistance funding to better meet the needs of clients. Furthermore, through the RFP, HSD re-evaluated its spending on homeless services, expanded services that have the highest impact, and better matched service mix and budget amounts to the needs of the homeless population. HSD also expanded the use of portfolio contracts for grantees with multiple programs of the same type (such as multiple emergency shelters) to increase service flexibility and reduce administrative burden.

Finally, the City is now seeking to expand results-driven contracting to the procurement of new community safety services, including youth violence prevention services.