
August 18, 2023

Jennifer McGuirk, MPA, CIA
Multnomah County Auditor
501 SE Hawthorne Blvd., Room 601
Portland, OR 97214

Dear Auditor McGuirk,

The Joint Office of Homeless Services, the office of the Chief Operating Officer, and I would like to extend our gratitude to the Multnomah County Auditor's Office for completing this report focused on the Joint Office's relationship with contracted service providers. We appreciate the Auditor's thorough and thoughtful approach to these complex issues. There is no greater issue affecting our community right now than the thousands of people living unhoused in our County. This report reinforces the importance of the Joint Office's role in supporting our providers. We rely on these organizations to do the critical work of providing services and housing to people experiencing and at risk of homelessness.

In this letter, we acknowledge the audit recommendations and describe the commitment of County and Joint Office leadership in addressing those recommendations. In fact, some of this work is well underway, and this report helps validate that we are moving together in the right direction. We are pleased to offer early comments below about our plans for capturing and reviewing our performance, the lessons we've learned, and opportunities for improvement.

We have made much progress since the audit's inception in spring of 2022, a particularly challenging moment in time for the Joint Office, when many of the interviews for this report were conducted. And now, many months later and under the guidance of new leadership, we are focused on both correcting past mistakes and moving forward with plans to reduce homelessness in Multnomah County.

In recent months, the Joint Office has worked to address many of the underlying issues highlighted in the audit, including outlining priorities and milestones for fiscal year 2024. The following are among the initial steps taken:

- **Supportive Housing Services Corrective Action Plan finalized with Metro; overall spending pace also increased:** This plan, negotiated in detail with Metro, is targeted to spend down the nearly \$45 million in remaining fiscal year 2023 funds. Measures developed in the plan include investing nearly \$3.5 million in additional rent assistance, expanding the Clean Start employment program by \$1.5 million, committing to invest in the City of Portland's next two Temporary Alternative Shelter Sites, and investing in community-based organizations' resilience with \$10 million in capacity grants.

Independent of the Corrective Action Plan, the Joint Office was able to significantly increase the amount of Supportive Housing Services dollars making a difference in the community in the final quarter of the 2023 fiscal year. Investments in that quarter were more than double the previous three quarters combined. Metro is reviewing our fourth-quarter Supportive Housing Services report and will share more details later this month.

- **Built for Zero innovation through Housing Multnomah Now:** The outreach-focused streets-to-housing pilot program, serving people in Old Town/Chinatown, became a laboratory for a new geolocation outreach tool developed by the Joint Office in line with the Built for Zero initiative. There have been over 150 people assessed and 12 people placed into housing through the program. Soon, the Built for Zero team will expand the testing of the tool and pilot a new approach to Coordinated Access, our centralized housing and services system. This pilot will bring data collection, along with an entrypoint to housing and services, directly to people living unsheltered — including people who've never received traditional services.
- **Convening of Joint Office providers:** For the first time in a very long time, many of the Joint Office's providers were invited to a convening with the Chair, Joint Office leaders, and the County Chief Operating Officer to discuss barriers to success along with opportunities for system and operational improvement. That first meeting, a high priority for the Chair, took place on June 23, 2023. This group will be convening again in September and on an ongoing basis moving forward, and we will be working to ensure that each provider on contract with the Joint Office has the opportunity to attend.
- **Extension of the Joint Office's founding intergovernmental agreement:** The agreement was approved for another year, but with the addition of milestone markers for continuous engagement over the next six months, and an evaluation of further partnership set for December 2023.
- **Partnering with the City of Portland:** Beyond the intergovernmental agreement, the Joint Office and the City are working through a series of additional funding and programming agreements, ranging from shelter expansion to domestic violence services.
- **Evaluation of Joint Office Operations:** The Joint Office's contract with Health Management Associates to conduct a coordinated evaluation of the department's operations, processes, and outcomes — in coordination with staff and community partners — will soon produce a report and work plan to increase efficiency and accountability.
- **New website for the Joint Office:** In order to better serve our needs around transparency and data, this site is designed for easier navigation and better delivery of information. Next we'll be incorporating feedback from a data task force the Chair convened to further improve our new dashboard.
- **Publication of a study focused on provider wages:** Earlier this month, the Joint Office published a study analyzing classification, compensation and benefits among employees of 20 homeless service providers contracted by the department. The study's findings clarified the challenging workforce conditions in the homeless services sector. Continued systemic changes will be needed to address this, but we are starting with investments in providers: the County's 2024 budget includes an 8% cost-of-living adjustment for human service contracts, building on a total 7% cost-of-living adjustment from last year's budget.

We appreciate the opportunity to offer initial responses to the provided recommendations.

Recommendation 1

*To reduce the planning and communication barriers that silos cause, **Joint Office management should schedule regular communication between homeless service systems, including both Joint Office staff and homeless service providers.** Due date: January 1, 2024*

We agree with this recommendation, and the work is in progress. The Joint Office's contract managers meet with providers quarterly at minimum, but many providers have weekly or monthly meetings with their Joint Office contract managers. Joint Office leaders also will continue to attend the Chair's recently launched convenings with contracted providers.

To facilitate coordination and communication between the Joint Office and providers, the department has already increased the number of standing meetings attended by providers, covering a wide range of programs. These meetings include, but are not limited to:

- Weekly public health and safety meetings between the Joint Office, the City of Portland, and providers, focused on campsite clean-up and street outreach
- Bi-weekly outreach and engagement meetings
- Bi-weekly coordinated access meetings focused on domestic and sexual violence (DSV) programming
- Monthly DSV Family Violence Coordinating Council meetings
- Monthly DSV Implementation Team (System Coordinating Body) meetings
- Bi-weekly planning meetings with homeless youth continuum providers
- Monthly Homeless Families System of Care leadership team meetings
- Monthly adult and family shelter meetings
- Weekly Family Mobile Housing Team coordination meetings
- Monthly Coordinated Access for Adults leadership team meetings
- Bi-weekly Adult Coordinated Access case conferencing meetings
- Weekly Permanent Supportive Housing lease-up meetings
- Veteran By-Name List monthly meetings

The Joint Office will continue to explore additional opportunities to strengthen and expand communication channels with contracted providers.

Recommendation 2

*We appreciate that the finance team has made their invoice review process more robust. However, we found instances of large payments being delayed in order to get documentation for small issues. To improve timely payments to providers, **Joint Office finance staff should adjust their process so that the payments in question are reviewed, but do not prevent the rest of the invoice from being processed.** Due date: June 1, 2024*

We agree with this recommendation, and the work is already underway. The Joint Office understands the importance of on-time payments to providers, which is why we have already been taking proactive steps to improve our processes.

The Joint Office finance team initiated a continuous quality improvement initiative in November 2022. Through a comprehensive examination, we identified ways to streamline our procedures and increase efficiency in order to meet payment objectives. The finance team will continue to examine our current processes, with a primary focus on improving the invoice review process and the invoice package — identifying and addressing any issues that may be causing delays. Additionally, we have set a targeted goal for all of our invoice payments to meet the NET 10 timeline — currently, 80% of invoice payments are delivered in that timeline.

Additionally, we are conducting a focused quality improvement analysis on our invoice submission process. We believe improving this first step to our payment process will enable the

providers to easily and accurately submit their invoices. This will result in reduced need for their invoices being sent back for corrections, which can delay payment. The invoice documents will specifically be reviewed with the goal of making them current, intuitive and user-friendly.

Recommendation 3

*To ensure that providers receive timely and complete contracts and contract amendments, **Joint Office management should hire contract management specialists to oversee the process so that the Joint Office does not have to rely on an outside department for assistance.***

Due date: June 1, 2024

This has been achieved. As of June 20, 2023, the Joint Office has hired two contract specialist seniors to assume responsibility for overseeing the internal contract process. Furthermore, the two contract positions are supported by a supervisor who primarily focuses on managing contracts and accounts payable. This development ensures the Joint Office has a dedicated team in place to handle all contract-related matters and help smooth operations in the area of accounts payable.

Recommendation 4

*Program Specialists/Program Specialist Seniors have a conflict of interest in being both the primary advocate for homeless service providers and also the ones who hold them accountable for meeting performance measures. **Joint Office management should modify the Program Specialist role so that this conflict of interest is eliminated.** Due date: January 1, 2024*

The Joint Office understands the importance of effectively balancing the multiple demands inherent in the Program Specialist role, but we do not necessarily agree with this recommendation. Every position within the Joint Office carries the responsibility of advocating for service needs, while holding homeless service providers accountable. From program staff to the data team to executive leadership — all of the department's roles balance support and accountability. It's also important to note that program staff advocate for service needs within the context of the system and its overall performance, rather than for specific organizations.

Approaching how to balance those responsibilities is a priority for program managers working with their teams. Program managers and program staff routinely discuss strategies for balancing these dual roles, and managers engage staff in reviews of best practices around these topics. One tool for this is the Joint Office's Racial Equity Lens Tool that guides staff in using an equity lens when considering a decision.

Program specialists are also encouraged to ask for help from their managers if they are encountering problems balancing those roles.

Recommendation 5

*Performance measures are an important way to ensure that money spent on homeless services are efficient and equitable. Currently, staff have a lot of latitude to change performance measures when providers are unable to meet them. **Joint Office management should create***

a list of criteria that must be met in order to change performance measures to ensure fairness among providers. Due date: June 1, 2024

We recognize that this has been a past problem, and we took steps to help address this ahead of fiscal year 2024. In March 2023, the Joint Office's program managers started providing intensive training to contract managers ahead of contract renewal negotiations for fiscal year 2024. This included a half-day contract management training that will be repeated on an annual basis. Program managers are also now holding quarterly intensive work sessions with contract managers for additional training, sharing of best practices, and opportunities to learn from each other.

These trainings include guidance on how to negotiate with providers about any adjustments to outcomes goals during the renewal process, including information on when to escalate and involve Joint Office leadership in that negotiation.

Before the contract renewal process for fiscal year 2024, program staff received clear guidance on how to negotiate adjustments to outcomes measures and ensure providers adhere to objective and measurable outcomes.

Staff are instructed to consult with their manager before approving any reductions in housing placement outcomes. For metrics that aren't housing placement outcomes, contract managers can approve adjustments as long as they ensure the request is reasonable and that proposed reductions do not significantly alter the program.

Some of the considerations included in the guidance for negotiating changes to providers' outcomes goals are:

- Considering if outcome goals were consistently met, underperformed or exceeded.
- Considering if providers completely spent down program funds and whether they are on track to spend down this year's funding.
- Considering whether funds were reallocated to ensure spend-down, and if funds were consistently underspent, seeking to understand any requests for additional funding.
- Considering average costs per household/individual across similar programs and interventions, and considering the reasonable cost per outcome.

Before fiscal year 2025 negotiations begin, the Joint Office can revisit these directives and ensure the guidance for adjusting performance measures is clear and used consistently across contracts.

Recommendation 6

*Not all homeless service providers and Joint Office staff are aware of the Joint Office's strategic vision. **The Joint Office executive management needs to communicate their strategic vision to providers and staff.** Due date: January 1, 2024*

We agree with this recommendation, and recognize that there is a need to increase clarity about strategic vision at the Joint Office, both internally and with providers.

During the period of this audit (2022 and early 2023), the Joint Office struggled with leadership transitions at all levels. The department did not have a permanent director for over a year, and during that time several other executive positions saw vacancies and turnover. Additionally, the Joint Office experienced rapid growth as a result of increased funding from the Supportive Housing Services Measure, and with that, a major expansion of the goals of the department.

Since May, the Joint Office has filled two critical positions on its leadership team, including appointment of a permanent director and an experienced finance and business operations leader. Later this month, the office will announce the hiring of a deputy director as well. We expect this new leadership team will quickly be able to solidify and effectively communicate its strategic vision to contracted providers and staff.

In the past few months, County and Joint Office leaders have worked to increase transparency both with Joint Office staff and with provider partners. Joint Office leadership and County leadership, including Chair Vega Pederson, met with leaders of several homeless service providers contracted with the Joint Office, with the first meeting taking place on June 23, 2023. Additionally, the Joint Office has increased the number and type of meetings directly with providers, as outlined in our response to Recommendation 1. Additional communication efforts are planned, as outlined in our response to Recommendation 7.

Internally, the Joint Office is working to increase executive communication with staff, including increasing all-staff emailed updates from Director Dan Field and sharing information at mandatory all-staff meetings. The department's communications team is launching an internal, employee-facing newsletter that will include regular executive team updates, and is considering the feasibility of launching a provider-facing newsletter.

As the Joint Office strengthens its strategic vision, as well as hires additional leadership positions such as a new deputy director, the department will be in a strong position to increase clarity about its vision with staff and providers.

Recommendation 7

*Fewer than half of homeless service providers surveyed felt the Joint Office was doing a good job communicating policies and system goals. **Joint Office management should ensure they send regular communications to service providers to address policies and goals. Due date: January 1, 2024***

This work is in progress. The Joint Office is currently designing a quarterly conference/forum with providers to regularly engage them on a variety of topics, including provider leadership and staff time and capacity. Joint Office staff will present information, solicit feedback and recommendations, and hold work sessions with providers to scope new bodies of work, policies, and goals. The Joint Office is on track to host the first of these conferences in October 2023.

Recommendation 8

*Currently, providers submit equity plans, but Joint Office staff do not review them, which is a missed opportunity for improving equity among service providers. **Joint Office management***

should train staff on how to review equity plans and have them review equity plans submitted by providers. Due date: June 1, 2024

The Joint Office agrees with this recommendation, and this work is well underway. The Joint Office on-boarded an equity manager in October 2022, after this audit's initial survey period. Improving the Joint Office's engagement with and support of provider equity plans was a top priority for her first year, with the ultimate goal of improving equity across the system of care by providing support and accountability to providers on their equity work plans.

The Joint Office's equity manager held listening sessions with contract managers in spring 2023, with those listening sessions identifying ways in which the Joint Office equity team can provide support and training for both Joint Office contract managers and providers.

The Equity Team is providing support, technical assistance and feedback to both contract managers and interested providers on their equity plans for this current fiscal year (FY 2024) as well as reviewing equity plans from the previous fiscal year (FY 2023).

Next steps include engagement with providers about concerns and recommendations, an audit of current equity plans to determine common themes and baselines, and training and support of both Joint Office contract managers and equity staff at providers to engage with and monitor equity plans (with the help of the equity team). The Joint Office is on track to meet this goal by June 1, 2024.

The Joint Office's equity manager has an additional goal of scoping and convening an equity professionals consult group, with the hopes that providers can share subject matter expertise and navigate/support equity work with one another and the Joint Office.

Thank you again for the opportunity to partner with you around these recommendations. We are ready to lean into these efforts and continue improving the way we partner with our contracted providers. We look forward to keeping you updated on this important work in the months ahead.

Sincerely,



Jessica Vega Pederson
Multnomah County Chair



Serena Cruz
Multnomah County Chief Operating Officer

A handwritten signature in black ink, appearing to read 'Daniel Field', with a long horizontal stroke extending to the right.

Daniel Field
Joint Office of Homeless Services Director