

**Housing and Community Services Department
Service Delivery Report**

The 2013 Legislature approved one year of operating expenses for existing Housing and Community Services Department programs and directed the agency, via budget note, to report to the Legislature during the 2014 session on alternate service delivery models for 2015 and beyond. In response, HCSD began a multi-month effort to examine its operations and solicit feedback from stakeholders.

Housing and Community Services Department recommendations include simplifying program rules and reporting requirements; redesigning policy and governance structure to provide clear guidance and priorities; aligning and coordinating with other state agencies and partners so that housing investments and other related supports move more people out of crisis and toward prosperity; moving local service delivery partners toward performance based contracting; and moving food and volunteer programs to other areas of state government.

Discussion in subcommittee emphasized the expectation that the Department have a practical implementation plan as well over-arching aspirational goals. The majority of the recommendations will be proposed for implementation in conjunction with regular 2015-17 budget processes. The Legislature is likely to see policy option packages that reflect transfers of programs where recommended, as well as streamlined reporting and administration evidenced by reductions in FTE and expenditures. Changes in Key Performance Measures will also be proposed and approved through the budget process, as is customary.

In keeping with the agency's plan to implement the larger changes in 2015-17, General Fund allocation and expenditure limitation sufficient to continue operations for the current biennium on a largely status quo basis are recommended for inclusion in the 2014 omnibus budget bill.

The Transportation and Economic Development Subcommittee recommends acknowledging receipt of the report.