

# PERFORMANCE AUDIT

Work in progress: Audit description

## Contracted Homelessness Services

### Improving how local governments prioritize contracts and manage provider performance

Washington's homeless response system is decentralized. Counties and cities lead local efforts to end homelessness, while the Department of Commerce sets statewide guidance. Local governments receive millions of dollars in funding from federal, state and local sources to help people experiencing homelessness. Commerce sets performance measures to help local governments evaluate progress toward achieving statewide goals for ending homelessness.

Local governments contract with providers to deliver homeless services, such as emergency shelter and permanent housing. As they identify and prioritize the services they procure, they consult their homeless strategic plan, community and provider input, client data, and grant requirements. The nature and cost of providing homeless services can draw considerable community concern. For some governments, these concerns may lead leadership to bypass their own processes to prioritize and purchase services. This may affect governments' ability to meet the greatest needs given limited resources.

Once it has selected a service provider, the local government develops a contract which includes outcome-based performance measures to evaluate provider performance. It can take corrective action if a provider does not make progress toward achieving desired outcomes, which can range from providing technical assistance to withholding payments or, in rare cases, contract termination. However, factors such as limited provider capacity and operational challenges triggered by the pandemic may affect how consistently local governments address performance gaps. These issues may affect the state's ability to meet its goal of ending homelessness.

Improved service prioritization and performance management processes could help governments focus resources where they are needed most and strengthen provider performance. In turn, these improvements could improve the likelihood of desired outcomes for people experiencing homelessness.

#### Preliminary scope and objectives

This audit will examine how effectively selected cities and counties identify and prioritize the homeless services they procure, and how effectively they monitor providers to ensure they meet performance benchmarks. The audit seeks to answer questions about how these local governments can improve the following processes:

- Identifying and prioritizing homeless service needs for contracting
- Monitoring and addressing provider performance gaps

**Timing** – We plan to publish a report detailing our findings in summer 2022.



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