2012

CoC Program Funding for Homeless Management Information Systems (HMIS)

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1. THE CONTINUUM OF CARE (COC) PROGRAM

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act. Among other changes, the HEARTH Act consolidated the three separate McKinney-Vento homeless assistance programs (Supportive Housing Program, Shelter Plus Care program, and Section 8 Moderate Rehabilitation SRO program) into a single grant program known as the Continuum of Care (CoC) program.

HUD published the Continuum of Care Program Interim Rule in the *Federal Register*. The rule was posted on HUD's web site and now governs the CoC Program.

The CoC Program is designed to assist individuals (including unaccompanied youth) and families experiencing homelessness and to provide the services needed to help such individuals move into transitional and permanent housing, with the goal of long-term stability. More broadly, the program is designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

Each year, HUD awards CoC Program funding competitively to nonprofit organizations, States, and/or units of general purpose local governments, collectively known as **recipients**. In turn, recipients may contract or subgrant with other organizations or government entities, known as **subrecipients**, to carry out the grant's day-to-day program operations.

1.1 Overview of CoC Program User Guide Series

A series of User Guides is being developed to help CoCs, recipients, and subrecipients administer CoC funds (see box on next page). Recipients and subrecipients are the primary audience for the User Guide series. All user guides will be accessible on the OneCPD Resource Exchange when they are available.

This User Guide provides an overview of the Homeless Management Information System (HMIS) and the CoC's responsibilities in relation to HMIS and describes how CoC Program funds can be used by the HMIS lead and by other recipients to support the implementation of HMIS.

Overview of Forthcoming CoC User Guide Series

Establishing and Operating a CoC: This user guide outlines how to create an effective and representative Continuum of Care in order to fulfill the roles and responsibilities set out in the CoC Program interim rule.

Introduction to Unified Funding Agencies (UFA): This user guide discusses the process for becoming a UFA and the roles and responsibilities that accompany it.

Determining and Documenting Homeless and At Risk Status, Income, and Disability: This user guide discusses the criteria used to define homelessness and at risk of homelessness, including income, disability, and associated recordkeeping requirements.

CoC Program Components and Eligible Costs: This user guide reviews the five CoC Program components and the costs that recipients and subrecipients may incur in administering and operating CoC projects.

CoC Program Funding for Homeless Management Information System (HMIS): This user guide reviews the role of the HMIS within the CoC and the differences between eligible HMIS costs incurred by recipients as part of a project and eligible costs incurred by the HMIS lead in establishing, operating, and overseeing the use of the CoC's HMIS.

CoC Program's High-Performing Community: This user guide discusses how CoCs may become a high-performing community (HPC) and provide homelessness prevention assistance. It also outlines the populations that may be served, the specific activities that may be funded, and the additional requirements associated with administering the activities.

Project Administration and General Program Requirements: This user guide describes project administrative costs and general program requirements applicable to the CoC Program—regardless of which components are carried out—such as match, calculating rents and occupancy charges, timeliness standards, and terminations.

Grant Administration: This user guide reviews the standards for administering a CoC grant, including recordkeeping requirements and how to make project changes.

1.2 Citations within the Guides

Throughout this guide, you will see references to specific provisions of the McKinney-Vento Homeless Assistance Act as well as references to the Code of Federal Regulations (CFR). You may locate the relevant areas in the Act by visiting www.onecpd.info/resources/documents/HomelessAssistanceActAmendedbyHEARTH.pdf.

To locate particular regulations, visit ecfr.gpo.gov/ and select Title 24 for the HUD regulations. You may then select the particular part by number that you want to read.

While this User Guide helps clarify the use of CoC Program funds for HMIS, the guide does not provide a review of the HMIS Requirements Final Rule. Applicants that receive HMIS funding will also need to review and comply with all relevant program requirements contained in 24 CFR part 578, such as the recordkeeping requirements, and other related regulations.

2. CoC HMIS Participation Requirement

With enactment of the HEARTH Act, HMIS participation became a statutory requirement for recipients and subrecipients of CoC Program and Emergency Solutions Grant (ESG) funds. The CoC Program interim rule clarifies the CoC's responsibilities related to HMIS and specifies HMIS as an eligible cost at the community and project level. This guide provides a brief description of HMIS, the basic requirements for participation in HMIS, and the ways in which CoC funding can be used to support HMIS implementation.

2.1 HMIS Description and Purpose

The term Homeless Management Information System (HMIS) refers to the information system designated by CoCs to comply with the requirements of 24 CFR part 578.7 and used to record, analyze, and transmit client and activity data in regard to the provision of shelter, housing, and services to individuals and families who are homeless or at risk of homelessness (24 CFR part 580.3).

The CoC Program interim rule specifies that the CoC is responsible for selecting an HMIS software solution, designating an eligible applicant to serve as the HMIS lead and manage the system, providing oversight for key HMIS policies, working with the HMIS lead to ensure consistent provider participation (Exhibit 1), and ensure the quality of HMIS data.[1] Once the CoC achieves high participation rates among projects that serve persons experiencing homelessness, then the CoC can use the data in HMIS to support its planning and operational responsibilities. An HMIS can be used to:

- Produce an unduplicated count of persons experiencing homelessness for each CoC

- Describe the extent and nature of homelessness locally, regionally, and nationally

- Identify patterns of service use

- Measure program effectiveness

HMIS Provider Participation

Participation in HMIS is required for projects funded with McKinney-Vento Act programs. Although the HMIS regulations are not yet final, HUD first established HMIS Data and Technical Standards in 2004. In 2010, the Data Standards were updated. Updates to the Technical Standards are forthcoming. Until HMIS regulations are promulgated as a Final Rule, grantees should continue to follow the instructions and guidance provided in the current HMIS Standards. (See Section 2.2 of this guide.)

HUD expects CoCs to use HMIS data to track their progress in meeting CoC and project-specific performance goals, to support community-wide planning, and to identify how best to direct resources to prevent and end homelessness. CoCs need high-quality HMIS data to complete the homelessness components of the Consolidated Plan and to meet HUD reporting requirements, such as the required Annual Performance Report (APR) and Annual Homeless Assessment Report (AHAR). Finally, HMIS data are essential to documenting a CoC's qualifications as a high-performing community.

2.1 Responsibilities Assigned to the CoC for HMIS Implementation

The CoC Program interim rule establishes that each CoC is responsible for:

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[1] Since HMIS requirements affect more than the CoC Program, 24 CFR part 580 is published as a separate regulation and specifies the minimum requirements for the HMIS and its implementation.

- Selecting and designating a single HMIS solution for the geographic area covered by the CoC

- Designating an eligible applicant—known as the HMIS lead—to be responsible for managing the CoC's HMIS

- Reviewing, revising, and approving a privacy plan, security plan, and data quality plan for the HMIS and incorporating into the CoC's Governance Charter the policies and procedures needed to implement these plans and comply with other HMIS-related requirements

- Ensuring consistent HMIS participation from recipients and subrecipients

- Ensuring that the HMIS is administered and implemented in compliance with the requirements established by HUD.

2.2 Applicable Standards

On December 9, 2011, HUD published the proposed rule titled "*Homeless Management Information Systems Requirements*" (76 FR 22 76917). The rule provides for uniform technical requirements for HMIS and for proper data collection and maintenance of the database and ensures the confidentiality of the information in the database. Until the HMIS regulations are promulgated in final rule, grantees should continue to follow HUD's existing HMIS instructions and guidance.

Current applicable HMIS notices include:

- 2004 HUD Data Standards and Technical Notice (See the technical standards.)

- 2009 Homelessness Prevention and Rapid Re-Housing Program (HPRP) Notice (See the guidance on comparable databases.)

- March 2010 Revised Data Standards Notice (See Section 2 - program descriptor data elements, Section 3 - universal data elements, and Section 4 - program-specific data elements.)

The HMIS standards also require organizations to comply with any Federal, State, and local laws requiring additional confidentiality protections, including but not limited to:

- The Health Insurance Portability and Accountability Act (HIPAA) of 1996 (45 CFR parts 160 and 164)

- The Confidentiality of Alcohol and Drug Abuse Patient Records Rule (42 CFR part 2)

- Violence Against Women and Department of Justice Reauthorization Act of 2005 (42 U.S.C. 13925)

> **Definition of Victim Service Provider**
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> Victim service provider means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs (24 CFR part 576.2).

Future HUD notices will publish specific details applicable to HMIS technical standards, security standards, data quality standards, and data collection requirements to allow for flexibility in adapting to changing technology and new program requirements.

2.3 Implementing HMIS Activities and Comparable Databases

Once an HMIS that meets HUD requirements is in place, recipients will be required to ensure that data on all persons served and information about the assistance they received from CoC Programs are entered into the designated HMIS. Data entry must follow HUD's standards on participation, data collection, and reporting under a local HMIS (24 CFR part 578.57(a)(3)).

Victim service providers and legal service providers are exempted from entering data directly into a CoC's HMIS because of privacy and confidentiality considerations. Victim service providers are prohibited by law to directly enter or provide client-level data to an HMIS, and legal service providers may choose not to enter client-level data into an HMIS.

While they may be exempt from direct client-level data entry into HMIS, CoC recipients that are victim service providers or legal service providers still must keep required data in a comparable database. Information entered into a comparable database **must not** be entered directly into or provided to an HMIS (24 CFR part 578.57(a)(3)).

A comparable database allows the recipient and the CoC to obtain the needed aggregate data while respecting the sensitive nature of client-level information. The comparable database must collect client-level data over time and generate unduplicated aggregate reports based on those data. The comparable database may not be a database that records only aggregate information. Comparable databases must comply with all HMIS data, technical, and security standards as established in rule or notice.

The 2009 Homelessness Prevention and Rapid Re-Housing Program (HPRP) Notice established standards for comparable databases. In the HMIS Requirements Proposed Rule, HUD proposes to adopt the HPRP comparable database requirements to ensure that CoC recipients will be able to carry out their required duties effectively and evaluate their system-wide performance properly. When the HMIS Final Rule is published, those new rules will govern HMIS activities under a CoC.

3. HMIS ACTIVITIES AND ELIGIBLE COSTS

The CoC Program interim rule specifies HMIS as an eligible use of CoC Program funds. CoC funds can be used to support the expense of operating the HMIS, under the HMIS program component, and the expense of contributing data to it, as an eligible cost under the other program components. Only the HMIS lead designated by the CoC may apply under the HMIS program component, as the eligible costs are much broader under the HMIS program component than the HMIS costs eligible under other program components. Exhibit 3 on page 8 provides an overview of eligible costs under the HMIS component and the HMIS activity.

3.1 HMIS Program Component Eligible Costs

The HMIS lead designated by the CoC may apply for CoC Program funds to establish and operate the CoC's HMIS. Under the HMIS program component, the HMIS lead agency may apply for funds to support:

- Leasing a structure in which the HMIS operates;

- Operating the structure in which the HMIS operates; and

- Establishing, operating, and customizing a CoC's HMIS, as outlined below in Exhibit 1.

Exhibit 1: Costs Related to Establishing, Operating, and Customizing a CoC's HMIS
• Hosting and maintaining HMIS software or data • Backing up, recovering, or repairing HMIS software or data • Upgrading, customizing, and enhancing the HMIS • Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients that use several software systems • Administering the HMIS • Reporting to providers, the CoC, and HUD • Conducting training in use of the HMIS, including travel to the training *(24 CFR part 578.57(a)(2))*

Structures used as a facility for HMIS activities may also be used for other purposes. However, funds will be available only in proportion to the use of the structure for HMIS activities. If eligible and ineligible activities are carried out in the same structure, any HMIS-related leasing or operating costs will be prorated according to the amount of time or square footage of space used for eligible versus ineligible activities (24 CFR 578.37(c)).

3.2 Eligible Costs for Contributing Data under All Other CoC Program Components

Applicants applying for CoC funding for projects under other components (i.e., Permanent Housing, Transitional Housing, Supportive Services Only, or Homelessness Prevention) may include costs associated with contributing data to the designated HMIS in their application. Exhibit 2 lists the eligible costs related to recipients' and subrecipients' use of an HMIS and contribution of data (24 CFR part 578.57(a)).

Exhibit 2: Eligible Costs under the HMIS Activity under All Components
Hardware, Equipment, and Software Costs

• Purchasing or leasing computer hardware • Purchasing software or software licenses	• Purchasing or leasing equipment, including telephones, fax machines, and furniture

Training and Overhead	
• Paying for electricity, gas, water, telephone service, and high-speed data transmission needed to operate or contribute data to HMIS • Paying costs of staff travel to and attendance at HUD-sponsored and HUD-approved training in HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act	• Leasing office space • Paying participation fees charged by HMIS lead if recipient or subrecipient is **not** the HMIS lead (HMIS lead is the entity designated by the CoC to operate the area's HMIS.) • Paying costs of staff travel to conduct intake • Obtaining technical support

Staffing	
• Paying salaries for operating HMIS • Data analysis • Data entry • Monitoring and reviewing data quality • Reporting to HMIS lead	• Training staff in use of HMIS • Implementing and complying with HMIS requirements • Completing data analysis

Comparable Database Costs for Victim and Legal Services Providers

A recipient or subrecipient that is a victim services provider or legal services provider and that is not participating in the CoC's designated HMIS may use CoC Program funds to establish and operate a comparable database that complies with HUD's HMIS requirements (24 CFR part 578.57(a)(3)*)*. These recipients should apply for funds under the program component associated with their proposed activities, but they are allowed to apply for the eligible costs specified in Exhibits 1 and 2 relative to their comparable databases.

Funding Multiple Activities

While CoC Program funds may be used for all of the eligible costs specified in the CoC Program interim rule, there are restrictions on funding certain costs in combination with others. The restrictions vary depending on the proposed program component. When structuring project budgets, recipients and subrecipients should verify that all program activities can be combined under the identified program component (24 CFR part 578.79).

Related Administrative Costs

Staff and overhead costs directly related to carrying out HMIS activities are considered part of the HMIS budget and are **not** subject to the CoC's 10 percent project administrative cost limit.

Exhibit 3: Eligible Costs under the HMIS Activity under All Components	
HMIS Component - Eligible Costs **HMIS Lead Only**	**HMIS Activity - Eligible Costs** **For Both CoC Programs AND HMIS Lead**
• Purchasing or leasing hardware • Purchasing software or software licenses • Purchasing or leasing equipment including phones, fax machines, and furniture • Paying for electricity, gas, water, telephone service, and high-speed data transmission needed to operate or contribute data to HMIS • Paying costs of staff travel to and attendance at HUD-sponsored trainings on HMIS • Leasing office space • Obtaining technical support • Participation fees • Salaries for operating HMIS • Data collection • Data entry • Monitoring and reviewing data quality • Reporting to HMIS lead • Training staff in use of HMIS or comparable database • Implementing and complying with HMIS requirements • Completing data analysis • Hosting and maintaining HMIS software or data • Backing up, recovering, or repairing HMIS software or data • Upgrading, customizing, and enhancing the HMIS • Integrating and warehousing data, including development of data warehouse for use in aggregating data from subrecipients that use several software systems • Administering the HMIS • Reporting to providers, the CoC, and HUD • Conducting training in use of the HMIS or a comparable database, including travel to the training	• Purchasing or leasing hardware • Purchasing software or software licenses • Purchasing or leasing equipment including phones, fax machines, and furniture • Paying for electricity, gas, water, telephone service, and high-speed data transmission needed to operate or contribute data to HMIS • Paying costs of staff travel to and attendance at HUD-sponsored trainings on HMIS • Leasing office space • Obtaining technical support • Participation fees • Salaries for operating HMIS • Data collection • Data entry • Monitoring and reviewing data quality • Reporting to HMIS lead • Training staff in use of HMIS or comparable database • Implementing and complying with HMIS requirements • Completing data analysis

4. Client Confidentiality Requirements

In addition to meeting the confidentiality and security requirements for HMIS data, recipients and subrecipients must develop and implement written procedures to ensure confidentiality (24 CFR part 578.103(b)(i)). This requirement applies to both HMISs and comparable databases.

Requirements for protecting confidentiality will be promulgated in the HMIS Privacy Standards Notice.

APPENDIX A: FREQUENTLY ASKED QUESTIONS (FAQS)

1. **Q: What is the difference between HMIS as a <u>program component</u> and HMIS as an <u>eligible cost</u>?**

   A: Under the CoC Program, HMIS can be funded as a program component and an eligible cost.

   Program components establish the overall purpose and nature of the project that is being funded, whereas eligible costs specify what may be funded by the grant. Each program component is associated with eligible costs. There are five CoC Program components. All CoC projects must fit into one of these components. A project cannot include multiple components. When preparing a grant application, an applicant must first choose the program component that they want to apply under, and then it must specify the eligible costs it is seeking to be funded by the grant.

   Allowable CoC Program Components include:

   1. Permanent housing (which includes permanent supportive housing for people with disabilities and rapid re-housing)
   2. Transitional housing
   3. Supportive services only
   4. HMIS
   5. Homelessness prevention

   Only an HMIS lead may apply for an HMIS dedicated project (i.e., HMIS component), whereas any project applicant may include HMIS eligible costs in their grant applications under the other program components. Eligible costs under the HMIS component are broader than those allowed under other program components.

   For example, the Homeless Coalition, the HMIS lead for the CoC, receives a CoC Program grant under the HMIS program component to fund its CoC-wide HMIS system, including leasing its offices, staffing the CoC-wide system, and other costs associated with operating the HMIS. A different agency within the CoC receives a CoC Program grant under the permanent housing program component, which includes HMIS eligible costs to fund HMIS licenses and other costs associated with contributing data to the HMIS.

2. **Q: Who is eligible to access CoC funds under the CoC HMIS program component?**

   A: Only HMIS leads are eligible to apply for funds under the CoC HMIS program component. While other applicants can apply for HMIS costs under the other component types, the following costs are unique to the HMIS component:

   1. Hosting and maintaining HMIS software or data;
   2. Backing up, recovering, or repairing HMIS software or data;
   3. Upgrading, customizing, and enhancing the HMIS;
   4. Integrating and warehousing data, including development of data warehouse for use in aggregating data from subrecipients that use several software systems;

5. Administering the HMIS;
6. Reporting to providers, the CoC, and HUD; and
7. Conducting training in use of the HMIS or a comparable database, including travel to the training.

3. **Q: Who is eligible to access CoC funds for HMIS eligible costs?**

   A. HMIS is an eligible cost under all CoC Program components. CoC recipients and subrecipients who contribute data to an HMIS, but are not the HMIS lead, may use funds under the HMIS <u>eligible cost</u> to pay the expenses related to contributing data to the HMIS designated by the CoC for the area.

   A project funded under the transitional housing program component, for example, can apply for funds for costs related to contributing data to the HMIS designated by the CoC. Only the HMIS lead agency can apply for HMIS costs that are unique to the HMIS program component.

4. **Q: Are all CoC recipients and subrecipients required to enter data into HMIS?**

   A: Yes, with two exceptions: victim services providers and legal services providers. Both victim and legal services providers are required to collect client-level data according to the HMIS data collection requirements. Victim services providers are prohibited from entering client data into HMIS and must enter required data into a comparable database instead. Legal services providers are NOT prohibited from entering client-level data into HMIS, but may elect to use a comparable database instead of the HMIS, if the data is protected by attorney-client privilege. However, legal services providers are allowed to enter client data into the HMIS, where victim service providers are NOT. Both victim services providers and legal services providers may use CoC Program funds to establish and operate a comparable database that complies with HMIS requirements.

5. **Q: What are the HMIS participation requirements for victim services providers?**

   A: Victim services providers that are recipients or subrecipients under the CoC Program are required to collect client-level data consistent with HMIS data collection requirements, BUT they must **not** directly enter data into an HMIS. To protect clients, victim services providers must enter required client-level data into a comparable database that complies with HMIS requirements. They may use CoC Program funds to establish and operate a comparable database. Information entered into a comparable database must not be entered directly into or provided to an HMIS. Victim services providers MUST provide aggregate data to the CoC for reporting purposes.

6. **Q: What are the HMIS participation requirements for legal services providers?**

   A: Legal services providers that are recipients or subrecipients under the CoC Program are required to collect client-level data, consistent with HMIS data collection requirements. To protect clients, legal services providers may choose instead to enter data into a comparable database that complies with HMIS requirements. They may use CoC Program funds to establish and operate a comparable database. Legal services providers who do not use the CoC's HMIS, MUST provide aggregate data to the CoC for reporting purposes.

7. **Q: Are the salaries of staff conducting data entry into HMIS and other HMIS-related overhead costs eligible as project administrative costs?**

   A: Staff and overhead costs directly related to contributing data to HMIS are considered HMIS eligible costs and are not eligible project administrative costs.

8. **Q: How do I determine eligible HMIS costs if staff time/resources are not dedicated 100% to HMIS work?**

   A: The staff time dedicated to eligible HMIS-funded costs can be calculated as a proportion of that staff's overall time, and billed accordingly.