

The goals of the FHPAP scoring methodology are:

- To incentivize grantees to be high performing agencies.
- To ensure FHPAP funds are distributed in a way that reflects the community needs.

### **1. Regional Split**

Funding is required by the Minnesota Housing board to be divided between metro area and Greater Minnesota.

- a. Metro area = 55%
- b. Greater Minnesota = 45%

This split is based on the historical need for homeless prevention and assistance resources in each region.

Metro area grant applicants will compete against each other for funding and Greater Minnesota applicants will compete against each other for funding. Currently, there are six grantees in the metro area and 14 grantees in the Greater Minnesota area.

### **2. Initial Scoring**

The initial score for the RFP process is based on:

- a. Application = 65%
- b. Performance = 35%

The total possible score equals 100 points. Because new applicants will not have a score for prior performance, they are asked to provide answers to four additional questions in the application. The answers will be scored to provide a performance score for the new applicant.

Grantees with scores below 50 points may not be funded, or may be given conditional funding and be required to receive technical assistance. Staff will utilize factors such as organizational and advisory committee capacity, prior scores on applications, and discussions with the applicant to make this determination.

### **3. Final Classification**

Funding awards will be based on classifying each applicant on two dimensions: “high performer” versus “low performer” and “previous funding being above need” versus “previous funding being below need”.

- a. **High versus Low Performers.** Applicants are classified into two categories, high performer or low performer, based on the initial score in the RFP process (see Step 2). This score includes both the application and the prior performance.
  - i. Scores will be rank ordered from highest to lowest. The half of applicants with the highest scores in the metro will be high performers and the other half will be low performers. The same process will be used for the Greater Minnesota applications. If there is a tie with the middle scores, both applicants will be considered high performers. If the number of applications is odd, the middle applicant will be classified as a high performer.

- b. **Above versus Below Need.** Each applicant’s share of the current statewide need for homeless prevention and assistance funding is compared with its share of the funding from the previous biennium.
- i. An applicant’s share of the current statewide need is based on its service area’s share of Minnesotans who are (1) in poverty, (2) unemployed, and (3) severely cost burdened (paying 50% or more of their income for rent), with each factor equally weighted.
  - ii. Each applicant’s share of the previous biennium’s FHPAP award is also calculated.
  - iii. Each applicant’s previous funding is then classified as “above need” or “below need.”
    1. “Above need” applicants received a larger percentage of the last biennium’s funding than their current share of the statewide need (b.ii. is greater than b. i.).
    2. “Below need” applicants received a smaller percentage of the last biennium’s funding than their current share of the statewide need (b.ii. is less than b.i).
  - iv. New applicants will be classified as “above need” by default until the next round of funding.

**Above Versus Below Need Example**

- i. **Share of Current Statewide Need:** If the total state allocation is \$17,038,000 and Example County demonstrates 3% of the statewide need based on the needs indicators (see below), that amount would be \$511,140.

FHPAP Region	County	Number of People in Poverty (2009-2013)	Share of State’s Population in Poverty	Number of People Unemployed (December 2014)	Share of State’s Unemployed Population	Number of all Renters with Severe Cost Burden (2009-2013)	Share of State’s Severely Cost Burdened Renters	Composite Share of Estimated Need for FHPAP Assistance
Metro	Example	13,667	2.3%	4,123	3.8%	3,854	2.9%	3.0%

- ii. **Share of Previous Biennium’s FHPAP Award:** The applicant’s share of the previous biennium’s FHPAP award is calculated and compared to \$511,140 to see if it is higher or lower.
- iii. **Classification of Above Need or Below Need:** If the prior biennium award is above \$511,140, the grant applicant would be considered “above need”. The amount they are currently receiving is greater than the proportion of funds that would be allocated if based on the needs indicators alone. If the prior biennium award is below \$511,140, the applicant would be considered “below need.” They received a lower amount of the last biennium’s funding than their current share of the statewide need.

The designation of “above need” or “below need” is then used to help determine the share of new awards (see Table 1).

- c. **Share of new awards.** Table 1 presents the general funding parameters. Funding from the previous biennium is the starting point for the new awards. An increase in funding for some applicants will only be available if overall program funding increases and/or if other applicants receive a reduction in funding. The funding process has three primary goals:

- i. Reward or continue to reward applicants who have strong applications and/or past performance;
- ii. Reward applicants with innovative programs;
- iii. Incent applicants who submitted weak applications and/or had poor performance in the previous biennium to develop a stronger application in the next round and/or improve their performance during the upcoming biennium; and
- iv. Have each applicant’s share of the funding be relatively close to its share of the need after goals i through iii have been achieved.

If there are new applicants, their funding will largely come from the applicants who previously served those areas, which will potentially override the funding decisions outlined in Table 1. However, if there is a sufficiently large increase in the overall program budget, the funding for the new applicants can come from the overall program funding increase, particularly if new applicants will predominantly serve populations that are disproportionately represented in the statewide homeless population.

**Table 1. High Performer, Low Performer, Above Need, Below Need Categories and Share of Awards**

<p><b>High Performer, Above Need</b></p> <ul style="list-style-type: none"> <li>• In funding years where there is no increase in FHPAP funding, the grantee may receive a decrease.</li> <li>• In funding years where there is an increase in funding, the grantee is likely to receive the amount that was awarded in the prior biennium but may also receive an increase if sufficient resources are available.</li> <li>• May receive an increase in funding if application is particularly innovative.</li> </ul>	<p><b>High Performer, Below Need</b></p> <ul style="list-style-type: none"> <li>• In funding years where there is no increase in FHPAP, the grantee is likely to receive at least the amount that was awarded in the prior biennium.</li> <li>• In funding years where there is an increase in funding, the grantee is likely to receive an increase.</li> <li>• A larger increase in funding may occur if the application is particularly innovative.</li> <li>• If there is an overall reduction in program funding, these applicants will be the highest priority for minimizing any funding reductions.</li> </ul>
<p><b>Low Performer, Above Need</b></p> <ul style="list-style-type: none"> <li>• In funding years where there is no increase in FHPAP, the grantee is likely to receive a decrease in funding.</li> <li>• In funding years where there is an increase in funding, the grantee may receive a decrease or maintain the amount awarded from the prior biennium. A plan to provide the grantee with technical assistance may be considered as part of the award.</li> <li>• Award is likely to be conditional.</li> </ul>	<p><b>Low Performer, Below Need</b></p> <ul style="list-style-type: none"> <li>• The grantee is likely to receive neither an increase nor a decrease.</li> <li>• These applicants may be a high priority for technical assistance.</li> <li>• Funding will likely decrease if overall program funding decreases.</li> <li>• Funding may increase only if there is a large increase in overall program funding.</li> <li>• Award is likely to be conditional.</li> </ul>

Final funding amounts will be dependent on the amount requested, the number of applicants, the Table 1 categories and the amount available to distribute within the metro area versus within the Greater Minnesota area.