

# **Performance Improvement Plan and Reallocation Policy**

## Context

HUD regulations (24 CFR 578) require the CoC to identify and take action against poorly performing projects. Some projects in 2021 did not achieve at least 60% of points from a possible 119 points.

The 2021 CoC Application received the majority of points available in many sections such as structure, coordination, rating and ranking, and HMIS, but the application lost points for System Performance. This impacts HUD funding for the CoC and all applicants, particularly for bonus funds and the selection of projects for funding in Tier 2.

To meet the mandate to ‘take action’ other than automatic rejection of the project; and to help strengthen project performance and as a result CoC performance, a PIP requirement is being added to the 2023 Rating and Ranking process.

## Performance Improvement Plan Overview

### When will a Performance Improvement Plan (PIP) be required?

A PIP will be required when the overall score of a project application does not meet a minimum benchmark set by the Rating and Ranking Group. The benchmark is set annually prior to the review of Applications. For the 2023 CoC funding cycle, the benchmark is set at 55% of the total possible points available.

### Are All Project Applications Subject to the PIP requirement?

Projects that have operated for less than one year, referred to as LTOY. Because these projects have not completed a year of service, there is little or no Annual Performance data to score. As a result, LTOY projects will not be subject to the PIP process for that NOFO cycle.

New project applications, like LTOY, are not subject to a PIP.

While infrastructure projects, like the HMIS and CES, have completed more than a year of service, the criteria for evaluation differs substantially. As a result, they are not subject to the standard PIP process but may be asked to suggest remedies for areas identified as needing improvement.

### How will an Applicant know if a project must submit a PIP?

When a Project Application does not meet the benchmark set for that year, the Rating and Ranking Group will determine if a PIP is required, and request that the Applicant be notified that a PIP is needed. This notification will be included in the Initial Notice of Acceptance or Rejection issued to each Applicant. HUD requires this notice to occur at least 15 days prior to the federal due date for submission of the CoC Application.

### When is a PIP submitted?

After an Applicant receives notice that a PIP is required, time is of the essence. Because HUD strongly recommends that the CoC submits the CoC Application at least 48 hours in advance of the federal due date. A draft PIP, subject to revision if deemed necessary, will be due at least 72 hours in advance of the federal due date. The CoC typically adjusts the Initial Notice of Acceptance or Rejection to reflect the 48-hour advance submittal. As a result, the Applicant will have approximately two weeks to prepare and submit a draft PIP.

### What happens if a PIP is not submitted?

Timely submittal of a PIP is a threshold requirement. Applicants failing to submit a PIP for a project when required, do not meet the threshold for submittal in the CoC Application, and are subject to not being included in the application submitted to HUD. Because this has significant repercussions for the CoC, applicants must take submission of the PIP seriously.

### Who completes the PIP?

The Project Applicant is responsible for completing and submitting the PIP following guidelines established in the basic requirements.

### What are the basic requirements of a PIP?

The PIP must address the following topics:

### Identify the Applicant agency, the Project Name and Project Type, and any subrecipients included in project implementation.

### Identify the scoring elements where the project did not score well.

Identify elements where performance was less than 50% of the benchmark. Be specific.

### What specific, measurable actions to be taken prior to the 2024 NOFO submittal to improve performance on these scoring elements.

Specific measurable action statements must include action(s) that can be numerically measured and evidenced. For example, “Within 60 days, ABC agency will review the change in income variable of 10 randomly selected client files and determine and record common characteristics that might be impacting the outcome. ABC will identify and implement actions that can be taken to improve the outcome.” So, for example, If it is determined that files often are missing data (i.e. the staff knows that clients increased non-employment income but it is not recorded in HMIS) the agency could take an action to improve the HMIS entry (train staff about the importance of recording income, determine if there are particular staff who need to be reminded, schedule periodic file review).

1. When scoring elements not meeting 55% of the benchmark are related to direct client services, describe how your agency will include both staff and participants or persons experiencing homelessness in identifying potential solutions.

For example, if exits to permanent housing are low, ABC agency will ask for staff and consumer input through a focus group or anonymous comment cards.

### Identify the lack of resources or operational challenges which are clearly attribute the shortfall in performance.

For example, during the Pandemic, ABC agency struggled to hire and retain qualified staff. The limited staff available were focused on direct delivery of client services rather than HMIS data entry. To remedy this situation, ABC agency will set aside a minimum of 2 hours per week on a regular day/time for data entry.

Another example: ABC agency has access to only one computer capable of HMIS data entry. To remedy this situation, ABC will explore possible in-kind donations or sharing of resources with another organization.

### Identify the date the agency will submit a progress report(s) one of which is within six months of the CoC Application submittal. **For the FY 2023 NOFO the Rating and Ranking Group has requested a final progress report be submitted by June 3,2023**

### Submit the progress report data and verification documents to show progress by the date selected.

## Propose a self-reallocation plan for project funds if there has not been measurable progress within 10 months after the submittal of the CoC Application.

## What happens after a PIP is submitted?

1. The Rating and Ranking Group (R&R) will review the PIP to ensure it is complete and contains measurable actions. If the review finds that response is missing or actions are not measurable, the Applicant will be asked to revise and resubmit the PIP.
2. If the Rating & Ranking Members or NOFO Team have suggestions for resources or remedies of the challenges in section E, they will be shared with the Applicant.
3. If a progress report has not been received, the RTFH will contact the Applicant halfway through the year to ‘check-in’ on progress.
4. The PIP results will be considered during the next CoC Rating and Ranking cycle. If the PIP has not been implemented or the actions did not improve the project score in the rating process, the project is subject to reallocation.

# **PERFORMANCE IMPROVEMENT PLAN**

# **INVOLUNTARY REALLOCATION POLICY**

Performance Improvement Plan Failure Reallocation Policy

Policy Statement: Projects falling below the overall performance benchmark for inclusion in the application for funds, may be provisionally included in the application based on completion of a Performance Improvement Plan (PIP). Projects that complete their PIP, but fail to reach the overall performance benchmark after completing their initial PIP, will be allowed one additional year to improve overall performance. Projects failing to meet the overall benchmark after completing their second PIP will be involuntarily reallocated.

## Protocol

Projects failing to meet the overall performance benchmark, set at 55% of the overall points available in the annual review are required to submit a Performance Improvement Plan (PIP) prior to inclusion in the annual application for funds. These plans include measurable actions designed to address areas where project performance falls at less than 50% of the benchmark for a specific performance area. Project applicants prepare, submit, track performance, and report on completion of their PIP actions.

The project PIP reports, subsequent project review, and scoring during the annual application process assess whether or not the project performance has exceeded the PIP Benchmark for that year, or falls below the benchmark. Projects falling below the overall performance benchmark at the end of the initial PIP, will be required to prepare and submit a second PIP that meets the basic requirements of the PIP as outlined in PIP guidelines seen above.

Once submitted, the PIP is reviewed by the R&R /NOFO Team, who determines if:

* The plan follows PIP guidelines;
* The plan contains clear, measurable actions designed to improve capacity;
* Actions are anticipated to have positive impact on performance;
* Conditions impacted performance were noted with potential remedies;
* The plan contains specific dates for reporting; and
* The plan includes self-reallocation if needed during the next renewal cycle.

When the PIP is approved, the project can be included in the annual application. If an acceptable PIP is not received, the project is subject to removal from the rank order.

When a project is required to complete a PIP during two annual application cycles, failure to meet the overall project benchmark at the end of the second PIP, will result in involuntary reallocation of the project.

The Performance Improve Plan Commitment Form, PIP, Progress Report, and Self-Reallocation Plan templates can be found below.

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| **Performance Improvement Plan (PIP) Commitment Form**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  *Applicant Agency*  *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Subrecipients, if Applicable*  *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Project Name and Project Type*  *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Responsible Member’s email address and phone number* |
| *I acknowledge projects falling below the overall performance benchmark for inclusion in the application for funds, may be provisionally included in the application based on completion of a Performance Improvement Plan (PIP). Projects that complete their PIP, but fail to reach the overall performance benchmark after completing their initial PIP, will be allowed one additional year to improve overall performance. Projects failing to meet the overall benchmark after completing their second PIP will be involuntarily reallocated. As part of the PIP process, I also acknowledge a project will also be required to propose a self-reallocation plan for funds if there has not been measurable progress within 10 months after the submittal of the CoC Application.*  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  *Print Responsible Member’s Name and Job Title*  *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Responsible Member’s Signature*  *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Signature Date* |
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**Performance Improvement Plan**

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| --- | --- |
| **Applicant Agency:** |  |
| **Subrecipient/s:** |  |
| **Project Name and Project Type:** |  |
| **Deadline to Submit Progress Report:** | **June 3rd, 2024** |

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| **Performance Improvement Plan (PIP)** | | | |
| **IMPROVEMENT AREAS** (Scoring Category below  50% benchmark, 0 pts) | **ACTIONS TO BE TAKEN** Include measurable indicators and timeframes for progress | **If performance shortfall is related to direct client services, describe how your agency will include both staff and service recipients in identifying solutions** | **If shortfall is related to lack of resources or operational challenges, please describe and indicate proposed solution.** |
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| **Progress Report** | | | | |
| **Project Name:** | | | | |
| **IMPROVEMENT AREA** | **GOAL MET** | **MEASUREMENT  OF SUCCESS** Please share the measures that support progress toward improvement/achievement of the goal. | **If the goal has not been met/progress has not been made, what actions do you propose to take?** | **List Attached Evidence** |
|  | Y/N? |  |  |  |
|  | Y/N? |  |  |  |
|  | Y/N? |  |  |  |
|  | Y/N? |  |  |  |
|  | Y/N? |  |  |  |

**Proposed Self- Reallocation Plan**

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Applicant Agency

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Project Name and Project Type

**Proposed Plan**

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| **CURRENT BUDGET** | | **PROPOSE NEW BUDGET** | |
| **Budget line item** | **Current Amount** | **Budget line item** | **New Amount** |
| Leasing |  | Leasing |  |
| Rental Assistance |  | Rental Assistance |  |
| Supportive Services |  | Supportive Services |  |
| Operating Costs |  | Operating Costs |  |
| HMIS Admin |  | HMIS Admin |  |
| **TOTAL** |  | **NEW TOTAL** |  |
| **Total Reallocated Amount**  (back to the CoC) | |  | |

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| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Print Authorized Signer’s Name  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signature | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Authorized Signer’s Job Title  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signing Date |