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New York City Council
General Welfare Committee

FY10 Preliminary Budget Hearings

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Testimony respectfully submitted by

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My name is Christy Parque and I am the Executive Director of Homeless Services United (HSU). HSU is a coalition of 60 non-profit agencies serving homeless and at-risk adults and families in New York City. HSU provides advocacy, information, and training to member agencies to expand their capacity to deliver high-quality services. HSU advocates for expansion of affordable housing and prevention services and for immediate access to safe, decent, emergency and transitional housing, outreach, and drop-in services for homeless New Yorkers.

Homeless Service United's member agencies operate hundreds of programs including shelters, drop-in centers, food pantries, HomeBase, and outreach services. Each day HSU member programs work with thousands of homeless families and individuals, preventing shelter entry whenever possible through counseling, legal services and public benefits assistance among many other supports. Our member agencies provide high quality and compassionate emergency shelter to over 16,000 homeless New Yorkers nightly. Homeless service providers toil at the cross section of many of society's problems. Our clients confront high housing costs, difficulty finding work, mental and physical illness, substance abuse, and domestic violence, and are particularly vulnerable during financially hard times such as these.

CREATIVE SOLUTIONS TO A COMPLEX PROBLEM

Solving New York City's homeless problem is complex and the solutions required need to be as diverse as the population they aim to serve. Homeless service providers toil at the cross section of many society's problems. It is precisely for these reasons that we must protect the vital services my members provide and ensure that they are available to help the 35,054¹ people who resided in shelters last night and the thousands more aided through outreach and drop-in centers.

Restore Full Funding For Recreation Staff in Shelters (\$2.4 million)

HSU is strongly opposed to this cut which will harm shelter residents, negatively impact the communities where the shelters reside, and further stigmatize homeless people.

Prior to entry into adult or family shelters many clients have had few positive experiences with socializing and participating in a healthy community. Shelter recreation programs are a relatively low cost investment in homeless people that provide healthy socialization and communication skills that benefit clients in shelter and when they exit.

So many clients, adults and children alike, have been treated as if they do not belong and feel stigmatized and fearful of independent living. Homeless children are particularly at risk for this stigmatization due to isolation from typical experiences of childhood. These needs left unaddressed cause homeless children to face a disproportionate likelihood of being held back in school, having developmental disabilities and being at high risk of teen pregnancy.

¹ DHS Daily Report: <http://www.nyc.gov/html/dhs/downloads/pdf/dailyreport.pdf>

Everyday nearly 15,000 children and 60,000 annually benefit from recreation services provided in shelter. Programs range from infant daycare that allows parents to go on job and apartment interviews, to homework and college prep assistance, violence and sex abuse prevention, and cooking and nutrition classes. Without these after school and summer programs children in shelter would have no alternative but the streets to pass the time.

Elimination of recreation programs in one 2 block neighborhood in Manhattan alone would result in 700 kids without structured activity with only the street as a playground.

Recreation staff serve as the eyes and ears to prevent previously undisclosed abuse or neglect both within the shelters and in client background. Recreation programs address cycles of violence and create safe forums for disclosure and exploration of alternatives to lives consumed by abuse, violence and shame.

Many clients, both adults and children, have never been to a sporting event, a museum or a musical concert. Participating in these activities gives our clients a sense of self-worth and of belonging which will serve them as they transition from homelessness to become stably housed.

As one provider says about a recreation staff person at an adult shelter,

“Her role is critical because she works closely with the residents in a more relaxed role. They're able to bond, respond and relate to her quite differently than they do with their Case Managers. She's often utilized for crisis intervention and helps residents become familiar with the program literally by holding their hands and walking them through the daily shelter living process.”

- **HSU recommends full restoration of this PEG to allow shelter providers to holistically address the needs of their clients and fully prepare them for re-entry back into the community.**

Performance-Based Payments and Graduated Rates for Shelter Providers **(\$9.364 million)**

The November Plan and the Preliminary Budget call for a combined cut to family and adult shelter's budgets by \$9.364 million through incentives and performance based outcomes.

The Department of Homeless Services (DHS) has stated that they want to “incentivize” shelter contracts and reward providers who are successful in moving clients out of shelter into permanent housing and punish those who do not. The problem with this argument is that shelter budgets are already performance based through the Performance Incentive Programs (PIP).

We agree that shelters must be held to the highest of standards and perform well with measurable realistic outcomes that serve their missions and clients. Currently

organizations that fail to meet placement goals absorb significant financial penalties. The consequences of a poor PIP score penalize the provider and can have serious impact on the facility's budget, but more importantly an overly punitive financial penalty harms the clients because it results in a reduction of core services.

Most shelters are now doing everything in their power to move clients out as quickly as possible but there are many variables that are beyond the control of shelter that affect exits from shelter and housing placement rates. There are no allowances, for example, for undocumented clients that are difficult and nearly impossible to place or pregnant women who by virtue of their condition will not be able to move out quickly.

Some facilities house a disproportionately large number of families with active ACS or families with child welfare cases. These families are harder to place than the typical shelter family. Families with child welfare issues are issued Children's Advantage vouchers and these vouchers have a powerful stigma attached to them. Many landlords refuse to accept Children's Advantage vouchers.

Additionally there are not nearly enough supportive housing units available for shelter clients as priority has been set for the chronically homeless population.

The number of available apartments for shelter clients fluctuates with the housing market. If the number of these units available to shelter clients suddenly declines, shelter providers will incur potentially devastating funding cuts regardless of actual performance. Any system designed to measure performance must be fair, transparent and take into consideration the economic and housing climate.

- **HSU recommends DHS provide facilities with a targeted dollar or percentage budget reduction figure and allow providers to identify efficiencies and cost savings within their facilities to help DHS and The City meet the PEG. This would ensure that fixed and vital shelter services are maintained as opposed to imposing increasingly unobtainable incentives and performance measures as a means to meet a budget gap.**

Restoration of Home Base Funding with Federal Stimulus Funds (\$5.11 million)

We laud DHS along with the five Home Base providers in New York City for the development of this outstanding program that does a tremendous job preventing and diverting New Yorkers from entering the shelter system.

Interventions that prevent eviction, protecting tenant's rights and paying rental arrears are just some of the services provided to clients who seek support from these programs.

The Home Base contracts are signed and programs are up and running which makes them a perfect vehicle for moving the federal stimulus funds quickly into the community and reaching vulnerable New Yorkers *before* they are in crisis mode and as a last resort must enter the shelter system.

- **HSU recommends full restoration of this PEG and a Home Base program expansion with federal stimulus funds. With the infusion of new funds and expansion of this program there should be a greater focus on pro-actively engaging all clients exiting shelter by providing them with community living supports and skills following their first year upon exit from a homeless shelter.**

Additional Budget Recommendations

- **Create Permanent Housing Opportunities**

We also encourage DHS to consider extending the 2 year time limit on Work Advantage and to use federal stimulus funds, if feasible, to provide relief to new or existing Work Advantage recipients who have lost their jobs due to the downturn in the economy. Additionally we ask that Section 8 vouchers and public housing become immediately available as a re-housing resource to shelter residents so that they may exit directly from shelter into a long-term housing situation.

- **Collect Client Contribution for Shelter Through City or County Agencies (\$1.294 million)**

In general, HSU is not opposed to working clients who are able to contribute a reasonable amount to their shelter costs. However, HSU is greatly concerned with the implementation of this state regulation. It would be an enormous administrative burden for shelters to create and audit a client collection system resulting in a shift of much needed staffing resources from direct care to administration.

Other counties have opted to collect the funds from the clients and not deduct the amount from the shelter's budgets. This enables shelters to meet their fixed costs, provide appropriate high quality services, and allows staff to focus on moving clients from shelter to the community.

HSU recommends that DHS and HRA work together alongside shelter providers to collect funds through City agencies so that shelter staff can devote their time to case management and to locating housing resources with clients.

- **Eliminate the Use of For Profit Hotel Providers for Homeless Families**

There is a 94% occupancy rate for non-profit shelters, which provide a coterie of trained staff and services, while for-profit hotel providers have an occupancy rate of 97%, with little or no services and are often times paid at a rate higher than shelter providers.

As a means of cost savings and serving homeless families better, DHS PATH staff, with limited exceptions, should steer homeless families only to shelters.

CONCLUSION

We recognize that New York is confronting tough economic times and fortunately we will be receiving federal funds to assist in partially closing budget gaps, preventing new cases of homelessness and rapid re-housing. We encourage creative use of these funds to enhance existing programs and to address the issues of primary prevention for those newly at risk and secondary prevention for the current or formerly homeless. It is precisely in times like these that we must carry on New York City's legacy of setting the standard for smart, effective and compassionate homeless policy that cares for all its citizens.

Thank you for your time and commitment to addressing the needs and concerns of homeless and at-risk New Yorkers and those who serve them. Homeless Services United looks forward to working with you to realize solutions that will allow our members' vital programs to continue to provide our neediest New Yorkers with services that support and motivate them to thrive in the future.