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**New York City Council
Preliminary Budget Hearing - General Welfare**

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**Testimony Respectfully Submitted by,
Christy Parque
Executive Director**

Good afternoon. My name is Christy Parque and I am the Executive Director of the Homeless Services United. HSU is a coalition of sixty non-profit agencies serving homeless and at-risk children and adults throughout the five boroughs. I want to thank Chairman DeBlasio and all of the City Council members present here today for this opportunity to testify on our hopes for and concerns about New York City's budget for fiscal year 2009.

Restore \$900,000 for short term rental assistance programs for single adults

This program provides a small cash rental assistance to homeless, single adults that enables them leave the shelter and become stably housed, thus preventing re-entry into the shelter system. This small program provides an important safety measure for single homeless adults otherwise not eligible for rental cash assistance. Currently single adults who enter the shelter system are not eligible for the new cash rental assistance Advantage programs, unless under very specific circumstances. As you have done in the past, we ask that the Council restore this important funding supporting single adults to move from shelter back into the community.

Ensure reinvestment of resources saved through shelter census reductions into systemic solutions for homelessness.

The expected decline in the single adult shelter population will reduce costs by 2.5 million in FY08 and \$3.2 million in FY09. Additional closures of shelters, not unlike the closure of Camp LaGuardia and the sale of the property, will yield real savings that should be committed to investing in programs that prevent homelessness and support people from returning to the shelter system.

When Mayor Bloomberg released his bold five-year plan to end chronic homelessness, he made a commitment to utilizing the savings achieved through shelter census reductions to fund systemic solutions to homelessness, including prevention services and housing supports. While Homeless Services United applauds that important commitment, we think back to similar commitments made decades ago by mental health officials across the nation that savings derived from the closure of psychiatric hospitals would be

reinvested into community-based mental health services. That commitment was largely unfulfilled and many former patients of those hospitals now reside in our nation's shelters.

Luckily, New York State has a law that ensures savings derived from psychiatric hospital census reductions is, now, in fact reinvested in community-based services. It's a good law that has resulted in hundreds of millions of dollars of badly needed funding to support those that no longer live in State hospitals.

We ask for the City Council's support for efforts to ensure long-term accountability and transparency for the shelter resource reinvestment commitment Mayor Bloomberg made in 2004.

Ensure regular Cost of Living Adjustments on Human Services Contracts.

Our members and their staff provide important and vital services to New York. Stagnant government support and rising business costs make it increasingly difficult for social service agencies to recruit and retain staff, many of whom are formerly homeless or one paycheck away from being homeless. High turnover rates due to low wages and infrequent wage increases impede the quality of service delivery and create instability in communities and families.

On behalf of our member agencies and their staff who received the COLA increase in FY 07-08 (the first in six years), we want to thank the mayor and the City Council for your support and ask that we work together to make sure that those serving our City's poor, homeless, and at-risk residents receive the regular cost of living adjustments.

Adjust government budget allocations for inflation regularly.

The City budget process has no formal mechanism to adjust spending to meet the deflating spending power over time. Personnel services (PS) and Other Than Personnel Services (OTPS) continue to rise without any corresponding increase in the amount of money allocated for the program in the budget. Many of our members have not seen an

increase in some of their contracts in 13 years. We are calling for a process by which overhead and OTPS costs are regularly adjusted for inflation.

Increasingly, our members' City contracts do not sufficiently cover the basic operating expenses of an effective program. This reality has led to a disturbing trend in which New York City's non-profits are subsidizing core city services through private fundraising. Private dollars, which have historically been used to enhance core services for clients and to develop new and innovative service models, are now being used to support the base cost.

I 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 neighbors with services that support and motivate them to thrive in the future.