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Testimony on the 2006-07 New York State Executive Budget Proposal
For the Human Services Public Hearing

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Testimony respectfully submitted by,
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My name is Lauren Bholai-Pareti, and I am the Executive Director of the Council on Homeless Policies and Services (The Council). Let me begin by thanking the legislature for this opportunity to submit comments on the 2006-07 Executive Budget Proposal. The Council is a coalition of sixty non-profit agencies serving homeless and at-risk children and adults in New York City. Our members are working each day to help thousands of people devastated by homelessness to reconnect to affordable, permanent housing and to the supports they need to maintain long-term stability in neighborhoods throughout the five boroughs.

The Council believes that homelessness is a problem for which there are proven, cost-effective solutions, and we are working to promote those solutions and end the crisis of homelessness in New York City. The Council also believes that, as we work to expand the stock of affordable housing, the availability of prevention services, and other systemic solutions, we must also ensure that the children and adults who will face homelessness tonight, have immediate access to quality emergency shelter and services.

I am here today representing non-profit homeless service providers who are both encouraged by and concerned about the impact of Governor Pataki's Executive Budget proposal on the people they serve. I will begin my testimony with a few words of strong support for the Governor's commitment to a Third New York/New York Agreement and proposed increases to the Home Energy Assistance Program (HEAP).

Third New York / New York Agreement (NY/NYIII) & Home Energy Assistance Program (HEAP)

Given rising energy costs and stagnant wages among low-income New Yorkers, we believe that proposed additional protection from high heating bills is an essential part of a successful strategy to keep poor New Yorkers housed and out of the shelter system. Similarly, we believe the extension of the highly successful and cost-effective New York / New York program will play a leading role in helping New York City's most vulnerable residents to secure the supportive housing they need to escape homelessness and embark on the road to recovery and long-term stability. The landmark NY/NY program helped to achieve dramatic reductions in homelessness among single adults in the early 1990's, and we believe that the third agreement is indispensable among the array of tools New York City will need to meet our current goal of reducing the shelter and street homeless populations by two-thirds by 2009. This budget includes the single largest appropriation in New York State history for supportive housing – a

budgetary commitment which we applaud. I also would like to take a moment to note that the NY/NY III agreement includes a historic commitment to develop 1500 units of supportive housing for homeless families with special needs. Our organization has played a leading role in coordinating advocacy efforts to secure a commitment from the City and State to increasing development of this successful and scarce model for stabilizing homeless families with significant barriers to independence. We are thankful that the final agreement includes 1500 family units.

Supportive Housing for Families and Young Adults (SHFYA)

We were dismayed, however, to learn that the Governor's Executive Budget Proposal did not include funds to support the existing SHFYA program (funded at \$2.5 million in fiscal year 2006), and we ask that the legislature help us to ensure that the State's commitment to SHFYA does not falter. This critical resource provides necessary supportive services in 875 units of housing at 26 projects across New York State. Our families and young people rely on these services to help them pursue recovery and self-sufficiency and stay out of the shelter system. I urge the legislature to protect this critical program by restoring \$2.5 million in the OTDA budget and ensuring that it is funded outside of the Flexible Fund for Family Services. I also ask that the legislature allocate an additional \$3.1 million for SHFYA funding in 958 new units that have already opened or are scheduled to open before the end of fiscal year 07.

Supplemental Homeless Intervention Program

Our members are also concerned that the Governor's Executive Budget did not include funds to support existing SHIP services. SHIP funded programs throughout New York State are providing a range of critical preventive services, including anti-eviction legal services for people at-risk of losing their home and aftercare to help stabilize those who have relocated to permanent housing following a period of homelessness.

With the initiation of the Housing Stability Plus (HSP) program, a new and unproven strategy to rehouse sheltered New Yorkers, SHIP services are more critical than ever. Non-profit providers of aftercare services, for example, report that their HSP clients often require a level of service that far surpasses the needs of those they typically served in the Section 8 program. In addition to helping formerly homeless families and single adults to establish an independent household and get connected to any needed community-based services, SHIP providers are working harder than ever to prepare HSP clients to assume a growing rent burden, to advocate for

remedies to prevalent and serious housing quality issues and/or illegal side agreements for excess rent payment, and to avoid and/or address public assistance problems, which can result in the immediate loss of the HSP rent benefit.

At this time when formerly homeless and at-risk New Yorkers need more support than ever as they confront new challenges to maintaining housing stability and avoiding costly shelter entry, we simply cannot afford to eliminate funding for the SHIP program. We thank the legislature for your leadership in establishing and maintaining this important program. We ask for your help in ensuring that the SHIP program is funded outside of the Flexible Fund for Family Services and at least at fiscal year 2006 levels (SHIP was funded at \$4M in FY 06).

Workforce Investments and Single Room Occupancy Support Services (SRO) Program

Over recent years, our members have consistently reported difficulty recruiting and retaining staff with the skills necessary to do the hard work of helping homeless and formerly homeless clients access and maintain stable permanent housing, recover from the ravages of homelessness, and maximize their independence. Until the adjustment, announced by the City administration in spring 2005, our workforce had not seen a cost of living adjustment since 1999 resulting in uncompetitive wages and high staff turnover, which in turn generate high recruitment costs and jeopardize the quality and continuity of services available for clients.

I would like to take this opportunity to thank our leaders at both the City and State level for your commitment to funding crucial cost of living adjustments for shelter and other homeless services staff. We would also like to register our disappointment that the funds needed to support the State's share of a COLA for the **Single Room Occupancy Support Services (SRO)** program are not included in the Governor's proposal. The SRO program funds on-site staffing in over 11,800 supportive housing units state-wide. These staff support tenants' efforts to get healthy and maximize self-sufficiency through provision of services including mental health and substance abuse counseling, and activities of daily living skill instruction. The program also funds security staff to ensure that these buildings are safe. The Governor's budget proposal allocates just \$150,000 above fiscal year 06 funding levels for this program (funded at \$15.06 in 06 – Governor proposes \$15.21 in 07). We urge the legislature to help ensure a total allocation of \$19 million for the SRO program (\$2.2 million above the Governor's proposal to fund over

2,600 new units that have either recently opened or are scheduled to open before the end of the fiscal year and \$1.6 million above the Governor's proposal to fund a rate increase.)

Housing Stability Plus (HSP):

In December 2005, in the wake of declining Federal commitment to the Section 8 program, the City and State partnered to create Housing Stability Plus. While we appreciate this important investment, we are also asking for the legislature's help to make the following improvements to the program design:

- Establish a work support component to enable recipients who successfully transition off of welfare and into work to continue to receive the HSP rent supplement.
- Eliminate the annual step-down and time limit for people determined to be unable to work.

Since its inception the HSP program has replaced Section 8 and NYCHA public housing as the leading resource to re-house families living in New York City shelters. To date over 5,000 families have been placed in an HSP apartment from a New York City Department of Homeless Services family shelter. In the first four months of the current fiscal year, compared to the same period during the prior year, permanent housing placements for families were down about 5%. Despite the decline and our concern that many HSP placements will not prove stable, the fact that housing placements for homeless families have not declined precipitously is an accomplishment – one that was achieved thanks to the dedicated efforts of shelter staff to continue to relocate families despite the significant ways in which the HSP voucher is less attractive to landlords than former rehousing programs.

Today, I am asking for the legislature's help to allocate funds necessary to make this program more successful and less risky for the people who rely on it. Currently, HSP beneficiaries who succeed in leaving welfare for work must assume 100% of the rent burden as soon as their public assistance case is closed. Under the current program design, for example, a single mother with two children working full-time at \$7.65 per hour would be ineligible to continue receiving rental support though, assuming no rent increase, she would need to pay 70% of her monthly pre-tax income towards rent to maintain her HSP apartment. Similarly, a single adult working thirty hours per week at minimum wage would be ineligible to continue receiving rental support though, assuming no rent increase, he/she could expect to pay 87% of his/her pre-tax income towards rent to maintain his/her HSP apartment. We are hopeful that you agree that this is an untenable situation in need of rapid remedy.

I am also asking for your help to eliminate the annual step-down and time limit for heads of household who are disabled and receive federal disability benefits. Under the current program design, all HSP beneficiaries, including those who are disabled, must offset an annual 20% reduction in the rent supplement using their own funds. After five years, all HSP beneficiaries, including those who are disabled will no longer receive any rent supplement. Though maintenance of an active public assistance case is a requirement to establish and maintain eligibility for HSP, in some cases, families have left shelter using HSP though the head of household receives federal disability benefits. In those cases eligibility is established based on the children's active public assistance case. However, in households where the only potential wage earner has been determined by the federal government to be unable to work, we are hopeful that you will agree that there should be an exception to the step-down and time limit provisions.

Conclusion

We believe that this budget proposal contains both good and bad news for homeless and at risk New Yorkers. We are hopeful that, as in years past, the legislature will help us to ensure that the final budget protects critical existing services and adopts new priorities to help us meet the goal of ending chronic homelessness. I thank you again for this opportunity to share our perspective and for your help in ensuring that the final New York State budget for fiscal year 07 does the right thing for homeless and at risk children and adults.

If you have any questions regarding this testimony please do not hesitate to contact Lauren Bholai-Pareti at (646)827-2270 or laurenbp@verizon.net.