

# HOUSING EQUALS JUSTICE

## Funding for Front-Line Homeless Services

Concept Paper for S.B. 340, An Act Concerning Funding for Housing Services

### Purpose and Overview

The Connecticut Coalition to End Homelessness (CCEH) calls upon the Connecticut General Assembly to enact a law requiring state agencies to ensure that funding levels for homelessness and housing assistance services reflect the true cost of these professional services, to include, paying competitive wages and benefits to front-line workers who staff shelters, Coordinated Access Network appointments, homeless outreach, and housing navigation and case management services. Specifically, state agencies should review and adjust funding levels for existing contracts, as well as adopt standardized services costs for new contracts, such that non-profit homeless services providers can:

- Pay living wages, overtime, hazard pay, and benefits for front-line staff;
- Establish and support the maintenance of client caseload sizes that meet industry standards; and
- Provide necessary funding to ensure optimal and sustainable resources of all other-than-personnel costs such as supplies/PPE, staff training and professional development, technology, etc.

### Background and Rationale

Non-profit homeless and housing services organizations, and the people who work for them, play a critical role in protecting and assisting Connecticut's most vulnerable populations. During the COVID-19 pandemic emergency, homeless and housing services have played an important part of the state's critical infrastructure and emergency response system. Their herculean effort to decompress shelters and prevent COVID-19 transmission and outbreaks among the homeless population have protected not only people experiencing homelessness, but the whole state. And rates of housing instability have increased because of the pandemic, homeless services organizations have prevented thousands of people from losing their homes.

Regardless of their essential role homeless and housing services organizations continue to be funded by state agencies at levels far below the actual cost of delivering homeless and housing assistance services. These services include shelter operations and case management, homeless outreach, shelter diversion and housing problem-solving, rapid re-housing case management and housing navigation, supportive housing program operations, and supportive housing case management. For over 10 years, state agencies like the Department of Housing and the Department of Mental Health and Addiction Services have required homeless and housing services organizations to maintain the same level of services at level/flat funding levels, essentially reducing the "actual per client or per unit" funding levels. There have been no adjustments to funding levels to reasonably cover inflationary costs and therefore limiting a provider's ability to maintain its ability to administer their programs, these rising costs include such items as employee salaries, training/supervision costs, rent, heat, fuel, and health insurance costs.

Ensuring optimal and sustainable funding is paramount to safeguarding the health and economic security of frontline staff, and necessary to keep these essential services online and operating at the professional standards we as providers remain committed to delivering. The net effect of asking

providers to maintain or in some cases do more for flat funding has been lower wages, lower morale, higher turnover, and higher vacancy rates for front-line staff. The arrival of the COVID-19 pandemic saw the effect of this most acutely as homeless and housing services organizations found themselves unable to fill staffing vacancies at a time when staffing needs were most urgent. We also know that front-line staff, and those fulfilling essential roles throughout the pandemic are disproportionately people of color. More must be done to protect these workers and their families. We must prioritize adequate funding to homeless service organizations so that every employer is able to provide their staff with a safe working environment and a living wage. Creating a funding schematic that ensures livable wages and benefits would go a long way towards eliminating the racial and economic inequities that have become so glaring during this pandemic.

Despite these staffing challenges, homeless and housing services organizations were diligent and conscientious in their response to the pandemic, working to adapt and modify rather than curtail services delivery. Homeless and housing services organizations and their employees stepped up heroically at a time of unprecedented challenges. Likewise, they are now asking the state government step up as well and fund them at the professional levels needed to deliver the essential services they provide.

### **Proposed Provisions**

- Require the state to establish an independent, evidence-based process to set rates which reflect the optimal and sustainable costs of operating an emergency crisis response system to serve everyone who experiences a housing crisis. This crisis response requires the operations and maintenance of facilities sufficient to provide people in crisis with a safe, healthy, and dignified space in which to live, professional staff paid a living wage to help people resolve urgent issues and to maintain a safe and healthy environment, and housekeeping services required to support people including food, laundry, and cleaning services. This crisis response system requires the ability to quickly create, staff, operate, and close warming centers, cooling centers and other short term needs to provide safe, healthy, and dignified space for people in crisis and professional staffing paid a living wage during emergencies. This crisis response system requires professional staff to be paid a living wage to identify people in housing crisis and respond immediately to secure safe, healthy, and dignified space for that person to live, and medical, legal, and financial supports they may require for survival. This evidence-based process must consider fluctuations in demand for emergency crisis help and the need for crisis response to be staffed, open and available at all times regardless of this fluctuation. This process will reflect best practices taken from other emergency response systems including fire, police, and medical emergency response. These newly established rates would replace the current “cost reimbursement” contracts that do not cover either current cost, or what the true costs of such an emergency response system would be.
- Require the state to establish an independent, evidence-based process to set new unit rates which reflect the optimal and sustainable costs of the services provided to end homelessness. These services help very low-income people secure safe, affordable, and permanent housing in the most resource efficient way possible. Services to end homelessness require professional staff paid a living wage who gauge a person’s strengths and challenges to help them navigate the variety of interventions that will help them secure permanent housing including rapid exit, rapid rehousing, case management, supportive housing and more. These newly establish rates and new “unit rate reimbursement system” would replace the current “cost reimbursement” contracts that cover a small fraction of the needs of the residents of Connecticut.

- This review must consider living wages, overtime and hazard pay, fringe and benefits, and other than personnel costs such as supervision, supplies, staff training and professional development, technology administrative support, and more.
- These standards and revised payment structure should then be revised each biennium based on a review of changes to cost-of-living and other cost changes.
- Require the Commissioners of DOH, DMHAS, and other housing related funding department to use the revised payment structure and standards as the basis of any new services contracts. The Commissioners will be prohibited from entering any contracts for homeless services in which services are funded at levels lower than these cost standards, except in emergency circumstances or with approval from the Office of Policy and Management and Attorney General's office.