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**Testimony before New York State Legislature
Joint Legislative Public Hearing on 2011-2012 Executive Budget Proposal –
Public Protection**

Wednesday, February 9, 2011

Good afternoon, I am Erin Healy, the Associate Director of the Corporation for Supportive Housing's New York Office. First, I'd like to thank the Members and Staff of the Assembly and Senate Committees represented here for the opportunity to speak at this hearing. I would also like to take a moment to thank those who have championed reentry supportive housing and successfully secured funding for this critical innovation through Rockefeller reform last year: Assembly Members Jeff Aubry, Felix Ortiz, Amy Paulin, and Keith Wright; and Senators Ruth Hassell-Thompson, Liz Krueger, and Velmanette Montgomery.

We are grateful for their continued leadership and commitment to this issue. In addition, we must acknowledge the tremendous coalition of non-profit and other stakeholder groups that advocated for reentry supportive housing funding last year, including: Legal Action Center, Legal Aid Society, NYS Sheriff's Association, Correctional Association, Community Service Society, Fortune Society, Palladia, Drug Policy Alliance, and the Association of Alcohol and Substance Abuse Providers. The result of this advocacy was a two year budget commitment of \$2 million in ARRA funding for OASAS reentry supportive housing units. The first \$1 million was committed in the 2010 budget and we are still awaiting that RFP and the implementation of those resources.

CSH applauds the Governor's stated intent, in the proposed budget, to strengthen the state's focus on re-entry¹. I want to stress that, for persons with high needs, supportive housing must be a part of that reentry equation. As I mentioned, CSH looks forward to working with OASAS this year as they implement those critical new reentry supportive housing units. I cannot overstate how important those units are for New York State. They represent smart, innovative, cost effective planning—indeed, they are ahead of the curve that we are all grappling with today—and must be implemented. That is what I am here to talk to you about today.

I'd like to give a brief overview of CSH, to give you some context for these remarks. Founded in 1991, CSH was the first, and remains the only, national nonprofit intermediary organization dedicated to building the supportive housing industry in order to prevent and end homelessness. We wear a lot of different hats: community development financial institution, think tank, technical assistance provider, grant maker, public policy advisor, and we often act as an honest broker and catalyst for the multi-faceted partnerships necessary to create supportive housing.

CSH's accomplishments include the following:

- Committed over \$225 million in loans and grants to support the creation of 42,000 units of supportive housing that are now operational or in the development pipeline. The nearly 23,400 units in operation have ended homelessness for 29,330 adults and children.
- Reshaped public policies and systems to improve the nation's response to the complex problem of long-term homelessness, resulting in new funding for another 63,000 housing units
- Leveraged over \$1 billion in federal, state, and local public and private sector financing for capital, operating, and service dollars for projects in which CSH has invested.
- Trained thousands of practitioners annually to develop, manage, and operate supportive housing, with 6,164 organizations trained in 2010 alone
- Strengthened the supportive housing industry through successful systems change initiatives such as the Supportive Housing Leadership Forum (SHLF), a national conference established by CSH that brings together influential state and local policymakers with experienced supportive housing practitioners from across the country to galvanize their efforts to create supportive housing and end homelessness

So what does this have to do with the Executive Budget proposal? Quite a bit, actually, since supportive housing represents one of the most cost-effective interventions to address myriad social issues. Supportive housing started as a response to an epidemic of long-term homelessness, but it is increasingly viewed as a part of the public health apparatus and as an intervention for emerging and at-risk populations, including people returning from prison and jail. CSH has developed nationally recognized models for reentry supportive housing that target people at-risk of homelessness, leaving correctional institutions with chronic substance use, mental health, and other health conditions. We all know that lack of housing is one of the highest risk factors for recidivism; we have all seen the impacts on our shelter system.

One example originating in New York is the FUSE model, which has taken over 150 people out of the cycle of repeated incarceration and shelter use and helped them stabilize in supportive housing. FUSE boasts a 91% retention rate in the first year as well as a 92% reduction in shelter use and a 53% reduction in jail use. FUSE targets repeat jail use, but the positive effects of supportive housing for State prison are even more striking: a landmark study by University of Pennsylvania's Dennis Culhane found that for individuals with prison records, supportive housing reduced re-incarceration by 85% over the two year study period.ⁱⁱ In short, it works. It reduces reliance on prison and jail, cuts crisis service utilization, and promotes reunification of families, public health, and stronger, safer communities.

For those who are caught in a cycle of incarceration, homelessness, drug use, mental health instability, and related illegal behavior, this is the response that works. It is the response that helps people become a community asset again. And it is a proactive reinvestment, from building prisons and jails and into building an effective public health response to the drug epidemic. A recent study of high-needs, high-cost homeless persons in Los Angeles showed striking resultsⁱⁱⁱ:

- Those in the top decile (10%)—the most expensive—had an average public cost of over \$8,083 per month. (The other 90% averaged \$710 per month.)
- This accounted for 56% of all public costs for homeless single adults
- In the top decile, all had exponentially higher rates of interaction with the criminal justice, behavioral health, and hospital systems than the other 90%

- **After living in supportive housing, the average cost reduction for the top 10% was 71% (\$5,731) per month**

In addition to these substantial public cost savings, supportive housing is good for the economy in other ways:

- Over 50% of the funding for these units will go directly into the lease-up of private market apartments, which will support struggling local housing markets.
- The services funding will create new jobs in case management, property management, and program management.
- Program participants will receive vocational services to foster long-term stability, increase employment, and generate tax revenue.

Like so many states across the nation, we are here in a budget crisis, a reentry crisis, and an employment crisis. The task before you is not an easy one. But I am here today to emphasize that, because of your visionary work last year, you already have a powerful tool at hand—one that both saves money and improves public safety: reentry supportive housing. This approach to public safety is part of the state's smart reengineering and recalibrating of the system—and it is already underway.

I urge you to not only protect the existing funding for reentry supportive housing, but to stay the course and expand such funding in the years ahead. As other communities have seen, and as the data shows, this approach will pay significant dividends over time for New York State.

Over the last twenty years, New York has led the nation in public health and housing policy. This is another opportunity for New York to show its skill and commitment in advancing a public health response to criminal justice. For our part at CSH, we are here to help in any way we can.

CSH welcomes the opportunity to answer any questions related to this testimony or provide further information that might be helpful to the Committee.

Respectfully submitted by the Corporation for Supportive Housing:

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ⁱ 2011-2011 Executive Budget, Agency Presentations: Department of Corrections and Community Supervision, p. 44.

ⁱⁱ Culhane, Dennis P., Stephen Mettraux, and Trevor R. Hadley. "The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of the Public Health, Corrections, and Emergency Shelter Systems: The New York-New York Initiative" *Housing Policy Debate* 13.1 (2002): 107-163.

ⁱⁱⁱ Flaming, Daniel, Michael Matsunaga, Patrick Burns, Economic Roundtable; Gerald Sumner - Project Statistician; Manuel H. Moreno, Halil Toros, Los Angeles County Chief Executive Office, Service Integration Branch. "Tools for Identifying High-Cost, High-Need Homeless Persons", Economic Roundtable (June 2010).



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The American Red Cross in New York State would like to thank Senator DeFrancisco, Assemblyman Farrell, and the New York State Legislature for the opportunity to submit testimony regarding the 2011-2012 Executive Budget proposal.

Our organization is comprised of 31 chapters and the New York-Penn Blood Services Region. Volunteers comprise over 95 percent of our workforce, making our organization efficient and cost-effective. An average of 91 cents of every dollar the Red Cross spends is invested in humanitarian services and programs.

At the state level, the Red Cross is the only nonprofit agency that is a member of the State Disaster Preparedness Commission. The State Comprehensive Emergency Management Plan assigns the Red Cross a major role in feeding and sheltering disaster victims. The Red Cross is also the only nonprofit organization chartered by Congress to provide disaster relief, yet our chapters do not receive federal funding.

In every corner of our state, the Red Cross immediately responds to disasters whenever they occur. No other nonprofit organization in the state has our capability to mobilize resources in a moment's notice to meet the needs of New Yorkers during disasters.

Our mission is to provide relief to New Yorkers whose lives have been affected by the 3,920 disasters (nearly 11 a day) in New York and to help people prevent, prepare for and respond to emergencies. Last year alone, the Red Cross spent almost \$3.3 million on direct disaster response (temporary housing, food, and financial assistance). The American Red Cross in New York State needs to ensure that our chapters are properly prepared to meet the needs of the communities we serve in the event of large-scale disasters, both natural and man-made, as well as everyday disasters such as fires, floods and building collapses.

Last year, New York State, with help from funding secured through the Executive Budget, provided the Red Cross with \$3.3 million. With this funding we were able to, among other things:

- Train **589,177** people in cardiopulmonary resuscitation (CPR), First Aid, use of automated external defibrillators (AED), aquatics and other life-saving skills;
- Train **168,152** people in emergency preparedness through our community disaster education programs; and
- Collect approximately **400,000** units of blood, providing **120** hospitals with **740,000** blood products.

As we find our state continuing to face serious economic challenges, it is more important than ever to support the \$5.7 million state funding proposal for the American Red Cross in New York State. While we recognize the difficult decisions facing the state, the unfortunate reality is that disasters never slow down.

The \$5.7 million funding proposal includes \$2.35 million for Local Disaster Response, \$2.35 million for Citizen Preparedness and Readiness, and \$1 million to Ensure an Adequate Blood Supply. The request for this funding is being asked of the Governor and the Legislature, as has been the case in previous years.

The Red Cross receives the vast majority of its funds in the form of donations from the American people, in addition to foundation and corporate support. While the need for our services and assistance continues to grow, especially during hard economic times, the financial resources available to Red Cross chapters to meet those needs have not kept pace. Our nation's slowing economy and dwindling donations to human service charities pose a major threat to our capacity to provide services.

Between fiscal years 2008 and 2010 the American Red Cross saw an average decrease of 14 percent in corporate and foundation support and a 10 percent decrease in personal giving. United Way funding for Red Cross chapters has been reduced by more than \$14 million over the last decade. Unfortunately, we expect United Way funding to continue to decline in the future.

Since fiscal year 2008-2009, when the American Red Cross received \$5.7 million, chapters saw an average decrease of 22 percent in the numbers of New Yorkers receiving emergency preparedness training; a 6 percent decrease in the number of New Yorkers receiving life-saving skills training; and a 2.5 percent decline in blood collections.

In response to the current economic crisis, Red Cross chapters in New York State have met these challenges with efforts to reduce costs. These efforts include chapter mergers, regionalization of office functions, reduction of staff benefits and staff layoffs. Over the past two years, paid staff has dropped 25 percent across the state. With decreasing financial and staff support, it becomes increasingly difficult to provide the same level of important services to the community.

While we strive to increase our revenues and control expenses in the face of growing needs, the Red Cross must look to our government partners to help us to continue to meet the needs of New Yorkers. The support we have received from the state of New York since 2005 is vital in addressing our needs. The \$3.3 million contained in the Executive Budget is necessary to allow us to maintain basic services for the next fiscal year. However, funding the full \$5.7 million will allow us to grow, thrive and adequately serve the people of New York.

The Red Cross is confident that funding of \$5.7 million in the 2011-2012 state budget will significantly improve our ability to protect the health and welfare of the citizens of New York State. The American Red Cross and the State of New York have developed a strong partnership over the years and we look forward to continuing this partnership and working effectively to prepare, prevent and respond to future disasters in New York.