

**SUBMITTED TO THE FINANCE, REVENUE AND BONDING COMMITTEE**

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by

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**SUPPORT: Section 9 of S.B. 1008, providing \$30 million in bond authorizations for supportive housing.**

Good morning Senator Daily, Representative Widlitz, and Members of the Committee, and thank you for this opportunity to testify today. My name is Sarah Gallagher, and I am the Director of the Corporation for Supportive Housing's Connecticut Program.

CSH is a national nonprofit who for the past 20 years has partnered with government, nonprofit providers, private philanthropy and advocates to help communities create affordable housing linked with support services as a cost-effective and permanent solution to ending long term homelessness.

I am here to ask for your support of Section 9 of S.B. 1008: An Act Authorizing Bonds of the State for Capital Improvements and Other Purposes which includes the investment of \$30 million for the creation of 150 new units of supportive housing.

Connecticut is a national leader in supportive housing and we have the kind of public investment and interagency collaboration that is the envy of other states. Connecticut has won awards for its collaboratative interagency approach to supportive housing from the National Council on State Housing Agencies and the Innovations in American Government Award from the Ash Institute of the Kennedy School of Government at Harvard.

At a time when many other states are responding to huge budget deficits by cutting spending on social programs, CSH applauds the State of CT for recognizing that supportive housing is not only a proven solution to homelessness but that it is also an investment in our state's infrastructure through the creation of housing, an investment in our economy by creating jobs and a means of shifting our spending away from costly crisis services and institutions that are not effective in meeting the complex needs of this vulnerable population.

I am here today to ask that you continue to support this proven solution to homelessness in our state. As an effective alternative to the high cost of homelessness, numerous studies have shown that people who had been living in emergency shelters or on the streets do stabilize in supportive housing—tenants are much less likely to cycle through expensive public sector systems—including emergency rooms, hospital inpatient units, and jails—and are able to return to work, and to make better use of preventive health care services. Studies throughout the nation have shown that supportive housing can:

- Reduce hospitalizations and Medicaid-funded services by between 27% and 77%
- Reduce incarceration by more than 50%

- Prevent children in homeless families from entering into foster care, avoiding foster care costs of over \$8,000 per year per family
- Stimulate the economy by creating construction, property management and social services jobs

Moreover, a multi-year evaluation of CT's first nine State-financed supportive housing projects found a 71% reduction in use of Medicaid inpatient services among Medicaid-eligible tenants of supportive housing as well as consistent increases in tenants' income. And just last week, the Hartford Courant highlighted CT's FUSE initiative which has taken 30 people who have collectively cost the state more than \$12 million in jail and shelter use alone and placed them into supportive housing.

Even as our publicly administered housing subsidy programs are carrying wait lists of a year or more—so, too are our healthcare systems experiencing “gridlock” due to the growing and unmet demand for permanent, housing-based options. People who are waiting for service-enriched housing are in hospitals, they are backed up in residential treatment programs, and they are at risk of “timing out” of short term programs only to end up on the streets.

They often face complex health and behavioral health problems but lack a coordinated system of care to successfully address them. This—coupled with a lack of stable housing—forces them through a revolving door of multiple, costly crisis and institutional settings such as emergency rooms, inpatient hospitalization, detox, and correctional facilities.

Take James for example. James is 63, living in a shelter in Hartford and has been homeless since 2004. He would like to work but has a criminal history, is missing some teeth, admits to alcohol abuse, has an inflamed liver and no permanent address. He knows that alcohol will probably kill him but he "drinks because (he feels) there's nothing to look forward to." James has been on wait lists for subsidized housing since 2006 but does not expect to get in. The total amount of services that James reports to having used in the past year total more than \$116,000 in one year.

The most tragic part of James' story is that we actually know what it would take to help James.... Supportive housing!

Supportive housing works. It costs less than hospitalization—a one day hospital stay is more than \$1,000, versus less than \$100 for supportive housing. Individuals and families living in supportive housing show improved quality of life, better social ties, and more stable financial situation. Now is the right time to continue to invest in supportive housing—as a much more effective use of the state's resources. Thank you for your time and your attention.