



**Testimony on H.B. 5032, An Act Adjusting the State Budget for the Biennium Ending June 30, 2027: Department of Housing Budget Appropriations Committee Hearing, Subcommittee on Conservation and Development**

**Friday, February 20, 2026**

Good afternoon Senator Osten, Representative Walker, Senator Somers, Representative Nuccio, and distinguished members of the Committee.

Thank you for the opportunity to testify.

I want to speak plainly about the gravity of the moment before us. The data are not ambiguous. The strain is visible across every region of Connecticut. And the decisions you make in this budget will determine whether we stabilize this trajectory or allow preventable harm to deepen.

My name is Sarah Fox, MSW, and I serve as Chief Executive Officer of the Connecticut Coalition to End Homelessness. Through the CT CAN End Homelessness campaign, we work in partnership with providers, municipalities, hospitals, outreach teams, and state agencies across Connecticut. What I am sharing today reflects real-time operational conditions across our homelessness response system.

Since 2021, homelessness in Connecticut has increased 44%. Unsheltered homelessness rose 45% in the past year alone<sup>i</sup>. In 2025, 8,172 residents experienced homelessness, and 35% were unsheltered. That includes 1,893 families with children, 973 young adults ages 18–24, 2,323 older adults age 55+, and 442 veterans<sup>ii</sup>. This is not isolated to one city. It is statewide.

This rise is not happening in a vacuum. Housing costs have outpaced what many working households, seniors on fixed incomes, and people with disabilities can absorb—and the result is predictable: more evictions, more doubling up, and more entries into homelessness. When rent increases become the norm and emergency savings are thin, a missed paycheck or medical bill becomes a housing crisis.

The growth among older adults should stop us in our tracks. Nearly a quarter of shelter clients and more than a quarter of outreach clients are over 55. When seniors lose housing, health deteriorates rapidly, exposure carries greater mortality risk, and recovery becomes far more difficult. Elderly homelessness is not simply a housing issue it is a public health emergency unfolding in plain sight.

Forty-two percent of shelter clients and fifty-seven percent of outreach clients report a disabling condition. Children represent nearly one in five individuals in shelter. When the system is strained, it is those with the least margin children, seniors, and people with disabilities who bear the greatest harm.

Unsheltered homelessness is not random. It is a system outcome. It rises when prevention is underpowered, when emergency and surge capacity are too thin, and when housing exits are

constrained. When those components misalign, throughput slows. Shelters do not turn over. Outreach has nowhere to bring people. Residents remain outside longer. This is not mysterious. It is a capacity and flow problem. And it is solvable.

**Compounding this strain is federal uncertainty.**

Connecticut relies heavily on HUD's Continuum of Care (CoC) funding, as well as Emergency Solutions Grants (ESG) and the Social Services Block Grant (SSBG), to sustain housing, outreach, shelter operations, and crisis response services.

HUD has filed an emergency motion asking the court to dissolve the temporary injunction issued in December. In their motion, they state that they intend to non-competitively renew projects expiring in the first two quarters of Calendar Year (i.e., between January and June). However, they argue that language in the final **FY2026 appropriations bill** provides them with the authority to move forward with issuing a new FY Notice of Funding Opportunity (NOFO) to make awards for projects expiring in Q3 and Q4 of this calendar year - presumably the one issued December 19, 2025. HUD is asking the court to decide by **March 2**.

**If HUD reverts to its December FY2025 NOFO, we would see severe reductions to permanent housing resources nationwide placing nearly 170,000 people across the country at risk. In Connecticut alone, nearly 9,000 households could be impacted, with up to 6,500 households at risk of losing their permanent housing assistance and approximately 3,500 at risk of losing the supportive services that keep them stably housed,** with some households facing the loss of both housing and services simultaneously. When the federal pipeline is uncertain, the state must be prepared to protect the stability of its own response infrastructure.

I want to acknowledge and thank the Governor and members of the Legislature for the \$6.9 million in gap funding through the Governor's Emergency Reserve Fund. That action was prudent and stabilizing. It protected continuity and prevented immediate disruption during a volatile period.

But based on developments in Washington, we may need to deploy those funds exactly as intended and potentially return to you for additional resources to protect Continuum of Care-funded housing and services. The gap funding was a responsible first defense. The risk now is that the exposure becomes larger and longer than anticipated.

**This is why this year is different.**

For the Department of Housing budget, **CT CAN End Homelessness is requesting \$123.9 million annually**, organized as **Prevent | Respond | House**. This request reflects operational reality, federal volatility, and what it actually costs to stabilize and operate a statewide emergency response system.

Moving forward, we will reflect the system's true level of need in our legislative requests. We will not calibrate our asks to what feels politically comfortable. We will align them to what it truly takes to prevent homelessness when possible, respond effectively when crisis occurs, and house residents with the supports necessary to remain stable.

Let me be unequivocal: this request is about strategically stabilizing an emergency response system that Connecticut relies on every day, but has never funded as one.

The homeless response system functions as the emergency room of housing instability. Residents present in acute crisis. Volume surges are predictable. The expectation is immediate, competent response. Yet unlike every other emergency function in this state, this infrastructure has never been funded with reliable, sustained investment.

Providers are often reimbursed at less than 50 percent of the true cost of services. Core operations: outreach, diversion, shelter staffing, safety, case management are routinely subsidized through philanthropy, local fundraising, and temporary dollars. When economic pressures rise, those sources contract. Providers are pushed into deficits. Staffing becomes unstable. Capacity erodes precisely when demand intensifies.

Emergency response cannot be structurally dependent on bake sales and one-time grants.

And the people running this system are experienced professionals. They are the helpers—answering crisis calls, staffing shelters overnight, conducting outreach in dangerous weather, supporting families, and stabilizing individuals with complex needs. They know how to do this work. What they need is reliable funding that matches the responsibility we place upon them.

That is why our [CT CAN End Homelessness 2026 Legislative Agenda](#) is a coordinated operating framework:

## **Prevent | Respond | House — A Coordinated \$123.9M Investment**

### **PREVENT — \$10M annually**

Invest in a **Housing Crisis Response Fund** to prevent shelter entry through flexible, rapid assistance—back rent, security deposits, utilities, mediation, legal support, and stabilization services. More than **300,000 Connecticut adults** ran out of money for housing in the past year. Prevention reduces inflow and lowers downstream public cost.

We appreciate the Governor’s inclusion of **\$5M for eviction prevention and HUB outreach**. We are requesting an additional **\$10M** to ensure prevention operates at scale statewide.

### **RESPOND — \$31.6M annually**

A **45% rise** in unsheltered homelessness is a public health emergency.

We appreciate the Governor’s **\$5M for winter response** and additional shelter support. However, we are requesting a full **\$31.6M integrated package** to:

- Provide **\$12.3M** in year-round extreme weather capacity
- Stabilize the workforce with a **7% COLA (\$3.5M)**
- Expand staffing capacity (**\$15.8M**) for diversion, outreach, housing search, landlord engagement, employment navigation, youth support, and expanded **2-1-1 Housing Crisis Line** hours

This ensures communities can bring people inside quickly and keep services functioning without pushing providers into deficits.

## HOUSE — \$82.3M annually

We appreciate the Governor’s proposed **RAP baseline adjustments** protecting existing voucher holders and targeted investments for seniors, families, and youth.

But thousands of eligible households remain without assistance.

We are requesting:

- **\$50M** to provide rental assistance for **3,400 additional households**
- **\$32.3M** for housing-focused case management through **DMHAS** to ensure stability for those with disabilities, serious health needs, or long histories of homelessness

Housing exits restore flow. Without exits, shelters stall and unsheltered homelessness increases.

**Members of the Committee, Connecticut is already paying for homelessness, just not in a planned way.** We are paying through emergency departments, ambulance runs, police and EMS response, crisis services, and preventable deterioration in health and safety. **No one designed it this way, but working together we CAN bring it into better focus and shape.**

The question before you is not whether we will spend public dollars. It is whether we will spend them **predictably and strategically**, or continue paying **reactively and expensively** through the most costly systems.

In a moment of federal volatility, this is also a question of risk—whether Connecticut will protect continuity, prevent destabilization, and keep providers from being forced into deficits that undermine the entire response system.

I respectfully urge you to adopt the coordinated **\$123.9 million Prevent | Respond | House** investment. It is the level of funding required to reduce entries into homelessness, meet demand with humane capacity, and restore the flow that allows homelessness to decline statewide.

Thank you for your leadership and your attention.

Sincerely,

Sarah Fox  
CEO  
CT Coalition to End Homelessness

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<sup>i</sup> [2025 Annual Point in Time Count CT](#)

<sup>ii</sup> [Beyond PIT Yearly Totals](#)