

# Funding the Front Lines

## What is the Homeless Response System Front Line?

Last updated: 2.10.2022

*Nonprofit organizations providing shelter, homeless outreach, diversion, rapid-rehousing, housing navigation, supportive housing, and housing case management make up the front line of Connecticut's homeless response system.*

*Front line housing and homeless service providers play an essential public health role, made even more apparent and critical during the pandemic. Since the onset of COVID-19, the front lines have decompressed shelters, held vaccine clinics, quickly matched individuals and families to housing, and much more.*

*Our front line workers keep our communities safe, saving lives and saving the state money.*

### Ending Homelessness is Possible

Our homelessness response system has **decreased homelessness in CT by 42 percent since 2011.**

While we have made significant progress, **chronic underfunding of front line homeless service organizations and staff puts this in jeopardy.**

To ensure continued progress toward making homelessness rare, brief, and one time, housing and homelessness organizations and front line staff must be fully funded.

## The Need

*Housing and homeless service organizations are facing inflation, the rising costs of health insurance, rent, and heat, all on top of historical underfunding. This makes it impossible for organizations to recruit, hire, train, and retain qualified front line staff.*

### Funding Model

Government funding provides less than 50% of the funding for Connecticut's homeless response system. Many other sectors and nonprofits receive 100% of their funding from the state.

This disparity means that simply increasing funding for organizations via COLAs on state contracts does not have the same impact on the homeless sector as it does for other sectors.

*Front line staff are the backbone of the homeless response system; yet, **the average turnover rate for homeless service nonprofits in 2021 was 18%**. Front line staff fled direct services for jobs that paid more, and were less dangerous and stressful. For those who have stayed, poverty wages mean that many rely on government support programs like Medicaid and rental assistance, and some are experiencing housing instability and homelessness themselves. Additionally, staff working in these essential roles are disproportionately people of color.*

*The pandemic has further strained Connecticut's homeless response system and some organizations and individuals are facing the potential end of operations and services.*

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## The Solution

The Reaching Home Campaign is encouraged by the legislature's increase to nonprofit provider funding in both FY22 & 23; however, a significant funding gap remains among homeless and housing services organizations. Connecticut must address this funding gap by:

1. Supporting the CT Community Nonprofit Alliance long-term plan to restore at least \$461 million to community nonprofits, which includes housing and homeless service organizations.
2. Providing an additional \$13.34 million in FY 23 to provide homeless and housing service organizations funding for adequate wages, benefits, and professional development for front line workers, increasing rent and utility costs, and better access to technology via:

DOH Housing/Homeless Services line	\$7.47 million
DOH Municipal Housing/Homeless Services line	\$169,000
DOH Homeless Youth line	\$436,000
DMHAS Housing/Supports Services line	\$5.26 million
<b>Total</b>	<b>\$13.34 million</b>

Together, these investments represent a 35.06% increase for all housing and service provider contracts administered by the state, which account for the rate of inflation since 2016.<sup>1</sup> This funding would allow Connecticut's homeless response system to work as designed – to respond to people's housing emergencies and allow housing and homeless service providers to hire and retain qualified staff.

## Impact

Fully funding housing and homeless service organizations means they will be better equipped to adequately support individuals and families facing homelessness. By providing the necessary resources for staff and operational capacity, we can ensure Connecticut's homeless response system is able to quickly and effectively respond to housing crises, provide fair compensation to essential workers for essential work, and ultimately ensure that homelessness is rare, brief, and one-time.

<sup>1</sup> This request accounts for direct and non direct wage inflation and increases in the Consumer Price Index since 2016. Hereafter, increases should be tied to increases in the general price increases in the State of Connecticut.