

**Testimony of the Homeless Alliance of Western New York
On the 2007-08 State Budget**

My name is William O'Connell and I am the Executive Director of the Homeless Alliance of Western New York. The Homeless Alliance's mission is the facilitate dialogue and action to end homelessness in Buffalo and Erie County. We represent the interests of over 60 member organizations that provide service and housing to homeless and other low-income people.

On any given night in Erie County our provider network houses over 2100 homeless individuals and our street outreach teams estimate that another 150 to 200 people are living on the streets. These numbers do not include what we estimate to be thousands of individuals living doubles and tripled up with family and friends because they cannot afford an apartment or home of their own.

Raise the basic public assistance grant

Homeless Alliance research has shown that there is a preventative effect that accompanies the receipt of Mainstream benefits like TANF, Food Stamps, and other income enhancing programs.

The basic TANF grant, which has not been increased by lawmakers since 1990, has fallen to less than 50% of the federal poverty level and is a significant factor in the high rate of poverty in Erie County. An entire generation of children has grown up since the last increase in the basic grant was approved as part of the state budget 18 years ago.

The basic welfare grant is now \$291 a month for a family of three. The Homeless Alliance is asking for the grant to be increased to \$475 to reflect inflation of more than 60% since 1990 and then to have a commission examine how to raise the grant to a reasonable level in the future. The federal poverty level for a family of 3 is \$17,170; for a family of 4, it is 20,650.

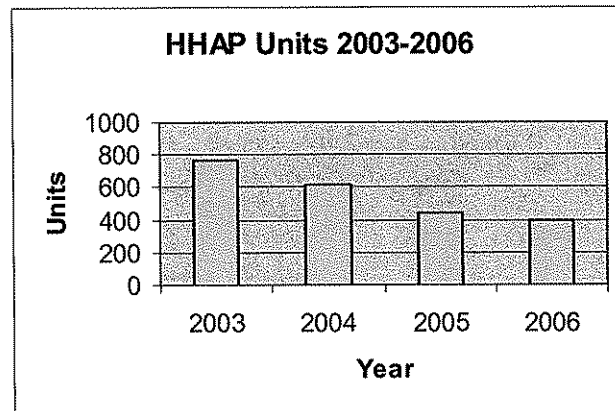
As representatives of homeless service providers from across Erie County, we are deeply concerned about the devastating impact that inadequate State funding for the basic Public Assistance (welfare) grant is having on families in Buffalo and Erie County. Today, after set-asides for landlords and utilities, many families have little or no money left to meet expenses for clothing, food, school supplies and other necessities.

Low public assistance payments contribute to:

- Hunger and homelessness
- Whole families living in unsafe conditions, in apartments with lead in the paint and other dangerous conditions
- Children who regularly come to school too hungry and ill-clothed to learn, resulting in unequal learning opportunities
- Chronic malnourishment in children and adults, which raises health care costs
- Excessive reliance on food pantries
- An increase in criminal activities fueled by desperation

Increase HHAP capital allocation from \$30 million to \$60 million

The Homeless Housing and Assistance Program (HHAP) provides capital funding to nonprofit providers to build supportive housing. For most of the last decade, HHAP has been funded at \$30 million annually. As a result, the number of units produced each year has declined dramatically, from almost 800 units in 2003 to under 400 in 2006.



Steady increases in the number of homeless people statewide have in turn increased the demand for HHAP funding. In the 2006-2007 funding round there were \$80 million worth of requests for the \$30 million allocated, of which \$65 million scored well enough to be funded. With construction costs skyrocketing, a significant adjustment to the base funding level of HHAP is long overdue.

Increase Supported Housing for Families and Young Adults (SHFYA) \$1.5 million

The number of homeless families is growing across the state and here in Erie County we are struggling to meet the needs of homeless families as well but the \$5 million SHFYA program funds services for only 1,332 households statewide. Even for these families, funding is limited to \$3,300 per year per household – a rate inadequate to the needs of the multiply-disadvantaged homeless families being served by the program. If SHFYA is to be the state's primary vehicle for addressing the housing needs of homeless families and young adults, then the program rates must be enhanced.

Allocate an additional \$50 million to OMH capital housing development

The New York State Office of Mental Health is an efficient funder of nonprofit developers building supportive housing. In Erie County groups such as Lakeshore Behavioral Health, Living Opportunities of DePaul, HOME, Transitional Services Inc. and others provide excellent supportive living opportunities for homeless individuals and families with mental illness. Unfortunately, the need for these housing units continues to rise and funding is extremely limited. Recent and pending administrative and legal changes will position OMH to fund units fully integrated with other affordable housing tenants. Capital construction at OMH is funded by the issuance of tax-exempt bonds and as-of-right 4% federal tax credits that would not otherwise be put to use. These investments will ultimately realize significant savings as populations are reduced in expensive psychiatric centers and Medicaid-

funded nursing homes. But more importantly, we can better take care of those who are in most need among us.

Increase the PA Earnings Disregard: also Repeal Standard of Need cap that prevents families from earning their way out of poverty

New York can increase its Earned Income Disregard (EID) levels.

The EID encourages employment by ensuring that a welfare recipient's grant is not decreased one dollar for every dollar of earnings. The first \$90 of earnings does not reduce the welfare grant at all. Beyond the initial \$90, the grant is reduced by 53 cents for every additional \$1.00 earned. For example, a recipient working 30 hours a week, at a wage of \$7.15 an hour, would earn \$930 a month.

The first \$90 of earnings would be disregarded but the welfare grant would be reduced by \$445 --- 53% of the remaining \$840.

TANF grants to families are reduced before the family's income reaches the federal poverty level and all TANF assistance is phased out as income hits the poverty guideline. For example, the monthly federal poverty guideline for a single mom with two children is \$1,383. The family in the previous example lost \$445 in TANF benefits even though its income was still \$200 a month below the federal poverty guideline. Under the current EID, a recipient with two children working 40 hours a week earning \$8.15 an hour (just \$1.00 an hour more than New York State minimum wage) would not qualify for TANF assistance.

A revamped EID would not reduce TANF benefits at all until a family's income reached the poverty guidelines. The recipient family in our previous example working 30 hours a week at \$7.15 an hour would keep \$930 from wages plus all but \$119 of its TANF grant bringing its income up to \$1,502 --- 9% above the federal poverty guidelines.

We need to make work pay for low-income New Yorkers, not by decreasing benefits but by increasing and incentivizing work by allowing low-income persons to maintain work, move up and out of poverty, and prevent family homelessness.

Thank you.