



September 2020

Senator Paul Sarlo- Chair  
Senate Budget and Appropriations

Ms. Diane Riley  
Executive Director

Senator Sarlo and members of the committee. I am writing on behalf of the Board of Trustees and members of the Supportive Housing Association of NJ (SHA), a 22 year old membership organization representing over 100 agencies dedicated to the creation of permanent, affordable housing with flexible supportive services for people with disabilities and other special needs. These needs might include those with serious mental illness, addictions, intellectual and developmental disabilities, adult onset physical disabilities, seniors and the homeless. Although their requirements might be different they are all in need of safe, decent housing and supportive services. More people today are living in communities of their choice and receiving services they need to lead full and independent lives to the best of their abilities. But there are so many more who continue to live at home with aging parents wondering what will happen in the future or those who are living in substandard or temporary housing with no idea where they will go next. These were common stories before COVID-19 upended the nation and are even more profuse now. All I can do is offer some direction and promise that SHA will advance the ideas and the strategies that are proven to work. These strategies encompass a combination of capital funding, operating support and access to staff and services that will allow all those currently waiting to finally find a home. In the end this investment will provide not only a better quality of life for more people but will do so in a more cost effective way so as to allow us to be good stewards of our public funding. The following are a few suggested budget and policy priorities for the remainder of the fiscal year that would help us move forward.

Capital – First and foremost, we need to create more homes that people can afford. Over the years, New Jersey has created funds in order to support the development of housing. SHA supports Governor Murphy’s investment in NJ’s Affordable Housing Trust Fund. Over the last ten years, these dedicated funds have been diverted away from the development support the private sector – both for-profit and non-profit – requires in order to build and rehabilitate homes. It is critical at this time to continue this investment when municipalities are looking anew to opportunities to meet their affordable housing obligations or we run the risk of falling behind with more people needing housing than ever before. This fund is a smart investment that not only serves people well but has a positive impact on communities by improving the economy and creating jobs. Also welcome is the continued support of the Office of Homelessness Initiatives. Over the last year this office has been the hub of an interdepartmental coordinated approach to address acute housing needs. In that time they have also facilitated discussions in long-term changes that would bring about efficiencies that could serve more people.

Rental Assistance - Most of the adults living with disabilities are SSI recipients with an income of \$800 a month. Independent living continues to remain a difficult or impossible achievement for those on extremely low incomes without some sort of supplemental assistance. Housing vouchers provide that assistance and are the essential ingredient that allows people to maintain a stable

home. We support the continuation of funding for the State Rental Assistance Program (SRAP) and appreciate the work of DHS and DCA in working together to create new vouchers and service models. We greatly appreciate these smart investments. In the end housing with supports is less expensive than costly institutions or overusing costly emergency services. Maintaining this commitment is critical as the investment is a fraction of what is needed.

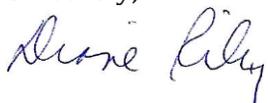
Supportive Services: Access to flexible services and staff is the third but no less critical part of the supportive housing industry. Moving people into affordable homes is the first step, but providing them with services is essential in helping them remain in their homes successfully. Maintaining a strong infrastructure in both provider and staff support is imperative.

New Jersey's community-based behavioral health system is critically underfunded. At this time the demand for services is increasing exacerbated by the pandemic, among both individuals with chronic mental illnesses and substance use disorders and the general population that has not had these health conditions before. In the last few years, New Jersey moved towards a new Medicaid fee for service model of billing and away from deficit-funded contracts. Transitioning to this new system is a costly and complicated process. Fee for service programs require a safety net for providers whose rates continue to be inadequate for them to have success in providing the services that so many people need. Supplemental funding of \$18.75 million – more than the current budget line of \$500,000 – for the nine-month FY2021 budget, which Assembly Bill 1361 calls for, is needed to assist behavioral health programs with deficits that resulted from inadequate fee-for-service (FFS) rates. We hope you will consider including this important increase in the FY2021 budget.

Finally recruitment and retention of staff remains an ongoing challenge. This is especially acute in the Intellectual and Developmental Disabilities community. Direct Support Professionals serve individuals in the I/DD community by helping them navigate everyday life. The work requires a high level of skill and responsibility but sadly does not command a salary commensurate with these responsibilities. To address wage disparities and with the minimum wage increasing each year, DSP wages must be indexed to the percentage increase of the minimum wage each year, for instance a 10% increase in the minimum wage would be a 10% increase in DSP wages. Governor Murphy's budget proposal includes \$192 million for wage increases for direct support professionals and also other critical workers such as certified nursing aides, personal care assistants and child care workers. This funding will continue the legislature's efforts to address the widening gap between what DSP's are paid the quality and responsibilities of their work, which agencies are unable to do given their revenues are set by Medicaid rates. The Governor's proposed budget also recognized the enhanced risk taken on by DSP's during this difficult time and will provide an additional \$3/hour hazard pay to DSP's in licensed residential settings. We urge the legislature to maintain these provisions in their finalized budget. Building and retaining a strong, qualified and sustainable workforce requires a commitment to people living with these needs and the workers who support them.

Thank you for your consideration.

Sincerely,



Diane Riley, Executive Director