



March 2023

Assemblywoman Pintor Marin - Chair
Assembly Budget

Ms. Diane Riley
Executive Director

Assemblywoman Pintor Marin and members of the committee, as Executive Director, I write today on behalf of the Board of Trustees and members of the Supportive Housing Association of NJ (SHA). Now in our 25th year, our association representing over 110 member organizations dedicates our efforts to the creation of permanent, affordable housing with flexible supportive services for people with disabilities and other special needs. Individuals may represent those with one or more challenges such as mental health, physical, intellectual or developmental, recovery, aging, or those experiencing homelessness. However, they all have in common a need for 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 far too many living in temporary housing or struggling to find a place to live. Supportive housing is a proven strategy that works. Robust investments in capital funding to build, operating support in the form of rental assistance and service dollars will allow those people currently waiting with special needs to finally find a home. The following suggested 2024 budget and policy priorities could make that progress possible.

Capital – Last year, the budget committed an unprecedented \$300M+ from New Jersey’s American Rescue Plan allocation to help create thousands of homes for low-income residents. Recently proposed Medicaid Healthy Homes funding of approximately \$100M could add 100-200 units of affordable housing across the state. SHA congratulates the Division of Medical Assistance and Health Services for their diligence and attention in formulating the HCBS spending plan and for addressing housing - the most critical issues faced by Medicaid recipients. This year’s continued \$15 million commitment for first time home buyers will increase the ability for those who have had little chance in owning their home and reducing the wealth gap that comes with marginalization. We are grateful for these significant investments and urge the legislature’s support of housing for our most vulnerable residents.

Rental Assistance – Financial resources remain a major barrier to independent living for adults with disabilities with many receiving SSI income averaging \$900 per month. Supplemental assistance in the form of housing vouchers is necessary and vital to maintaining stable housing. SHA appreciates the continued work of DHS and DCA in working together to create new vouchers and service models. These vouchers are funded under the Department of Human Services Division of Developmental Disabilities as well as the Division of Mental Health and Addiction Services and managed by the Supportive Housing Connection (SHC). First, thank you for including \$3.5M in this budget for new SHC subsidies. This funding will create 150 community placements for individuals with mental illness to live in the community with needed services to maintain independence. This budget also includes \$12 million to increase payment standards to reflect fair market rent increases, improving continued access to housing for individuals. \$5M of these funds will address a 10% increase in the housing component of the rates paid to group home providers in the DDD system, the first rate increase since 2016. This is welcome news. Current payment standards for SHC vouchers, which cover the maximum amount of assistance a family can receive, remain too low to enable even those with a voucher to rent an apartment. DHS has made strides to address this inadequacy in the past year to align SHC vouchers

near SRAP and federal vouchers standards. We urge continued attention in this area and equity within the DHS payment standards with regards to both DMHAS and DDD. Finally, we applaud the proposed \$13M million to develop housing options for individuals residing in nursing facilities and institutional settings who could be supported in the community. Almost 25 years after the Olmstead Supreme Court decision, our state investments should focus on creating less restrictive residential settings that integrate into communities throughout the state.

Supportive Services - Access to flexible services and staff is the third, but no less critical part of the supportive housing model. 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.

This year's budget reflects this critical understanding in many ways. Payment rates for providers serving clients in the community do not automatically increase for inflation. This budget includes \$72M in state and federal funding for a 3% increase across the board for all fee-for-service provider rates to partially offset the impact of inflation. We welcome this increase and we hope the assembly will consider Assembly Bill 508 which will establish an annual cost of living adjustment based on Consumer Price Index for programs providing mental health, substance use treatment, or services to persons with developmental disabilities.

As you know, staffing is the most critical issue facing many of our providers. Recruitment and retention of staff remains an ongoing challenge. This budget includes many provisions that address this difficulty. First, we are grateful that Governor Murphy has included staff increases in the budget. Specifically, \$83 million in state and federal funding for another Direct Support Professional and supervisor wage increase for those who serve people with I/DD. An added \$37 million in state and federal funding to support community providers of behavioral health services. There are also much needed increases for support brokers, certified nurse aides, private duty nurses, all important to workers in the supportive housing ecosystem. Secondly, other major investments in workforce development include nearly \$20 million for loan redemption and similar programs for community-based care workers in fields such as behavioral health care, private duty nursing, applied behavioral analysis, and substance use disorder treatment. Finally, the proposed \$60M for recruitment and retention bonuses for staff that work with individuals with intellectual and developmental disabilities, mental health conditions, and substance use disorders will help with the severe staff shortages that so many of our providers are facing.

We urge the legislature to maintain all of 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