

Senate Finance Committee

Deb Martone 271-4980

SB 113-FN-A, making appropriations to the department of health and human services for homeless services and homeless prevention.

Hearing Date: January 28, 2025

Time Opened: 1:38 p.m.

Time Closed: 2:22 p.m.

Members of the Committee Present: Senators Gray, Innis, Carson, Birdsell, Pearl, Rosenwald and Watters

Members of the Committee Absent: Senator Lang

Bill Analysis: This bill makes appropriations to the department of health and human services to support homeless prevention, rehousing, and homeless shelter services, and directs the renewal of the 1915(i) Medicaid state plan amendment for supportive housing services.

Sponsors:

Sen. Birdsell

Who supports the bill: Please see Committee Aide for complete listing of individuals in support of this bill.

Who opposes the bill: Jesse Medeiros; Curtis Howland; Laura Condon.

Who is neutral on the bill: Kyra Leonard

Summary of testimony presented in support:

Kate Lipman, Majority Policy Director, New Hampshire Senate:

- Ms. Lipman introduced the bill on behalf of Senator Birdsell, the prime sponsor.

Former Senator Jay Kahn, Mayor, City of Keene:

- Cities are experiencing extreme pressure on their budgets due to housing instability. Mayor Kahn shared one example from the city of Keene whereby they had budgeted \$300,000 for housing insecurity. They ended up spending \$1.2 million. This burden is significant. The budget busting is the result of the end of the housing eviction moratorium and any associated subsidies that were available.
- State statute requires that municipalities provide for the welfare and needs of their citizens.
- SB 113-FN-A is about the appropriation for the unanticipated costs.

- The state provides assistance to our sheltered homeless population but no assistance to the unsheltered homeless population.
- This legislation could provide assistance to nonprofits, which could include the Community Action Programs, who distribute housing assistance funding and prevention of evictions from housing. It could offer some subsidies to individuals with some income who could then afford housing and subsidized housing. It could be an enormous benefit. It could assist thousands of people in the state of New Hampshire.
- The municipalities would be greatly appreciative of whatever can be done to meet this need.
- Senator Rosenwald inquired if Mayor Kahn recalled that in the last couple of budgets the Legislature actually cut homeless shelter funding by about \$1.6 million per biennium. The Department was asking for \$24 million; we were spending far less than that. At the same time the problem has grown. Mayor Kahn mentioned an amendment Senator Bradley sponsored in 2024 for the sheltered homeless population that raised the amount to \$27 million. It was a one-time funding need.
- Senator Carson requested a detailed synopsis of all monies spent on homelessness from federal ARPA funding. The Legislative Budget Assistant's Office will provide the information.

Senator Birdsell, Prime Sponsor:

- This bill provides \$12 million per year to sustain the existing homeless shelter beds in the state, and support additional emergency shelter beds to address the drastic rise in unsheltered individuals in our state.
- SB 113-FN-A provides \$3 million per year for homeless prevention services and directs the Commissioner of DHHS to apply for state Medicaid benefits for supportive housing services with the federal government. This will allow providers to bill Medicaid for services rendered for their clients who are on Medicaid.
- This legislation is absolutely critical to stabilize the homelessness crisis in our state. Many shelters are on the verge of reducing beds to avoid closure, or on the verge of actually closing their doors.
- State funding for homeless shelters does not come close to covering the total cost of our nonprofits, who even at this level funding must bear the vast majority of the costs of running shelters.
- We want to prevent shelters from closing and help reduce the burden on municipalities and nonprofits dealing with homelessness on the front lines.
- We must pass this legislation.
- This funding provides an immediate impact to keep our shelters functioning while we work to increase the overall housing supply.
- Addressing New Hampshire's housing shortage is a top priority of both the Legislature and Governor Ayotte. This funding compliments those efforts by addressing the immediate need of where Granite Staters will sleep tonight.
- New Hampshire is experiencing a homeless crisis. According to HUD's 2024 Homelessness Assessment Report, New Hampshire saw a 71.3 percent increase

in the number of unsheltered homeless individuals in our state during 2023-2024. This is a 288.6 percent increase from 2019.

- In the last two years, New Hampshire homelessness has increased across every single demographic, including unaccompanied homeless youth and people with families and children.
- Shelters across the state are full every single night, forcing providers to turn away countless individuals. They lack sufficient funding and need help from the Legislature to continue doing the work that they do.
- Homeless prevention services are also critical in addressing this issue in the longterm. Preventing individuals from becoming homeless is significantly cheaper for the state and local municipalities in addressing individuals' needs once they fall into homelessness.

Maria Devlin, President/CEO, Families in Transition:

- Families in Transition provides a variety of services from emergency shelter, housing, and supportive services to meet the needs of our state's most vulnerable population.
- Their adult shelter is the largest in the state, providing 138 beds. Their family shelter serves 11 families at one time, with a total of 46 beds.
- Currently, their annual occupancy rate is 97 percent.
- Almost every single night they turn away adults from their adult shelter. Their family waitlist currently has 24 families on it. Those are the most vulnerable families living in places that aren't fit for human habitation. Last year they turned away 885 adults from their adult shelter.
- The funding gap between state funding and their actual costs to run these programs runs at approximately \$1 million. For calendar year 2025, their adult shelter will run a deficit of \$780,000, while their family shelter will run a deficit of \$120,000. All of which will need to be bridged through philanthropic efforts.
- SB 113-FN-A is a critical step in making a significant impact on those shelters currently receiving State Grant In Aid (SGIA) funding to maintain current capacity levels. Last year's additional \$7 funding per bed per day ends in June.
- In 2024 Families in Transition supported 661 unique individuals at their adult shelter and 142 individuals in families at their family shelter. They placed 62 individuals and 22 families in positive housing destinations last year.
- The need for emergency shelters in New Hampshire is great. Yet we know emergency shelters are not the longterm solution to our housing crisis. This bill can help ensure shelters are funded more appropriately for their services so that they can continue to be the necessary safety net between living unsheltered to stable housing.
- The number of individuals Families in Transition is serving is astronomical.

Jennifer Chisholm, Executive Director, NH Coalition to End Homelessness:

- Homelessness continues to be a critical and growing issue in the Granite State.
- From 2022-2023 New Hampshire had the highest percentage increase in the United States in its annual Point in Time (PIT) Count numbers.
- In 2023, 6,806 New Hampshire residents experienced homelessness. This number is higher than the population of either Meredith or Plymouth.

- Since 2019 chronic homelessness, people with a disability who are homeless for over a year, has grown over 150 percent in the Granite State.
- PIT Count data indicates the number of people experiencing unsheltered homelessness, living in a tent or their car, has nearly quadrupled from 2019-2024.
- From 2022-2023 the number of individuals in families who experienced homelessness in New Hampshire increased by 40 percent.
- Children under the age of 18 represent 1 out of every 5 individuals who experienced homelessness in New Hampshire in 2023.
- The number of older adults (ages 55+) experiencing homelessness jumped from 588 to 941, a 60 percent increase from 2022-2023. In 2023, 1 out of every 5 people who were homeless in New Hampshire were ages 55 or above. It is anticipated this issue will continue to rapidly increase, as the population of older adults in the Granite State is projected to double over the next 20 years.
- It is vitally important to adequately fund prevention and shelter programs. Given the continuing housing crisis the state is facing, combined with a wage economy that has not kept up with living expenses, prevention is the cure when it comes to homelessness in New Hampshire. We also need the safety net of a robust emergency shelter system that is set up to provide all the services and supports needed to successfully help residents stabilize. This is not an easy task with all of the economic barriers individuals currently face.
- It is crucial we continue to amply fund New Hampshire's shelters that are currently receiving SGIA funding, while we determine how to bolster the shelter system to meet the total need of the state's unsheltered residents
- The NH Coalition to End Homelessness strongly believes in the power of prevention, and that shelter beds, while not a permanent solution, are a key part of the spectrum of supportive housing options needed to lift up people experiencing homelessness in their journey to stability.

Nick Taylor, Director, Housing Action NH:

- Housing and homelessness are deeply connected. We are facing a housing shortage. As rents go up and vacancy rates remain below one percent, homelessness increases,
- The housing shortage is straining our shelter system, and the ability to have available beds and provide the services needed in our communities.
- Any reduction in this funding will lead to increased costs elsewhere. When there are not ample beds and ample opportunities, that is picked up by the local welfare departments. Hospital costs and law enforcement costs increase.
- Building additional housing units, reducing regulatory barriers, and speeding up the permitting process are all things we need. But this bill is about where individuals are sleeping every night, and getting them into transitional and supportive housing longterm.
- Senator Rosenwald inquired as to what the Department has put into its budget in these two areas. Mr. Taylor indicated he was unsure but that it was a prioritized need.

Will Arvelo, Executive Director, Crossroads House:

- They are located in Portsmouth and are the second largest shelter in the state.

- They house men, women and families, inclusive of children.
- Crossroads is also the winter warming shelter for Rockingham County.
- They are at full capacity and have been for a while. They are attempting to find ways to expand their bed capacity.
- Costs continue to increase. They feed approximately 112 individuals 3 times per day.
- Crossroads is open 24 hours, 365 days per year.
- Most of its funding comes from the private sector, in particular, individual donors.
- At \$27 per night reimbursement rate, that funds approximately 28 percent of their expenditures.
- Crossroads has experienced donor "fatigue" on behalf of individual donors, leading to fundraising concerns.
- Their population is shifting. It is much more diverse with older individuals with health care and disability issues. This is due to experiencing eviction.
- Crossroads current waitlist is 252 individuals. They are continuing to place individuals in transitional and supportive housing, but that is occurring at a much slower pace.
- This funding is critical to maintaining the system of shelters in the state.

Jake Berry, Vice President-Policy, New Futures:

- Rates of homelessness are up in every age and demographic group: children, families, older adults, individuals with substance abuse and mental health issues. Each of these groups have seen double digit increases in homelessness over the last year.
- Our shelters are doing their best but need help. The daily reimbursement increases approved last year don't cover shelter operating expenses but they are helping the shelters serve more people in need.
- This funding is needed now more than ever. Maintaining this funding in SB 113-FN-A will not only save lives but save costs over the long run by preventing longer hospitalizations and further criminal justice involvement that is often known to be associated with unsheltered homelessness.

Sam Hawkins, Public Policy Assistant, NAMI NH:

- Homelessness and housing instability have a profoundly negative impact on mental health. As a critical social determinant of health, having stable housing is an important protective factor in supporting good mental health for all people. For those with a mental health condition it can also critically aid in their recovery. A lack of stable housing can contribute to stress, anxiety, and other symptoms of poor mental health, while at the same time having a serious mental health condition can make it difficult to get or stay housed.
- About 1 in 5 people experiencing homelessness in the U.S. have a serious mental health condition.
- Without access to the proper supports and services this bill provides, funding for individuals experiencing homelessness, including those living with a mental health condition, will likely see their health decline, their mental health condition worsen and other adverse health outcomes such as hospitalization or incarceration.

- SB 113-FN-A provides crucial funding for services to support individuals experiencing homelessness, as well as funding for services to provide stable housing and prevent homelessness.

Kara Rodenhizer, Executive Director, Home For All Coalition:

- This bill is an essential step in addressing the growing rates of homelessness in our state.
- New Hampshire experienced the largest percentage increase in 2023. This is continuing to worsen with chronic homelessness up 18 percent, veteran homelessness increasing by 28 percent, and unsheltered homelessness increasing by 71 percent.
- In 2024 housing-related and homeless-related calls were the dominant calls to 2-1-1, with over 10,000 referrals for housing, homeless shelter and rental assistance.
- Our neighbors are struggling to survive among dire hardship.
- Investing in short-term solutions such as shelters may not be what some feel is a priority, but they are a part of our housing continuum. They provide a safety net for individuals who are in crisis.
- Our shelters continue to be underfunded and overly dependant on private donations. Many providers are struggling, some of which are covering half of their annual operating budget from private donations. This heavy dependence on contributions from New Hampshire residents is a problem. It creates year-to-year uncertainty for some shelter providers. It limits their ability to plan effectively, expand capacity when needed, and deliver consistent services to those that need them.
- With the need continuing to grow, we cannot simply afford to reduce our existing shelter capacity. Without this consistent shelter capacity, we are forced to resort to costly alternatives. Welfare departments are paying up to \$400 per night to hotels for families. Hospitals incur up to \$1,500 per day when individuals are medically cleared for discharge but there is nowhere to send them.
- Preventing homelessness in the first place is one of the most cost effective ways to be economically sustainable.
- DHHS' Housing Stabilization Program routinely runs out of funding halfway through the year.
- Homelessness is a solvable problem when there are effective policies that are paired with meaningful investments.

Maryse Wirbal, CEO, Front Door Agency:

- This provider has just completed its 38th year in operation by assisting families and individuals to stabilize, transform and become empowered to ultimately achieve sustainable independence.
- They offer a transformational program for single moms with young children, a permanent supportive housing program, and a housing stability program.
- In Nashua, the median cost of a 2-bedroom apartment currently exceeds \$2,300. This represents an increase of 38 percent since 2020.
- Hundreds of families walk through their doors each day with new leases which have increased hundreds of dollars overnight.

- Last year they received 527 applications related to rent, security deposits and utilities. Over \$300,000 was provided in direct assistance from the Front Door Agency, serving 172 households.
- From July to December of 2024 they received 233 applications totaling \$534,000 in needed assistance for rent, utilities and security deposits. The last two years have seen a 240 percent increase in requests.
- Due to the sheer demand for the agency's services they are closed two weeks of each month.
- The majority seeking assistance from the Front Door Agency are the working poor. Many are employees of social service agencies, bus drivers, and the service industry.
- Rental rates have become out of reach for one-income households, especially a household that relies on childcare as well.
- When someone is struggling to meet their basic needs, it affects their health, their education, the entire family, and the economic consequences that far exceeds this bill's amount.

Neutral Information Presented:

Kyra Leonard, Finance Director, Division for Behavioral Health and Division for Longterm Supports and Services, DHHS:

- The bill includes \$12 million for homeless shelters. Over the biennium the Department currently has \$8 million for shelters and \$2 million for cold weather shelters. Also included is \$2.5 million as a prioritized need to maintain the current rate with their contracted provider.
- The other component is the \$3 million for prevention to address existing unmet needs.
- SB 113-FN-A encourages the renewal of the state plan amendment, 1915(i), which is currently approved through June 2027. The Department's intention is to renew at that point.
- The fiscal note to the bill will be provided by the Department shortly. The bill will require 2 positions to provide support for contracting, programming and invoicing. One is a business support position for contract management. It is assumed the cost of these positions will be included in the appropriation; they are currently not included in the Department's budget, and have not been requested.

dm

Date Hearing Report completed: January 29, 2025