



**Written Testimony
New York State Joint Legislative Budget Hearing – Mental Hygiene
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**Submitted by
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On behalf of Urban Pathways, thank you to members of the Senate and Assembly Committees for the opportunity to submit testimony on the New York State 2019-2020 Budget. Urban Pathways is a New York City based nonprofit that provides services to chronically homeless individuals through a unique combination of street outreach, safe havens, extended stay residences, permanent supportive housing, and employment programs. Our programs engage homeless adults to come inside, and to succeed and thrive as they move forward. We meet individuals where they are at in their lives, provide them with a range of services appropriate to their needs, and assist them in gaining permanent housing.

Out of 20 total programs, our organization operates 10 programs through the State Office of Mental Health (OMH) that consist of extended stay residences, permanent supportive housing residences, and scattered site apartments. The populations we serve at these programs are single adults living with a mental health diagnosis. The majority of these individuals come to our programs from homelessness. Some of our programs also serve individuals being released from hospitalization who would otherwise be at high risk of becoming homeless. Our clients come from a range of backgrounds, and have a range of psychiatric and physical health needs. Many live with co morbid disorders, consisting of both mental health and chronic physical health conditions. Despite these challenges, with the help of our supportive housing programs, our clients are able to receive the appropriate care they need while living independently. Our programs aim to help residents achieve as much independence as possible.

Continuing to operate our OMH programs often results in financial challenges. The rates on these contracts are extremely low compared to the actual costs of both providing services and providing upkeep for the residences we operate. Contracts are primarily designed to only cover the social services administered, but our programs require so much more to be fully operational, including performing regular building maintenance and fixing needed repairs. Although contracts are designed with the intention that rents will cover these infrastructure costs, residents of our programs pay just 30% of their income as rent, the primary source of which is Social Security. Since the typical Social Security rate for adults living alone is \$858 per month, most supportive housing tenants pay just \$258 per month in rent. Note that the Fair Market Rent for an efficiency apartment in the NYC Metro Area is \$1,559 for FY 2019. The small amount obtained from rents is not nearly enough to address the upkeep and infrastructure needs of our residences. Without adequate rates, our organization, and other nonprofits across the state that run OMH supportive and other models of mental health housing, are forced to make up the difference.

Not only are the rates on our OMH contracts too low to meet all the needs of our programs, but they also haven't seen much increase since their inception. According to the Association for Community Living (ACL), rates for OMH programs have not seen increases comparable to the increased costs of doing business. For licensed community residences and apartment treatment programs, there was a 50% increase in their contracts from 1991-2018, while licensed congregate facilities and unlicensed programs have seen an *increase of less than 20% since 1991*. Inflation has meanwhile increased by 90% in the same time frame. This means that inflation alone has caused a loss of 40-70% of funding for OMH programs, the requirements and services of which have not changed.

The absence of rate increases on our contracts is certainly seen, and felt, at our organization. The rate for Urban Pathways' original congregate supportive housing contracts is about \$17,500 per bed per year. Meanwhile, the new Empire State Supportive Housing Initiative (ESSHI) contracts to provide the *exact same services* are paying a rate of \$25,000 per bed per year. This is a significantly higher rate on new contracts, while the original contracts remain stagnant for the same program model. It is without question that in order for our programs to survive, OMH needs to be allotted enough money- what the Bring It Home campaign estimates to be \$170million total- to bring the old contracts up to the current \$25,000 rate. The Governor's current budget proposal allocates just \$10million for this.

Without increased funding from the state, nonprofits will continue to struggle to keep these critical mental health housing programs operational. If programs are forced to close because their contracts do not cover program costs, our communities will be in dire straits without the necessary community-based mental health housing programs nonprofits across the state provide. Our programs are providing a service for the state of New York, and should be funded appropriately.

As a member of the Bring It Home campaign, we are joining mental health housing providers across the state in asking you to please include an additional \$160million in the Assembly and Senate Budgets to bring the rates of original contracts up to the new ESSHI contract amounts- which would allow our programs to both provide services and the necessary infrastructure upkeep at our residences. We sincerely hope you will provide the necessary funding to sustain our OMH programs.

Thank you again for the opportunity to provide testimony. If you have any questions, please reach out to us at:

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