



FY12 Budget Puts Lives of Homeless Families and Individuals at Risk:

Mayor's Proposed Budget Would Sharply Decrease Spending on Homeless Services

The FY12 budget hides a 20% shortfall in funding for homeless services.

The FY12 budget proposal contains \$82.1 million in local and federal funding for homeless services, which includes Permanent Supportive Housing (PSH), Emergency Rental Assistance (ERAP), transitional housing, emergency shelter, outreach, etc. However, according to the Department of Human Services (DHS), \$102.6 million in total funding is needed to maintain the same level of homeless services delivered in FY11 in FY12. The shortfall is due to the loss of one-time federal funding in FY11 in combination with an increase in fixed costs for FY12.¹

The DC Council must increase the homeless services budget by \$20.5 million to avoid life-endangering cuts. If the proposed cuts remain:

All singles shelters will likely close on April 1, 2012.

Although DHS has not yet decided how it will implement the cuts, in order to save lives and protect children, DHS is likely to prioritize funding in the following order: (1) life-saving hypothermia shelter; (2) keeping people housed who are currently receiving DHS housing subsidies; (3) keeping the current capacity of year-round family shelter; and 4) keeping the current capacity for year-round single womens' and mens' shelters. Under this prioritization, there would be no money left for the fourth priority: year-round single womens' and mens' shelters. DHS would be forced to **close the individual shelter system outside of hypothermia season**. This will put over **1200 District men and women** on the streets, causing a humanitarian crisis and increasing costs to the District in terms of emergency room visits, MPD involvement, and other government services.

The number of District children on the streets or in other dangerous situations would greatly increase.

In anticipation of the FY12 budget cut, DHS already has changed its long-standing year-round policy of placing all Priority 1 families in shelter. Priority 1 families are those who have been certified as having no safe place to stay (they may be fleeing domestic violence or staying in an otherwise unsafe home or on the street). Based on the number of 2011 shelter applications to date and an unemployment rate that remains at a 25-year high, we expect as many as **300 families** with no place to go will be denied shelter in the remainder of FY11 and at least that many in FY12. This will likely increase costs for other government services, such as FSA foster care placements.² It costs on average \$66,000 more a year to place two children in foster care than it does to shelter a family with two children.

¹ FY11 spending included \$11.9 million in federal funding for PSH and \$15 million in federal TANF contingency funds for homeless services, neither of which are available in FY12. In addition, in FY12 there is a \$1.6 million increase in fixed costs for maintenance and utilities, a \$1.2 million increase in costs due to implementing the Living Wage Act, and a \$5 million increase in costs for hypothermia shelter capacity for families. The resulting \$34.7 million gap in funding was partially offset by a \$14.2 million increase in local funding in the proposed FY12 budget, leaving a \$20.5 million gap.

² Families are not infrequently threatened with removal of their children for not separating from an abuser or remaining in housing that is otherwise unsafe for their children. If a family has no alternative to remaining in such a situation because they cannot access shelter, the District in some instances will need to remove the children from the family in order to protect them, at a financial cost that is over three times that of shelter. The human cost will be far greater.