



JOHN GRAHAM HOUSING AND SERVICES

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Testimony on Homelessness Before the Senate Appropriations Committee

Elizabeth Ready, April 6, 2017

- Governor-elect Peter Shumlin instituted the Cold Weather Exemption (CWE) in November of 2011 after the death of Paul O'Toole on the streets of Burlington. In January of 2012, he and the Agency of Human Services (AHS) unveiled the Vermont Rental Subsidy.
- Investments made by this Committee in the VRS and in shifting General Assistance (GA) motel funds to housing have resulted in a dramatic decrease in funds spent on motels, and positive outcomes for the poorest families with children.
- In its report, *The Value of Housing*, AHS followed 134 households comprising 399 people. They found that of those served by the VRS, 100% were homeless, and 48 % were housed in motels. Over the period of the study, GA motel use was reduced by 98% when people were given an opportunity to live in affordable housing. Likewise emergency and inpatient Medicaid costs declined by 51% and preventative and primary care costs declined by 11%. See report.
- Motel costs were further reduced when, in FY15 AHS began to invest in alternatives to motels like our program at John Graham. Instead of a motel room, families moved right into a furnished apartment with services and counseling. They quickly gained permanent housing. In FY15, Economic Services spent \$4.3 million on emergency housing motels, whereas FY16 saw a total expenditure of approximately \$3.2 million on motels.
- Why do we need CWE? In some situations – when shelters are full or when a person cannot be safely served in congregate settings -- people still need access to emergency motel stays during the coldest weather. For example, between November 1, 2016 and March 30, 2017 a total of 3,124 households were served according to data produced by Economic Services. Of those, 2,280 were served through the CWE!

- Why can't they stay in shelters and other housing offered by AHS? They can and do when options are available. But some people, like those who are violent, are sexual predators, have severe untreated mental illness or are suffering with acute substance abuse disorders cannot be safely housed in congregate settings. It's a matter of safety for other shelter clients, staff and the community. If we force people into crowded public settings, it's a matter of time before death or severe injuries result.
- We also request that the Committee eliminate the provision in the House-passed bill to require the AHS Secretary to cut 2.5 million dollars in unspecified community based grants. Those decisions are the purview of this Committee, and we respectfully ask that no reductions fall on the homeless. At John Graham we are providing housing and services to the homeless at five sites 365 days a year. At a when time we are asked to provide more shelter, housing and services to an increasingly troubled population, we can't safely do it without these essential grants.



JOHN GRAHAM HOUSING & SERVICES

Food, Shelter, Hope Winter 2017
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Destined for Something Bigger

My daughter and I just moved to our new home in Middlebury after four months at the John Graham Shelter. It was a roller coaster of feelings and learning.

Here's where we're at and what I've learned. Being homeless, being a single mother, having a mental health condition, overcoming addictions, overcoming major obstacles and still trying: I'm highly convinced I'm in the place I'm supposed to be. Every single aspect of suffering and adversity that has seemed like it was never going to end has brought me to the place I'm supposed to be.

I'm meeting people and making relationships. The community is very involved with John Graham. Every single person - the staff at John Graham and the people in this community that pitch in - have all triggered in me the different ways to become a better person. Be thankful, be gracious, give back if I can. When you give, it becomes a cycle of giving. The number one thing is my ability to learn to be more mindful and kind. I see that others have an unlimited amount of kindness and love to give to me and my daughter, without any conditions and discouragement. That is the number one thing I've learned: how to be kind. Sometimes that's not easy for me.

(Continued on page 6)



Families Move Home Thanks to Sleep-Out

Middlebury, VT.....On Sunday morning, December 4, 2017 dozens of people woke up to the sounds of Otter Creek Falls rushing under Battell Bridge in Middlebury.

These devoted campers braved temperatures in the mid-20's to participate in John Graham Housing and Services' third Sleep Out to End Homelessness. They brushed the frost off their tents, dismantled their campsites, and headed back to their respective homes to get warm and rest up after the long night in the cold.

For too many Vermonter's, sleeping out in the cold -- in tents, campers, cars, or barns -- is a matter of survival. There is no return to a heated home with a lock on the door.

But thanks to all who slept out, and more than 400 people who donated to support their efforts, many homeless Vermont families will get permanent housing this winter. Every dollar raised by the Sleep Out goes to pay for housing for individuals and families.

In fact, five families with children moved to new homes in time for the holidays with help from funds raised at the Sleep Out!



“Five families with children moved to new homes for the holidays.”



Monkton Brownies lend a hand with a food and diaper drive!

Victoria's Story

Life has been hard for me. I grew up with an alcoholic father. My mom was always working. She had up to four jobs raising two kids on her own. I am now twenty-four years old and have been homeless, mostly, since age fifteen: living in cars, tents and hotels. I have been in and out of jail for nearly three years. In between I have been couch surfing. I am now living here at the John Graham Shelter and this has been a good place for me to build my life.

These pictures are about places that I enjoy: nature and fairs. I chose five photographs because they seem to have more meaning to me and I just want to share that beauty with others.



I am using this exhibit as a demonstration of my proficiency in art for my diploma at Community of High School of Vermont. This show is truly a new experience for me. Putting my work out so publicly is not anything I have ever done before. I am coming out of my comfort zone to do this in a way I never expected. I hope you enjoy looking at my work and reading the poems.



An early sixties Ford
Modified
I'm a country girl at heart
Anything to do with trucks
I'm there.

Addison County Fair
In the stands
My camera in my hands
Taking pictures of each truck that
Pulls a massive weight.
A metaphor for my life.

The sound of engines revving
Rubber tires spinning
Gravel flying dirt clouds
Diesel exhaust mixed with the
Smell of blooming onions

Marie's Story

Hi my name is Marie Townsend and I would like to share my story with you. It all started in 2013. I was helping dad to take care of my mother who was diagnosed with dementia. At times it was difficult for my dad to deal with. I would pick her up from the bus and play cards with her. Then came February 2014 when dad was diagnosed with stage 4 esophageal cancer. So I was taking him for treatments every two weeks.

Then comes May 2015 when my significant other was diagnosed with a skin cancer stage 4 but it was very aggressive. So the next year and a half were quite hectic to say the least. And then everything started falling apart. Mom passed in December 2014, then dad passed in March of 2015, and then in May 2015 my significant other passed away. So in five and a half months I lost everything that ever meant anything to me.

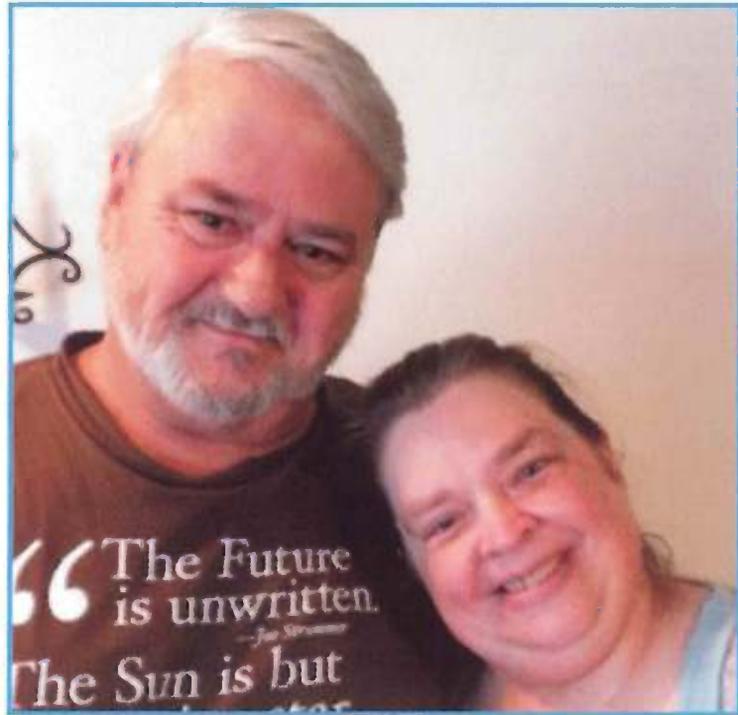
I continued to live in the house but the bills started snowballing and my brother in law took over the payment. And then along came March when I was told I had to move out. I had nowhere to go and all I was left with was the clothes on my back and one suitcase.

I ended up at the Charter House in Middlebury for a month and a half. The people there were very nice but it didn't help me to feel less scared. I had never been in this situation before and I was scared to death.

"I find myself thinking occasionally that it really doesn't take that much to get into a situation like this."

After the Charter House closed I met This Fantastic Gentleman named Alan Townsend he came into my life when I was at my lowest. And he helped me to see that everything was not falling; apart its just god testing me.

I went to the John Graham Shelter that day and let me tell you the staff at the John Graham Shelter was so kind and made a very difficult time a little easier.



I met some very nice people there. In June Alan and I got married and we are very happy. In June of this year we moved to transitional housing through the Shelter. We had been looking for apartments throughout this whole time.

In October we finally found an apartment Yeah!!!! I will always remember the Staff at John Graham Shelter for all their help and support throughout this process.

I find myself thinking occasionally that it really doesn't take that much to get into a situation like this. But realize, if you do, there are places out there like the John Graham Shelter and the Charter House to help. We can't thank the Charter House and the John Graham Shelter enough. They made a very difficult time a lot easier.

John Graham Housing and Services



Thanks all who slept out, donated, and came to the vigil.

Special thanks to:

Addison Advisors
The Marbleworks
Middlebury Bagel
Shelburne Meat Market
Malabar
Gaines Insurance
Strong House Inn
Vergennes Animal Hospital
Vergennes Laundry
Smith and McClain
Attorneys at Sheehy Furlong and Behm
Blue Ledge Farm
William Benton Appraisors
Houghton Mifflin Harcourt
The Middlebury Coop
Vermont Gas
Wildflower Ironworks

People moving home, one family at a time!
To help: www.johngrahamshelter.org



If you didn't get the chance to participate and would still like to, please visit our Sleep Out Page: www.classy.org/sleepoutbyfalls or our website: www.johngrahamshelter.org

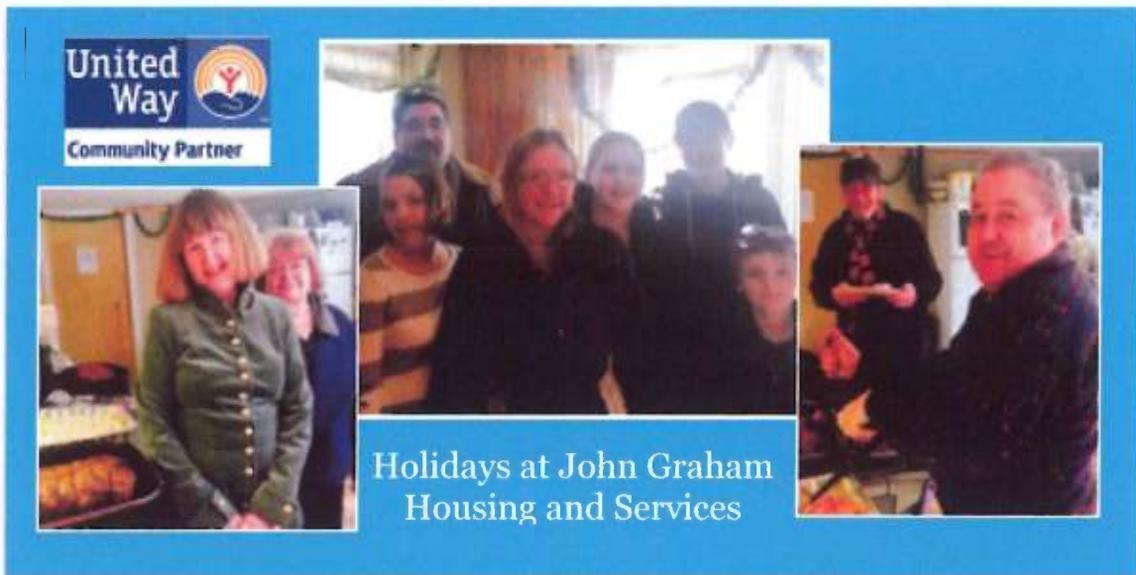
(DESTINED FOR SOMETHING BIGGER, continued) The second thing is to learn how to be patient. Take it one step at a time. Find a job. Find daycare. Its not easy when you are just thinking of the outcome. Instead, you have to take steps; it's not going to happen overnight.

The journey is learning new skills, learning how to cope with emotions. Maybe you have to juggle 20 things: drop off your daughter, run to the bus stop to get to your job. But once you get that first taste of accomplishment, it starts making more sense. It's not all about suffering and not having enough time. It's like that for a little bit, and then you see results.

“I have a strong desire to help others, to help them heal and learn”

Another thing I've learned is not to focus on the problem or barrier that you are confronting. The door is not wide open for you to enter, but the door is the opportunity. Perhaps you've got the wrong key or you've got a baby gate on it. You can't spend so much time being angry about who put up this friggin' gate or barbed wire. You can't be afraid to ask for help. Work on the solutions. You're like, hey, what solutions can I come up with this time. Don't wallow in anger or despair or poor little me. Learn how to become a strategist of you own future, and most importantly of your own present. Overcoming adversities ends up becoming a new challenge and you can't wait to surprise yourself with a solution.

My goals are to keep growing emotionally and spiritually, to become a little guru for myself. I want to become a better mom and provide my daughter with more stability. I want to grow into a community as opposed to what my childhood was like, which is not stable. My daughter can grow and feel she belongs somewhere. I want to manifest abundance in my life, in every sense of the word: knowledge, joy and happiness, in having a loving family and loving people around me. I have a strong desire to help others, to help them heal and learn. I can't just shut up when I feel strongly. I know at the end I'm destined for something much bigger.



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Thursday, March 30, 2017 4:46 PM

Statistical Report
Choose ALL of the criteria that applies to client (if ANY) and
Group/individual Type
11/1/2016 to 3/30/2017

Total Contacts in Date Range: 17942

- 17 CATASTROPHIC - court ordered / constructive eviction
 - 3 Couple
 - 4 Family with children
 - 6 Individual
 - 4 single female with child(ren)
 - 17 TOTAL Group/individual Type**

- 1 CATASTROPHIC - death of child or spouse
 - 1 Individual
 - 1 TOTAL Group/individual Type**

- 143 CATASTROPHIC - domestic violence
 - 1 Family with children
 - 102 Individual
 - 40 single female with child(ren)
 - 143 TOTAL Group/individual Type**

- 6 CATASTROPHIC - natural disaster
 - 1 Family with children
 - 3 Individual
 - 2 single female with child(ren)
 - 6 TOTAL Group/individual Type**

- 2280 Cold Weather Exception (CWE)
 - 111 Couple
 - 71 Family with children
 - 1956 Individual
 - 114 single female with child(ren)
 - 28 single male with child(ren)
 - 2280 TOTAL Group/individual Type**

- 12 VULNERABLE POPULATION - 3rd trimester of pregnancy
 - 12 Individual
 - 12 TOTAL Group/individual Type**

- 173 VULNERABLE POPULATION - child 6 or under
 - 1 Couple
 - 53 Family with children
 - 1 Individual
 - 104 single female with child(ren)
 - 14 single male with child(ren)
 - 173 TOTAL Group/individual Type**

- 477 VULNERABLE POPULATION - recipient of SSI or SSDI
 - 19 Couple
 - 7 Family with children
 - 411 Individual
 - 31 single female with child(ren)
 - 9 single male with child(ren)

477 TOTAL Group/individual Type
15 VUNERABLE POPULATION - 65+
15 Individual
15 TOTAL Group/individual Type
3124 TOTAL Choose ALL of the criteria that applies to client (if ANY)

**Report to
The Vermont Legislature**

**Annual Report on
General Assistance Program Recommendations**

In Accordance with 2016 Act 131 Sec. 9 (H.845)

Submitted to: House Appropriations Committee
House General Housing and Military Affairs
House Human Services
Senate Appropriations Committee
Senate Health and Welfare

Submitted by: Ken Schatz, Commissioner
Department for Children and Families

Prepared by: Geoffrey Pippenger, GA Director,
Economic Services Division

Report Date: January 15, 2017



**AGENCY OF HUMAN SERVICES
Department for Children and Families**

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Executive Summary

Per the 2016 Act 131 Section 9 concerning the General & Emergency Assistance Program:

“On or before January 15 of each year, the Commissioner for Children and Families shall submit a written report to the House Committees on Appropriations, on General, Housing and Military Affairs and on Human Services and the Senate Committees on Appropriations and on Health and Welfare containing:

- (1) an evaluation of the General Assistance program during the previous fiscal year;
- (2) any recommendations for changes to the program; and
- (3) a plan for continued implementation of the program.

Part I: Program Overview

The General & Emergency Assistance (GA) Program strives to assist the most vulnerable Vermonters by providing basic needs in times of crisis. The program strives to ensure that no Vermont individual or family without resources will slip through the network of possibilities for assistance. GA benefits include Personal Needs and Incidentals (PNI), a cash assistance benefit; help with utilities and fuel; apartment and room rental assistance; emergency housing through the GA Community Investments initiative and motel voucher program; emergency medical care, durable medical equipment, and emergency dental benefits; and financial assistance with the disposition of remains (GA Burial). With few exceptions, intake and eligibility for GA benefits is determined in each of the Economic Services Division’s (ESD) twelve district offices. In most cases, applications must be made in person at a district office. Exceptions include those needing accommodations, after hours for emergency housing, or those requesting burial benefits.

The GA Program also administers the Vermont Rental Subsidy (VRS) Program, a state-funded initiative providing rental assistance to Vermont households whose monthly income would otherwise be insufficient to afford the cost of renting in their communities. Participants pay a set percentage (30%) of their gross income towards their rental costs and the State of Vermont pays the difference to the apartment owner in the form of a monthly check. As a participant’s income increases, their share of the rent obligation increases and the State’s share is reduced proportionally, much in the way a federal Section 8 rental subsidy is managed. Eligibility for VRS is made in ESD Central Office.

Part II: Evaluation of the Previous Fiscal Year

FY16 showed significant progress decreasing the emergency housing budget which has been problematic for years. Overall spending on emergency housing was down significantly relative to the previous fiscal year. Over the course of FY15, ESD spent approximately \$4.3 million on emergency housing motels, whereas FY16 saw a total expenditure of approximately \$3.2 million on motels. This shift is encouraging. While FY16 was helped by a milder winter, the positive impact of community-based alternatives to GA motels should not be underestimated. This year’s full cold weather season and expanded GA Community Investments will provide additional data for analysis.

Implementation of GA Community Investments, community-based alternatives to the GA motel voucher program, was the biggest shift in administration of emergency housing benefits . In August 2015, DCF issued a memo inviting community-based organizations to offer proposals for alternative crisis bed capacity and service delivery models to decrease reliance on motels to meet emergency shelter needs. DCF provided data on GA motel voucher usage by district and eligibility for the previous year, met with local homeless Continua of Care, answered questions and provided technical assistance based on the AHS adopted Family Connections framework from the US Interagency Council on Homelessness. All proposals were required to meet DCF shelter standards as well as form a close referral partnership with the local Economic Services Division office. GA Community Investments are funded through the GA Emergency Housing budget and administered through the Office of Economic Opportunity as amendments to community partner Housing Opportunity Program grants.

For FY16, DCF awarded a total of \$788,544 in grants to 11 organizations providing community-based solutions to meet the emergency housing needs of Vermonters. These grants were used to increase the availability of seasonal warming shelters; add capacity to emergency shelters; add short-term transitional housing and services for homeless families with children in apartments; address emergency housing for youth; and address emergency housing and services for victims fleeing violence. Not only has this strategy of community investments shown promising signs of decreasing spending, it has also offered communities and Vermonters a better, more service-based means of addressing homelessness across the state.

Of particular note is a pilot alternative in Brattleboro which began in January. This provides the local domestic violence shelter, the Women’s Freedom Center, with a pool of funds to provide shelter overflow in motels rather than refer those fleeing domestic or sexual violence to ESD to GA emergency housing motel vouchers. In this way, the Women’s Freedom Center can screen, shelter, and offer services directly to clients rather than refer those in crisis to the local ESD office. Access to advocacy and support services has helped reduce the length of stay in motels for victims in Brattleboro and has provided a stronger connection to the services offered by the Center. Instead of staying in a motel room with a GA emergency housing voucher for 84 days without services, survivors receiving shelter through the Women’s Freedom Center are immediately connected to services and have an average length of stay of 14 days. This is a clear indicator of the effectiveness of the shift in shelter and service delivery which represents dramatically reduced spending on emergency motels, and dramatically better service delivery for the client.

Despite encouraging signs in many areas, challenges remained. Motel usage in some regions of the state, particularly the Rutland area, continued to be high. DCF is working through multiple avenues to understand and address the potential causes of high motel utilization. Through this work, a new Rutland GA Community Investment is being put in place in FY17 to shift the domestic violence pool to the Rutland County Women’s Network (RCWN).

Part III: Recommendation for Changes to the Program

As we approach the halfway point of the fiscal year, we see three avenues to affect positive changes to the GA Program:

- 1. Expansion of the GA Community Investments** – FY15 saw a roll out of the GA Community Investments with limited funds for about one half of the fiscal year. FY16 has seen a dramatic

expansion of the scope of this shift. Although there will likely always be a need for some emergency motel usage, we strongly recommend pursuing the continued implementation and expansion of this initiative. The GA Community Investments have shown preliminary cost savings and represents stronger and more effective public policy. Critically, it also highlights the importance of leveraging communities and local agencies to identify and address the most appropriate and effective strategies for addressing homelessness locally.

2. **Examine and address PNI utilization and spending** – PNI is a benefit that offers \$56 per month for qualifying individuals. This benefit was originally intended to provide short-term cash assistance for individuals temporarily in crisis or who are awaiting Social Security disability application determination. Over time, an “ongoing” population of PNI recipients who may be accessing these benefits for many months, even years has developed. Although the benefit itself is not large per person, the aggregation of the length of time has begun to create upward pressures on the PNI portion of the GA benefit. More importantly, the existence of “ongoing” PNI points to a more significant systemic concern as to whether there is a better model for delivering emergency cash benefits to those needing this form of assistance. In the past, individuals in receipt of PNI were offered case management services through a relationship with Vocational Rehabilitation and community partners. The program had many positive attributes, and may inform future changes. Case management services that target individuals with a capacity for increased employment or that help individuals successfully apply for Supplemental Security Income (SSI) could decrease the length of time people receive PNI. At the same time, the model also offers individuals a more complete, helpful service that encourages and empowers transition to a more appropriate and sustainable income source.
3. **Expansion of the VRS Program** – 84 days in a motel through the GA emergency housing benefit costs as much as 365 days of rental assistance through VRS. The program has been a success by many metrics, and has vocal supporters in Vermont’s advocacy community, the nonprofit housing world, and in many levels State government. In its inception and current iteration, VRS primarily serves family households (many of whom are enrolled in Reach Up). We believe it is time to consider the creation of a new component of VRS that focuses on single individuals. This is an opportunity to expand rapid rehousing benefits to include populations such as single households in receipt of Supplemental Security Income (SSI) or seniors experiencing homelessness. In conversations with local Housing Review Teams, the concern for how to help these populations has emerged as a dominant theme.

Part IV: Plan for Continued Implementation of the Program

For the remainder of FY16 into FY17, the GA program intends to continue to make GA Community Investments. For FY17, DCF awarded a total of \$1,562,283 in grants to 15 different organization in 9 counties which is double the investment made in FY16. This ramped up scale and scope will provide an opportunity to measure the progress being made reducing motel spending and the implementation of a much more effective and humane service model for emergency housing. We also continue to work with local domestic violence organizations to expand their capacity to serve those fleeing domestic/sexual violence directly, rather than by referral to GA emergency housing at ESD. We are particularly interested in how this will work with our newest pilot projects in Rutland and Bennington.

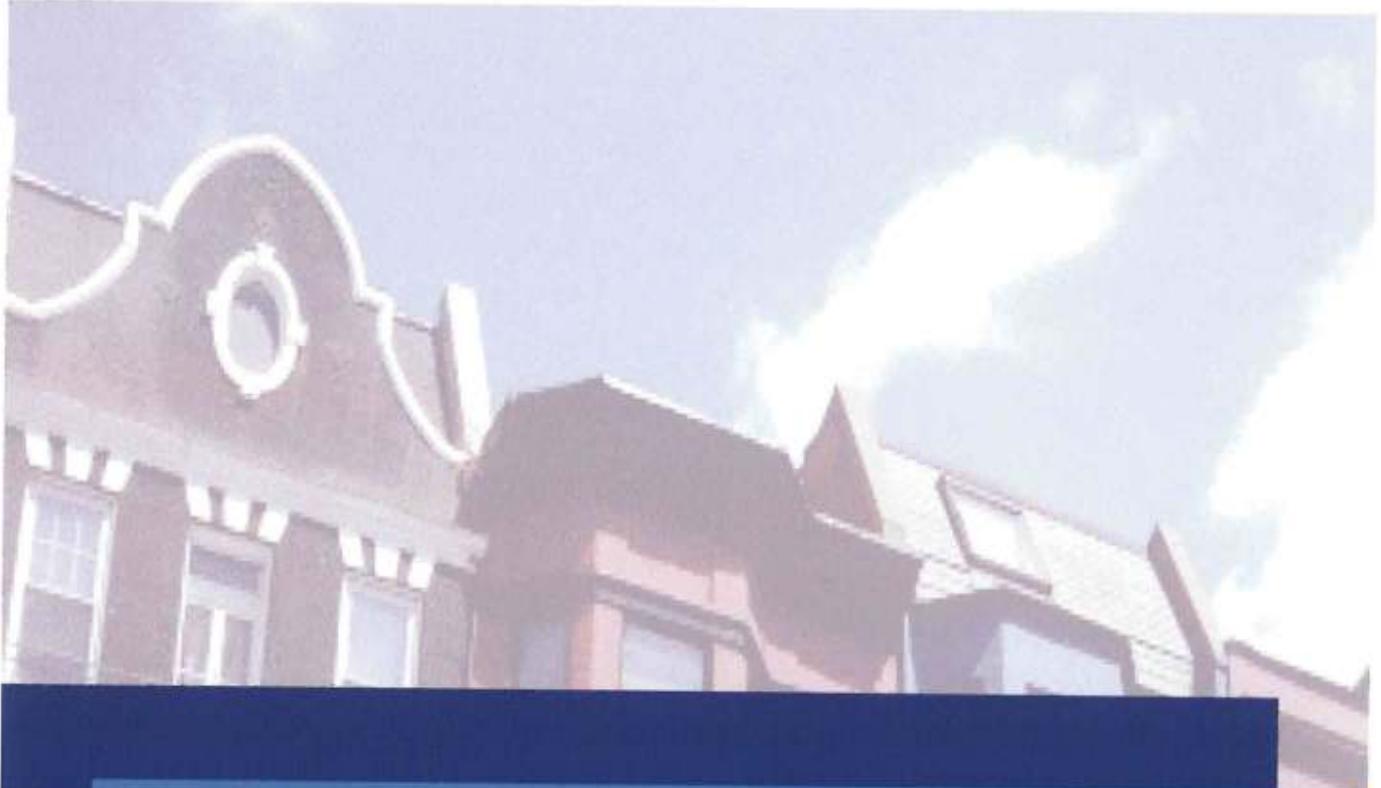
The General Assistance Program is more than emergency housing benefits. While there has been a need to focus on housing, we are also keenly aware of the importance and necessity of evaluating *all* aspects of the program. To that end, we are engaged in a detailed examination of the program's components and processes. The GA Team is committed to continued improvement of the administration of the program to benefit ESD district staff and, most importantly, the clients seeking assistance.

Conclusion

Over the course of FY15, ESD spent approximately \$4.3 million on emergency housing motels, whereas FY16 saw a total expenditure of approximately \$3.2 million on motels. We believe this reduction in spending is a result of community-based emergency housing alternatives. In FY16, DCF awarded a total of \$788,544 in grants to 11 organizations to provide community-based solutions for emergency housing needs. For FY17, DCF awarded a total of \$1,562,283 in grants to 15 different organization in 9 counties doubling FY16's investment.

Beyond seeing a decline in overall motel usage and therefore less spending because of these community-based housing alternatives, we are also seeing a dramatic decline in lengths of stay for domestic violence victims seeking housing. By partnering with domestic violence centers to create service-based emergency housing alternatives, victims' lengths of stay have reduced from 84 days to approximately 14 days. This represents a significant reduction in spending and indicates that service-based efforts are creating a positive impact. Due to this, a GA Community Investment is coming online in Rutland as a partnership with the Rutland County Women's Network (RCWN); there is a second possible project as well.

When we look at the General Assistance Program however, we need to look beyond housing. This report lists the following recommendations that will progressively move the program forward: expansion of the GA Community Investments; examination of PNI utilization and spending; and expansion of the VRS Program. There has been much accomplished in GA over the past year and a half. Although there is much to be proud of, we are acutely aware that there is work yet to be done. We will continue to improve delivery of benefits while helping those in crisis achieve the stability they need from day-to-day.



The Value of Stable Housing

Patterns of emergency shelter and health care utilization among participants in a Rapid Re-Housing program

"To improve the conditions and well-being of Vermonters and protect those who cannot protect themselves."

– Mission Statement of the Vermont Agency of Human Services

"Stable, safe, affordable housing is critical to all of the clients of the Agency of Human Services. No AHS program or service can achieve its goals for clients if those clients are homeless or at risk of homelessness. The highest priority for AHS housing efforts is to end homelessness in Vermont. All departments shall be attuned to the housing needs of clients and ensure that their programs support housing stability."

– from Vermont Agency of Human Services policy on Housing Stability, August 2012

Acknowledgments

The report's author wishes to thank and acknowledge: John Gauthier and Jeff Ross at the Department of Vermont Health Access; Nicole Mosher and Chris Dalley at the Department for Children and Families; Doug Bickford at the Department of Corrections; Kathleen Berk and Richard Williams at the Vermont State Housing Authority; Participating local landlords, Housing Review Teams and Housing Support Workers; and the Vermonters referenced in this report who demonstrate through daily successes that homelessness is not a permanent condition.

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The Value of Stable Housing

Patterns of emergency shelter and health care utilization among participants in a Rapid Re-Housing program

Intervention Model

Rapid Re-Housing

Housing Program

Vermont Rental Subsidy

Other Domains Analyzed

General Assistance Temporary Shelter

Medicaid Claims Data

Study Period

January 2012 - August 2014

Published

June 2015

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I: INTRODUCTION

Intuition and common sense tell us that our neighbors, communities and society as a whole are better off when people of all incomes have a place to call home. It can be frustrating, therefore, when policy and investment do not align to support this basic objective and we witness families with extremely low incomes or complex needs trapped in disorienting cycles of homelessness. Often the government response to homelessness can resemble an emergency room approach. Shortages of rental assistance, housing units, or the appropriate services can leave states and cities paying high nightly rates for emergency shelter and still higher health and human services costs for those who go unsheltered. Shelter beds or motel rooms too often become default housing for those who cannot access or afford a more permanent option.

Part of our collective challenge is convincing policy-makers, funders and partners that in addition to any intuitive logic and moral argument, there is a solid financial case for ensuring Americans have access to stable housing. In developing the Vermont Rental Subsidy (VRS) in 2011, Vermont's Agency of Human Services determined that the state cost to place a family in a motel for 84 days was comparable to what would be needed to provide them with six months to a year's worth of affordable housing. A secondary thesis was that some portion of that cost of providing subsidies would be offset by decreased spending in other budgets once homeless families achieved housing stability.

Previous reports have demonstrated the efficiency of Vermont's Rental Subsidy compared to the conventional approach of motels. This study begins to test that secondary thesis through analysis of data from three of the many domains within AHS: Motels, Rental Subsidies and Medicaid. Studies from other states have demonstrated the cost-effectiveness of interventions such as Permanent Supportive Housing when targeted to chronically-homeless individuals who are high utilizers of healthcare and social services; or the qualitative benefits of programs targeted to families in urban centers. This longitudinal study looks at quantitative data associated with a shorter-term Rapid Re-Housing intervention when targeted to rural homeless families who were not the highest utilizers of healthcare.

II: PROGRAM DESIGN: Vermont Rental Subsidy

The Vermont Rental Subsidy is a statewide Rapid Re-Housing intervention providing medium-term financial assistance to homeless families and individuals whose income is otherwise insufficient to rent in the community. While enrolled, a household pays 30% of their income toward their monthly rent. The state makes up the difference in direct monthly payments to the landlord. While the housing is permanent, the subsidy is designed to cover up to 12 months during which time the family is working to increase income or secure longer-term affordable housing. Participants are matched with a Housing Support Worker who helps the family connect with services critical to their success as renters. The Housing Support Worker is also the point of contact for participating landlords should a problem arise with a tenancy.

The VRS is a Rapid Re-Housing intervention.

Participants pay 30% of their income toward rent.

The state makes up the difference in direct payments to landlords.

Potential participants access the VRS through a local Housing Review Team consisting of shelter providers, community service providers and staff from the state Agency of Human Services. The Housing Review Team assesses household applications, prioritizes families for assistance, identifies a Housing Support Worker to work with the family and submits completed applications to the Department for Children and Families Economic Services Division. Housing Review Teams meet regularly to ensure participants are engaged and working toward their goals.

Apartment units funded through the VRS must be at or below Fair Market Rental rates for the county and meet Housing Quality Standards. Inspections are performed by field staff from the Vermont State Housing Authority to ensure that any housing unit rented is decent, safe and sanitary. Partnership with the Vermont State Housing Authority resulted in the creation of a local voucher preference whereby eligible participants in the VRS who are in good standing with their landlord receive priority for a federal Section 8 housing choice voucher.

III: CHARACTERISTICS OF PARTICIPANTS

Housing Stability and Income Prior to Participation

- 100% of households were homeless prior to intervention
- 48% of households had stayed in a state-funded motel in the previous 6 months
- Average household income was estimated at approximately \$907 per month, or \$10,884 per year. This corresponds to roughly 16% of area median income in most Vermont counties and is below the federal poverty level for a household of any size.

Household Composition

Among 134 households, consisting of 399 persons:

- 177 family members (44%) were adults and 222 (56%) were children under 18
- 119 households (89%) included at least one child
- 80 households (60%) were single-parent families with children
- 39 households (29%) were two-parent households with children
- 11 households (8%) were individual adults
- 4 households (3%) were couples without children
- The average household consisted of 3 people

Heads of Household

- Among heads of household, 117 were female and 17 male
- The average age of the head of household was 32 with ages ranging from 19 to 66
- In 96% of households, the head of household was Medicaid-eligible at some point in the 12 months prior to participation
- In 14% of households, the head of household had had some involvement with the Department of Corrections in the previous 12 months. At time of lease-up, 8% had an active status with the department; six on probation, five on parole or re-entry status
- Roughly 80% of participants were connected to Reach-Up, Vermont's TANF program

IV: STUDY DESIGN & METHODOLOGY

Data sets analyzed: To evaluate utilization and spending patterns in other agency budgets and systems of care, unique client identifiers of current and former participants in the Vermont Rental Subsidy program were compared against data from:

- the General Assistance program in the Department for Children and Families
- Medicaid beneficiary claims data in the Department of Vermont Health Access
- the Headcount database in the Department of Corrections

Defining time frame: Patterns of use were examined before, during and following participation. Using each household's lease-up date as the demarcation point, data were reviewed across four time periods:

- the six months prior to participation
- from zero to six months following
- from six to 12 months
- from 12 to 18 months

Distinct Cohorts: For purposes of this evaluation, participant households were grouped into three cohorts based on their circumstances at the time of program exit:

- Families leaving due to increasing earnings or identifying other housing
- Families bridging to longer-term federal rental assistance
- Families removed from the program due to non-compliance

Health Data: Using billing codes, healthcare utilization was divided into two broad categories:

- Emergency Department, Operating Room and Observation Status
- Preventative and Primary Care

Averages and Exclusions: Average costs cited represent the average cost among all households who incurred a cost in that domain as opposed to all households in a given cohort. Analysis did not exclude outlier values. Households were excluded from analysis only if their lease-up date occurred too recently for them to have potentially incurred costs in all four of the six-month periods.

V: KNOWN LIMITATIONS

State savings identified in this study are calculated using a conservative methodology. Most of the known limitations cited below suggest still higher community costs associated with serving and sheltering households while they are homeless with greater comparative savings once they are stably housed.

1. While the majority of participants enter the VRS program from homeless shelters, savings associated with avoidance of shelters is not factored into this study. Like other institutional settings, shelters tend to have fixed operational and staffing costs which remain fairly constant whether or not all beds are full.
2. Similarly, measuring costs and savings associated with community-based services for the homeless through non-profit, faith-based groups and schools was beyond the scope of this study though these can be presumed to represent significant investments of time and money.
3. The study does not capture what participant households may have spent on emergency motels out of their own resources while they were homeless.
4. Because the study focuses on state spending, it does not take into consideration any federal spending associated with McKinney-Vento programs for the homeless during the six months prior to lease-up or any federal section 8 rental assistance provided to families who later bridged to a federal voucher.
5. The study captured whether the head of household was eligible for Medicaid at any time in the 12 months prior to participation, or subsequently became Medicaid-eligible in the 12 months post lease-up. During the course of the study, two households that were not Medicaid eligible became eligible, while two households that had been eligible became ineligible. The study did not track dynamic changes in eligibility status which may have occurred two or more times. This limitation seems offset by the fact that the same methodology was applied to people both pre and post intervention.

VI: RESULTS & ANALYSIS

Among the 134 participant households in the study:

- **33 households (25%)** graduated the program by increasing their earnings or finding alternative housing. This group relied on the VRS program for an average of 13 months.
- **66 households (49%)** bridged to longer-term federal rental assistance: housing choice vouchers; project-based subsidy; or Family Unification Vouchers. The average number of months on the VRS was 11.
- **35 households (26%)** were removed from the program based on a determination of non-compliance. This group was in the VRS program an average of 13 months.

Subsidy Costs and Comparisons

- The average state cost of providing the subsidy was **\$616** per household per month.
- The average nightly state cost was **\$20.12** per household/per night.
- The average state per person/per night cost was **\$6.63**.
- In addition, the average rental cost borne by the family was **\$272** per month.

All monthly, nightly, and per person costs compared favorably to emergency alternatives such as motels. As of March 2015, the average cost to the state for a motel room was **\$71** per night. This would translate to an average monthly cost of approximately **\$2,160** or **\$5,964** for 84 days that might be paid for families meeting “catastrophic” eligibility criteria. Nightly per household cost for the VRS was **72% less than a motel**.

Use of General Assistance Temporary Shelter among Participants

In the six months prior to securing permanent housing, almost half of all families (**48%**) had been in publicly-funded motels. In those six months, the state spent **\$184,225** sheltering this group in motels. This figure does not include public spending on emergency shelters and other residential programs funded through other divisions of government.

**General Assistance
Temporary Shelter
Motel Program
use was
REDUCED BY 98%
when people were
given an opportunity
in affordable housing**

Emergency and Inpatient Medicaid Costs Declined by

\$196,561
(that's 51%)

In the first six months after entering the program, utilization of emergency motels among participants understandably fell to 6%. In the second six-month interval, utilization of emergency motels fell again to 2% and held steady through the third six-month interval. Associated costs continued to drop accordingly from \$184,225 to \$7,735 to \$5,395 and ultimately to \$2,795. Overall, this represented a 98.5% reduction in utilization of the General Assistance Temporary Shelter motel program when people were given an opportunity in affordable housing. In the third six-month interval - covering the span from 12-18 months post lease-up - only 2 of the 134 participant households used the General Assistance Temporary Shelter program.

Among households in the study, state spending on shelter (General Assistance) and housing (VRS) increased dramatically in the first six months from \$184,225 to \$406,903, subsided in the second six months to \$322,635, then declined again in the third to \$165,419, bringing expenditures for that period 10% below the original baseline while stabilizing 134 homeless families in housing.

Health Care Utilization among Participants

Utilization and costs of health care among all three study cohorts were divided by billing code into two broad categories: Emergency, inpatient, observation; and preventative and primary care.

Emergency, Inpatient and Observation Status

Prior to securing housing, 77% of households had at least one family member with at least one episode of care in the emergency, inpatient or observation category. This rate fell to 73% in the first six-month interval, rose to 78% in the second six-month interval and ultimately declined below baseline to 68%. Medicaid costs declined each period from an initial \$383,705 down to \$355,645, down again to \$261,861 and ultimately to \$187,144. Over the

Preventative and Primary Care Medicaid Costs Declined by

\$55,257
(that's 11%)

full two-year period from homelessness to housing stability, Medicaid costs for emergency, inpatient and observation status care among family members **declined by \$196,561 or 51% below baseline**.

Preventative and Primary Care

Prior to securing housing **97%** of households had at least one family member receiving care in the preventative and primary care category. This rate held constant in the first six-month interval, rose to **98%** in the second six-month interval and then declined to **94%**. Associated Medicaid costs in each period fluctuated from an initial **\$522,411** down to **\$494,270**, down again to **\$426,062** and then rose to **\$467,154**. Over the entire two-year period, Medicaid costs for preventative and primary care among family members declined by a more modest **\$55,257 or 11% below baseline**.

Combined Health Care

Combining both health care categories, Medicaid costs, which began at **\$906,116** while families were homeless, declined in every period; first to **\$849,915**, then **\$687,923** and ultimately to **\$654,298**. Over the two-year period, this amounted to a **\$251,818 reduction** in health costs, a **28% reduction below baseline**. Total per person Medicaid costs similarly declined in every period from **\$9,397** to **\$7,031**.

Combining Shelter, Housing and Health Care Domains

Tables in the attached appendix show combined spending trends by cohort and cost category. Overall, combined expenditure in the shelter, housing and health domains began at **\$1,090,341**, increased **15%** in the first six-month period to **\$1,256,818**, then fell below baseline to **\$1,010,558** and continued to decline to **\$819,717**. Per person costs went from **\$11,013** to **\$12,634** then down to **\$9,820** and **\$8,482**. Combined spending in the last period was **\$270,624** below initial baseline, a **25% reduction**.

**25% combined
spending reduction
during the last period**

**\$270,624
below initial baseline**

CONCLUSIONS

1. Shifting a portion of a state's resources for emergency motel rooms to a Rapid Re-Housing approach for people experiencing homelessness will initially increase per-person state spending on shelter and housing, then stabilize those costs, and ultimately reduce them. (State shelter and housing costs ultimately decreased 10% below baseline).

2. The longer-term housing stability achieved through this approach also helps reduce health care utilization and costs along a similar pattern, especially when the costs and savings of minor dependents in the household are factored in. (Inpatient and emergency utilization decreased by 51% and primary care by 11%).

3. A Rapid Re-Housing rental subsidy model can be cost effective when targeted to homeless households, even when households are not chronically homeless or do not have the highest rates of health care and other institutional utilization.

4. The model can be effective in rural communities as well as urban settings.

5. Health care utilization and costs are influenced by myriad factors many of which are beyond the scope of this study to analyze. This analysis found a correlation between stable housing and reduced health care costs. Because Vermont has instituted other initiatives to bend the health care cost curve, and in the absence of a study control group, it remains uncertain precisely how much of these savings should be directly attributed to housing.

6. Government efforts to improve outcomes and control costs in areas such as housing, shelter, health and human services must go beyond management of discrete program budgets and eligibility and instead evaluate system-level costs and consequences of those funding and eligibility decisions.

APPENDICES

APPENDIX A - Data Tables

AHS: The Value of Housing - Appendix A - Cohort 1

COHORT 1 (33 Households)		Status: Exited VRS program by increasing earnings or identifying alternative housing option	In six months preceding VRS lease-up	In first six months post VRS lease-up	In second six months post VRS lease-up	In third six months post VRS lease-up
Shelter / Housing Domain	Number of Complete records: 31		31	31	31	31
	GENERAL ASSISTANCE	# HH utilizing GA Motel program	13	3	1	0
		% HH utilizing GA Motel program	42%	10%	3%	0%
		Total expenditure GA Motel program	\$44,150	\$4,030	\$5,200	\$0
		AVG HH expenditure GA motel program	\$3,396	\$1,343	\$5,200	#DIV/0!
	VERMONT RENTAL SUBSIDY	Total # months paid by State	0	184	160	64
		AVG State cost per month per HH	\$0	\$554	\$554	\$554
		AVG State cost per night per HH	\$0.00	\$17.81	\$17.81	\$17.81
		Total VRS State Expenditure	\$0	\$101,936	\$88,640	\$35,456
	HOUSING	Combined GA and VRS state cost	\$44,150	\$105,966	\$93,840	\$35,456
AVG. Combined GA and VRS state cost		\$1,424.19	\$3,418.26	\$3,027.10	\$1,143.74	
Health Care Domain	Number of Complete records: 31		31	31	31	31
	Emergency Department, Operating Room and Observation Status	# HH with at least one episode of care	21	19	25	21
		% HH with at least one episode of care	68%	61%	81%	68%
		Medicaid expenditure during period	\$31,863	\$52,871	\$46,080	\$47,529
		AVG. per HH Medicaid expenditure	\$1,517	\$2,783	\$1,843	\$2,263
	Preventative, Primary Care and Other Medical	# HH with at least one episode of care	29	28	30	25
		% HH with at least one episode of care	94%	90%	97%	81%
		Medicaid expenditure during period	\$185,733	\$195,926	\$115,644	\$100,457
		AVG. per HH Medicaid expenditure	\$6,405	\$6,997	\$3,855	\$4,018
	HEALTH	COMBINED Medicaid Expenditure on Emergency and Preventative	\$217,596	\$248,797	\$161,724	\$147,986
AVG. COMBINED Medicaid Expenditure on Emergency and Preventative		\$7,921.87	\$9,780.04	\$5,698.00	\$6,281.57	
Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$261,746	\$354,763	\$255,564	\$183,442
AVG. Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$8,346	\$13,198	\$8,725	\$7,425

APPENDIX B - Data Tables

AHS: The Value of Housing - Appendix B - Cohort 2

COHORT 2 (66 Households)		Status: Exited VRS program with federal rental assistance (Project-Based or Tenant-Based)	(in six months preceding VRS lease-up)	In first six months post VRS lease-up	In second six months post VRS lease-up	In third six months post VRS lease-up
Shelter / Housing Domain	Number of Complete records: 50		50	50	50	50
	GENERAL ASSISTANCE	# HH utilizing GA Motel program	24	0	0	2
		% HH utilizing GA Motel program	48%	0%	0%	4%
		Total expenditure GA Motel program	\$75,660	\$0	\$0	\$2,795
		AVG HH expenditure GA motel program	\$3,153	#DIV/0!	#DIV/0!	\$1,398
	VERMONT RENTAL SUBSIDY	Total # months paid by State	0	267	191	123.5
		AVG State cost per month per HH	\$0	\$654	\$654	\$654
		AVG State cost per night per HH	\$0.00	\$21.70	\$21.70	\$21.70
		Total VRS State Expenditure	\$0	\$174,618	\$124,914	\$80,769
	HOUSING	Combined GA and VRS state cost	\$75,660	\$174,618	\$124,914	\$83,564
AVG. Combined GA and VRS state cost		\$1,513.20	\$3,492.36	\$2,498.28	\$1,671.28	
Health Care Domain	Number of Complete records: 47		47	47	47	47
	Emergency Department, Operating Room and Observation Status	# HH with at least one episode of care	41	34	39	32
		% HH with at least one episode of care	87%	72%	83%	68%
		Medicaid expenditure during period	\$219,757	\$161,437	\$107,622	\$114,076
		AVG. per HH Medicaid expenditure	\$5,360	\$4,748	\$2,760	\$3,565
	Preventative, Primary Care and Other Medical	# HH with at least one episode of care	47	47	47	46
		% HH with at least one episode of care	100%	100%	100%	98%
		Medicaid expenditure during period	\$242,770	\$190,679	\$185,183	\$227,841
		AVG. per HH Medicaid expenditure	\$5,165	\$4,057	\$3,940	\$4,953
	HEALTH	COMBINED Medicaid Expenditure on Emergency and Preventative	\$462,527	\$352,116	\$292,805	\$341,917
AVG. COMBINED Medicaid Expenditure on Emergency and Preventative		\$10,525.25	\$8,805.15	\$6,699.60	\$8,517.94	
Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$538,187	\$526,734	\$417,719	\$425,481
AVG. Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$12,038	\$12,298	\$9,198	\$10,189

APPENDIX C - Data Tables

AHS: The Value of Housing - Appendix C - Cohort 3

COHORT 3 (35 Households)		Status: Removed from VRS program due to non-compliance	In six months preceding VRS lease-up	In first six months post VRS lease-up	In second six months post VRS lease-up	In third six months post VRS lease-up
Shelter / Housing Domain	Number of Complete records: 33		33	33	33	33
	GENERAL ASSISTANCE	# HH utilizing GA Motel program	18	4	1	0
		% HH utilizing GA Motel program	55%	12%	3%	0%
		Total expenditure GA Motel program	\$64,415	\$3,705	\$195	\$0
		AVG HH expenditure GA motel program	\$3,579	\$926	\$195	#DIV/0!
	VERMONT RENTAL SUBSIDY	Total # months paid by State	0	197	164	76.5
		AVG State cost per month per HH	\$0	\$627	\$627	\$627
		AVG State cost per night per HH	\$0.00	\$19.90	\$19.90	\$19.90
		Total VRS State Expenditure	\$0	\$123,519	\$102,828	\$47,966
	HOUSING	Combined GA and VRS state cost	\$64,415	\$127,224	\$103,023	\$47,966
AVG. Combined GA and VRS state cost		\$1,951.97	\$3,855.27	\$3,121.91	\$1,453.50	
Health Care Domain	Number of Complete records: 32		32	32	32	32
	Emergency Department, Operating Room and Observation Status	# HH with at least one episode of care	23	27	22	22
		% HH with at least one episode of care	72%	84%	69%	69%
		Medicaid expenditure during period	\$132,085	\$141,337	\$108,159	\$25,539
		AVG. per HH Medicaid expenditure	\$5,743	\$5,235	\$4,916	\$1,161
	Preventative, Primary Care and Other Medical	# HH with at least one episode of care	31	32	31	32
		% HH with at least one episode of care	97%	100%	97%	100%
		Medicaid expenditure during period	\$93,908	\$107,665	\$125,235	\$138,856
		AVG. per HH Medicaid expenditure	\$3,029	\$3,365	\$4,040	\$4,339
	HEALTH	COMBINED Medicaid Expenditure on Emergency and Preventative	\$225,993	\$249,002	\$233,394	\$164,395
AVG. COMBINED Medicaid Expenditure on Emergency and Preventative		\$8,772.12	\$8,599.23	\$8,956.16	\$5,500.11	
Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$290,408	\$376,226	\$336,417	\$212,361
AVG. Combined GA, VRS and Medicaid costs for formerly homeless Vermont households receiving Vermont Rental Subsidy			\$10,724	\$12,455	\$12,078	\$6,954



Vermont Agency of Human Services

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