WISCONSIN COALITION AGAINST HOMELESSNESS

Why Not Now?

A PLAN TO END HOMELESSNESS IN WISCONSIN

# **INTRODUCTION**

This policy paper has been a long time in coming. The basic brainstorming and outline for this paper occurred almost a year ago in the spring of 2019. The outline reflected the best thinking of the coalition and represented a logical follow-up to our last policy paper, “The Wisconsin Hope Act.” It was early summer of 2019 and the Coalition was enthusiastic about our next steps.

The “Hope Act” policy paper, and the recommendations contained therein had been embraced by the Walker Inter Agency Council on the Homeless, and embedded in the State plan they produced called “A Hand and a Home.” The Republican Majority Leader of the State Assembly had introduced eight bills codifying the recommendations in the plan which passed the assembly 99-0. In addition, the new Governor, Governor Tony Evers also endorsed the plan and the eight bills, and included codifying language in his 2019-21 budget. We were ready to celebrate that Wisconsin, after nearly 20 years of neglect, was finally going to address the issue of homelessness. With that sense of accomplishment, we started planning our next steps. As before, we looked to issue a new policy paper which we hoped would be a real leap forward. But then something weird happened.

In June of 2019, the State Joint Finance Committee was due to review the budget provisions which contained the homeless initiative, which we understood was bi-partisan with support from both sides of the aisle as well as the Governor. To our surprise, the committee approved the funding in the budget but not for any specific programs.

We learned that the State Senate had some questions and wanted to have hearings on the plan before releasing any funding. What we thought would be a quick senate process in the late summer and early fall dragged on. We could not get the bills scheduled for a committee hearing, and then when they were heard, we could not get them scheduled on the floor of the Senate, even though a Republican Senator sponsored each bill.

As fall changed to winter, we learned that three or four very conservative Republican Senators were holding up the bills who, because of senate procedure, could essentially bottle up the legislation forever. So, while the Coalition had the outline of this policy paper done during the summer of 2019, we felt it imprudent to release a next step strategy around homelessness calling for more spending before budget approval of the initial round of spending.

We waited, and waited. Finally, in January of 2020, the Senate did approve one of the eight bills. The bill contained a significant increase in funding to emergency shelters around the state. We were hopeful we would get at least a few of the other seven bills to the Senate floor before they died at the end of March. Again, no “next step” from us until we had finished the prior step. Ultimately none of the other seven bills from the homeless package ever got the floor for a vote much less a debate. Three state senators had stopped nearly everything in its tracks.

### **A Pandemic Intervenes**

During February and March of 2020, as we realized that we were probably not going to be successful in freeing up any other bills from the Senate, we began thinking about the next step and this policy paper. Then came this thing called the Covid-19 pandemic. How could this possibly be a good time to issue a policy paper calling for increase investment by the state around homelessness? First, news about the pandemic was drowning out everything else; second, policy makers were consumed with having to deal with the pandemic; and third, it was clear that state finances were in disarray due to the pandemic.

Could we really propose new spending at a time when due to the pandemic, the state budget was blown up and there were dire projections of huge state budget cuts?

### **Future Implications of the Pandemic**

Then it dawned on us. Starting summer 2020 and beyond, there will be another pandemic! A statewide pandemic of homelessness. Can anyone doubt that the result of the severe economic dislocation happening around us will lead to increases in homelessness of immense proportions? The lines of people we now see waiting outside of food banks is the first shoe to drop. Housing issues and homelessness take a little longer to show up. It takes time for landlords to evict. While the Governors’ ban on evictions was wise it most likely only forestalled the inevitable – evictions are coming. What may be a surge in homelessness unrivaled since the great depression is about to bare down upon us.

Almost a year after we conceived the outlines of this policy paper, we decided to issue it now. For all the soon to be homeless adults, for the homeless families, for mothers and fathers, children, and babies. For those who are currently homeless, and for the large number that will be homeless very soon, we say WHY NOT NOW?

## **STRATEGIC OVERVIEW**

What we are proposing is truly a strategy to end homelessness in Wisconsin. In our view management is not a solution. What we offer is a template which, when fully implemented, will mean that homelessness in Wisconsin is prevented in most cases, and when it does occur, the duration will be brief. We accept the reality that emergency shelters will always have a place in the homeless response system. In the end however, implementation of our plan means that emergency shelters could be smaller, less expensive to operate, and that the length of stay will be greatly reduced.

## **The Three Pillars of our Plan**

Our plan has three pillars:

1. Use Medicaid funding for supportive services
2. Use rental assistance and state bonding to create affordable housing with supports
3. Create a homeless employment strategy at the Department of Workforce Development (DWD) to move homeless persons and families into the work force.

While the plan is complex, the concept is really very simple:

* Prevent homelessness through case management services
* When homelessness does occur use housing navigation to move persons and families into affordable housing as quickly as possible
* Make sure that affordable housing with appropriate services is available
* Ensure those persons and families procure family supporting jobs

It is important to note that we see this strategy as a three-legged stool i.e.; services, affordable housing, employment. All three legs have to be in place and be strong if we are truly to end homelessness in Wisconsin.

## **MEDICAID SUPPORT FOR SUPPORTIVE SERVICES**

As previously discussed, in the last package of homeless bills only one, AB119, ultimately passed and was signed by the governor. That bill is widely known to have added, for the first time in twenty years, new state support for shelters through the State Shelter Subsidy Program. Lesser known is that there was an Assembly amendment to the bill which directed the State Department of Health Services (DHS) in part, to pursue a Medicaid waiver allowing Wisconsin to fund a wide variety of homeless services using Medicaid funding. We will not go into an in-depth discussion of the waiver here as it has become clear that even though 18 other states have procured such a waiver, the Trump administration has decided that no more waivers will be granted. While the waiver window has been lost, the amendment to AB119 also directed, as an option, for DHS to pursue an amendment to the state Medicaid plan to pay for homeless services.

***Waiver vs. Amendment:*** The process of obtaining a waiver is long and complicated, and allows funding for a wider variety of homeless services than the plan amendment. While the plan amendment narrows the scope reimbursable services, it can be submitted and approved by the federal government expeditiously and with budget authority implemented through the state in a relatively short time. As the waiver is not possible at this point, we focus on the potential plan amendment.

Basically, two activities could be funded through a plan amendment:

* Case Management Services: that prevent homelessness by advocating wrap-around supports
* Housing Navigation Services: that move homeless persons and families into housing

Case management: Use Medicaid to pay for case management services such as, housing counseling, eviction prevention counseling, benefit advocacy etc.

Medicaid case management funding could be used to provide the supportive services in supportive housing. (we discuss supportive housing in the next section) Note: affordable housing alone without the supportive services component is not sufficient to end homelessness.

Housing Navigation Services: Used to assist homeless persons and families to quickly re-enter the housing market. This makes their homeless episode shorter, less traumatic, and less disruptive to their lives. In addition, housing navigation services can reduce the need for emergency shelter services.

Lastly harkening back to our three-legged stool analogy, it is essential that affordable-supportive housing be available so that case management and housing navigation services are effective.

**RECOMMENDED ACTION**: We urge DHS to expeditiously submit a Medicaid plan amendment to the federal government, making all eligible homeless services Medicaid reimbursable. Further we urge the Governor and the Legislature to create the budget allocations necessary to provide the state match for such services.

**SUPPORTIVE HOUSING**

How important is stable affordable housing? Ask any human service worker whether it be in the area of mental health, employment, AODA services, corrections, child abuse and neglect, what is the biggest barrier to their clients being successful in achieving their goals? They will answer immediately: stable affordable housing.

Simply put the lack of affordable housing in Wisconsin is *THE* major impediment to social success. Until we decide to meet this problem head on, we will forever tread water on moving the needle on a long list of issues including homelessness. And, to the extent that employment will ultimately be our way out of our homeless crisis, it is clear that living on the street is not conducive to obtaining and maintaining gainful employment.

According to the National Low Income Housing Coalition there are 1.7 million renters in the state of Wisconsin or 28% of the state’s population. The fair market value for a two-bedroom apartment is $872. For a household to rent that two-bedroom apartment while paying 30% of their income for rent they would need to earn at least $16.77 per hour. The average renter wage in Wisconsin is only $13.81. Renters earning minimum wage need to work 93 hours per week to afford that apartment. These numbers become more challenging in Dane County, and the rest of southeastern Wisconsin where workers need to earn as much as $21.02 per hour to afford that two-bedroom apartment.

To deal with the lack of affordable housing the Wisconsin Coalition Against Homelessness (WCAH), is recommending that Wisconsin create a rental assistance program targeted towards those with behavioral health challenges and homeless persons and families. We also recommend that WHEDA develop bonding and subsidy methods beyond federal low-income tax credits, to create more affordable housing in Wisconsin.

A new Wisconsin rent assistance program would help scores of very low income and homeless persons and families achieve stable and affordable housing. An annual allocation of $50 million, with an average individual subsidy of $500 would assist at least 8300 households, resulting in reduced numbers of homeless persons and families.

This new program can be stood up quickly. Local housing authorities and WHEDA already administer the current federal rent assistance program, these services can be leveraged for the new rent assistance program (we hope that a state program would be more flexible and better targeted than the federal program). The resulting program will be dynamic – not static. As we move more homeless persons and families into stable employment (discussed in the next section), slots will open for recently homeless persons and families to enter the program.

In addition, we urge WHEDA to look at the success of our neighboring state of Minnesota. Minnesota leveraged increased bonding for the creation of new affordable housing. The Minnesota state government between 2014-17 funded $225 million in general obligation bonds to create affordable housing. Those funds created 2428 affordable housing units currently in use throughout the state. In 2018, Minnesota funded $80 million in additional bonding, and in 2019, another $60 million.

Lastly, we want to reiterate that our three-legged stool analogy requires that supportive services be paired with affordable housing development and rental subsidy programs.

**RECOMMENDATION**: Continue to support affordable housing development through WHEDA low income tax credits; encourage WHEDA to develop other bonding mechanisms beyond low income tax credits; and, create a budget allocation of $50 million annually to provide a rental assistance subsidy program targeted to persons with mental health challenges and homeless persons and families.

## **WORKFORCE DEVELOPMENT**

According to the State Homeless Management Information System, 65.8% of able-bodied homeless adults are unemployed when they enter Wisconsin’s homeless service system, and that was before the pandemic! This number stays virtually unchanged for those same people exiting the homeless service system. Thus, while we talk a lot about wrap around services for mental health, trauma, tenants’ rights, housing navigation, case management etc.- very little discussion has happened around moving homeless adults and parents into family supporting jobs.

As homeless advocates we need to engage in this discussion and learn about new people and programs in the workforce development world. Take this example: Over the last few years rapid rehousing programs have become the way we move homeless families out of shelter into permanent housing. What makes the “rapid” in rapid rehousing work is a rent assistance component that allows even families with no income to obtain permanent housing.

The problem is, while the housing may be permanent, the rental assistance is not. Most of the rent subsidies run between one - two years duration. We are now sitting on a ticking homeless timebomb. If these persons and families do not become gainfully employed during the period of rent subsidies, when the subsidies end – they will be homeless again.

What is clear are two things. On one side, the homeless service community has been unable or unwilling to both reach out to the workforce development world. On the other side, the workforce development world has not prioritized homeless populations for services. Workforce development has made little, if any attempt to understand the population, and the unique challenges that confront them as they try to enter the workforce.

What follows is a discussion of both the workforce needs of the population, and strategies to meet those needs. We want to make clear what our overarching message is here - the current workforce development service array is not reaching homeless people in the state of Wisconsin. DWD must look at different paradigms to reach homeless populations, including going to where the homeless are, shelters, day centers, permanent housing projects and the like. But whatever the new vision to engage this population is, let’s get at it.

Supports including career pathway workforce development and financial literacy provide a wrap-around approach that promotes ongoing support to maintain stability for individuals and families.

### **Employment Barriers Affecting Job Attainment and Retention**

Employment barriers for homeless populations are no secret. Repeatedly, studies indicate employment barriers fall into similar categories including:

* Low educational attainment levels
* Lack of job skills
* Limited or no past work experience
* Access to adequate child care at hours that match work schedules
* Mental health and/or substance abuse issues
* Chronic health issues or disabilities
* Lack of transportation
* Credit issues
* Criminal histories

Even if we address the issue of homelessness itself, the deck is still stacked against the individual. Add to that, many individuals have markers for more than one, if not several of these employment barriers. For these individuals, continued opportunity for supportive services and case management, beyond that which is normally offered, may be required to maintain employment.

### **Leverage and Expand on Existing Program Services**

How do we address this complex set of circumstances affecting employment success? For example, several services available under WIOA Out-of-School Youth programs that have the potential to positively impact FSET participants should funding be made available. These include:[[1]](#footnote-1)

* Financial incentives and opportunities for paid training and work experience to maintain engagement in services
* Opportunities for community connections through mentorship programs and/or direct referral
* Support services for barriers such as transportation - especially after employment
* Expansion of Career Navigator Opportunities for continued case management post-employment[[2]](#footnote-2)
* Opportunities to access intensive case management and trauma informed services
* Expand access to legal services for record expungement, promote federal fidelity bonding programs where applicable, and provide incentives such as tax credits and actively recruit employers to provide employment opportunities for those with criminal records

Providing funding for these types of services eases the pressure felt by low-income and homeless populations to get “any job” and allow them to stay engaged in career pathway education and training services.

While there are many services available to those seeking jobs, the system can appear to be complex and intimidating. This is especially true for those with multiple barriers, who may perceive the system as being punitive.

Providing additional career navigation opportunities helps individuals stay engaged, leading to increased stabilization and retention in employment.

### **Leveraging and Expanding on Existing Career Pathways Approaches**

Building on existing career pathways services encourages individuals to look beyond “just getting a job.” Career pathways approaches enable connections with in-demand employment sectors. Career pathways approaches are proven to have a positive impact on employment retention and advancement. Wisconsin already supports and recognizes the value of career pathways; however, there are funding gaps for some individuals that need to be addressed. These potential funding gaps include:[[3]](#footnote-3)

* Providing assistance for tuition, books, and fees while individuals apply for aid. The first 6-8 weeks of the semester can be difficult while waiting for aid checks to arrive.
* Provide additional opportunities for flexible aid for short-term or emergency costs or job-related expenses. These funds can help mitigate small problems like a minor car repair (for example funds for replacing a bad tire), from derailing an individual’s ability to participate in training programs.
* Provide supportive services like child care and transportation supports for individuals who aren’t eligible for these supports under other programs.
* Provide incentives (small stipends) for individuals who complete training and certification programs.

### **Supportive Services**

A variety of supportive services are offered for those engaged in programs like W-2, WIOA, and FSET. These supportive services are diminished or eliminated once the individual hits earnings thresholds, or set time periods post-employment, some of which are very low. For example, an FSET participant working full-time at minimum wage is likely to have their case closed due to income, meaning the support services they receive end, if not immediately, then shortly after entering employment.

While there are available resources for interview clothing, and items such as work uniforms, work boots, tools and equipment required to perform specific jobs, there are some needs which are not covered by existing programs. Some of these items are small expenditures including, but not limited to:

* Alarm clocks
* Towels
* Soap
* Underwear

While these are small items, funding sources are limited, or non-existent to cover these items. Let’s face it, who wants to wear second-hand underwear – especially on the first day of a new job? Funding for these items helps prepare individuals to meet basic employer expectations like showing up for work clean and on-time.

## **Financial Literacy**

Since 2010, the percentage of Wisconsin high schools requiring personal finance courses for graduation has risen from 25% to 70%. This is great news; however, we still need to address the financial literacy crisis for the adult population. While there are several programs available to address financial literacy, either through UW Extension programs, local financial institutions, or those offered as a requirement for receiving certain types of emergency loans or aid, developing a mentorship program to provide additional one-on-one support for financial literacy issues, gives individuals the opportunity to receive follow-up support after completion of financial literacy workshops.

Consider creating programs that help those with bad credit, or no credit history, increase their ability access financial institutions and develop savings and checking accounts. Create opportunities for access to debit cards, that function like the QUEST card used for SNAP. Individuals opting in for the card receive assistance in setting up direct deposit for payroll checks, and thus avoid predatory check cashing operations. These cards could be set up with limits that only allow withdrawals up to a set amount within the account, eliminating expensive overdraft fees.

## **Mobile Outreach Efforts**

Mobile outreach provides an opportunity for DWD and existing workforce services providers to meet with homeless populations in the shelters and areas where they live and gather. For example, DWD representatives, along with area Workforce Development Board (WDB) staff work together to set up meetings and listening sessions in local homeless shelters, area libraries, warming centers, or churches where we know homeless populations congregate and live. There are numerous benefits to a mobile outreach approach including:

* DWD and WDBs could bring their message about employment opportunities directly to this vulnerable population, and build an increased level of trust and excitement for program offerings.
* Listening sessions help break down both the stigma and the fears often associated with walking into an employment center. These sessions are an opportunity to educate people about the numerous services available, and helps put a human face on the workforce development system, resulting in increased engagement in system services.
* DWD and WDBs could also hear directly from the homeless population about the types of barriers they experience in accessing the system, and/or the points where they experience road blocks. This also creates a built-in feedback loop for program improvement recommendations based on population needs.

RECOMMENDATION: The Governor should direct the Secretary of the Department of Workforce Development to create a new program which will reach Wisconsin’s homeless population and move them into family supportive employment. Such a program should be funded in the upcoming budget submission to the legislature.

# **Conclusion**

How often have we heard after yet another mass shooting, politicians who really want to do nothing around gun control say, “now is not the time to discuss policy, that can wait for another time.” Of course, that “another time” never seems to happen. Well, we submit that now is the time to have that broad policy discussion on homelessness, and that now is the time to forcefully advocate for the resources to end homelessness as we know it.

The pandemic may not be totally analogous to a mass shooting, but the reality is, we are facing a rise in the number of homeless persons and families to an extent never seen before. More people than ever before will be living outside on the streets. As of this writing the City of Madison is relaxing the manner in which it treats homeless encampments. Remember depression era pictures of camps of homeless people? That could well be our reality soon. So yes, let us engage in those short-term measures which may well help stem the tide of current suffering. But also let us have the longer term policy debate.

It may well be that Wisconsinites realize, more than ever, how perilously close they are to becoming homeless, and even those more well off will be shocked at what the world looks like with mass homelessness all around them. Maybe, just maybe, there are three or four Republican state senators who now understand that the moral and courageous thing to do is to support efforts to end homelessness in Wisconsin. And so, we end this paper as we began it, asking the fundamental question - *WHY NOT NOW*?

OUR RECOMMENDATIONS

* Now is the time to act

* We urge DHS to expeditiously submit a Medicaid plan amendment to the Federal government, making all eligible homeless services Medicaid reimbursable. Further we urge the Governor and the Legislature to create the budget allocations necessary to provide the state match for such services
* Continue to support affordable housing development through WHEDA low income housing tax credits; encourage WHEDA to develop other bonding mechanisms beyond low income housing tax credits; and, create a budget allocation of $50 million annually to provide rental assistance subsidy program targeted to persons with mental health challenges and homeless persons and families.
* The Governor should direct the Secretary of the Department of Workforce Development to create a new program which will reach Wisconsin’s homeless population and move them into family supportive employment. Such a program should be funded in the upcoming budget submission to the legislature.

June 1, 2020

For more information or to contact the Wisconsin Coalition Against Homelessness pls email [joseph.volk01@gmail.com](mailto:joseph.volk01@gmail.com) or call 414-333-7393

Please visit our website at WCAHWI.ORG

1. Snap to Skills, Policy Brief 8, June 2018 [↑](#footnote-ref-1)
2. Snap to Skills, Policy Brief 6, May 2017 [↑](#footnote-ref-2)
3. Snap to Skills, Policy Brief 6, May 2017 [↑](#footnote-ref-3)