

PROTECT WHAT WORKS

The President's FY26 Budget Request proposes eliminating the U.S. Department of Housing and Urban Development's **Continuum of Care (CoC) Program and consolidating it into the Emergency Solutions Grant (ESG)** program—while reducing overall homelessness funding by **\$532 million**. This proposal does not simply restructure funding; it threatens to dismantle the very system that has been built strategically, effectively, and equitably over decades.

The CoC Program is the backbone of the national response to homelessness, funding permanent supportive housing (PSH), rapid rehousing (RRH), and system-level community planning infrastructure. ESG serves a different purpose—it is designed for short-term, emergency crisis response.

These programs were never meant to serve the same purpose, and are not interchangeable. **Replacing CoC with ESG would destroy—not enhance—the long-term capacity to prevent and end homelessness.**

Connecticut would face immediate, devastating consequences if this proposal is enacted. In FY24 alone, the state received **\$94.7 million in CoC funds** — supporting housing, infrastructure, staffing, and other homelessness response system services. Additionally, Connecticut stands to lose **\$3,669,084 in HOPWA funding**, eliminating dedicated housing support for individuals and families affected by HIV/AIDS. Connecticut taxpayers will not be able to **fund a gap of \$90 million**, and its loss would destabilize thousands of households and unravel years of progress.

If the CoC Program is eliminated or significantly cut, Connecticut will lose:

- Housing for **4,301 individuals and families**, including those with disabilities and complex needs
 - **2,848 PSH** units dedicated to individuals who have experienced **chronic homelessness and live with a disabling condition**
 - **502 PSH units** dedicated **to families**
 - **521 RRH units** for individuals and **430 units for families**
- **\$20 million** in case management and supportive services
- **383 frontline workers** who serve a crucial case management role
- Rental income for hundreds of **landlords across the state**, jeopardizing both housing placements and economic stability.

Without housing, people are left with no path to recovery or stability. Many would return to homelessness and emergency shelters, and in addition to losing housing, those with complex needs would lose access to services and health care. Many would cycle through costly emergency rooms, jails, and psychiatric facilities, at **an estimated public cost of over \$90 million annually**—a dramatic increase over the cost of housing and supportive services.

PROFOUND RIPPLE EFFECTS

These proposed cuts come as Connecticut and other states face compounding pressures:

- **Homelessness has increased for three consecutive years**
- **Rents are at all-time highs**, pushing more people into housing instability
- **Shelters are consistently at, or over, capacity**
- Simultaneously, the budget reconciliation bill imposed additional cuts to **Medicaid and SNAP**, along with **new work requirements**, which will remove access to health care and food assistance for many experiencing homelessness.

These layered policy decisions will not just destabilize systems—they will put lives at risk. Eliminating CoC would erase the coordinated infrastructure that communities have worked for decades to build. It would strip away accountability, destabilize high-performing states like Connecticut, and ultimately result in more people becoming homeless, with fewer tools to respond. These layered policy decisions will not just destabilize systems—**they will put lives at risk.**

From 2009 to 2016, bipartisan investments in the CoC Program under the HEARTH Act led to measurable national progress. Veteran, family, and chronic homelessness declined. Systems became more integrated, data-informed, and outcomes-focused. Since 2017, reductions in investment have already begun to reverse those gains. The FY26 budget proposal would all but guarantee a nationwide rollback of progress.

We ask Connecticut's Congressional delegation to:

- **Reject the proposed elimination or consolidation** of the Continuum of Care and HOPWA programs into ESG
- **Maintain CoC funding** at no less than FY25 levels and provide increases that account for rising fair market rents
- **Fully fund CoC, ESG, and HOPWA** as distinct and complementary programs
- **Protect Medicaid, SNAP, and shelter infrastructure** from additional cuts
- **Reaffirm the federal commitment** to performance-based housing solutions that work

The Continuum of Care Program delivers measurable results. It reduces homelessness, promotes housing stability, and saves taxpayer dollars by reducing reliance on emergency services. Cutting it during a housing and healthcare crisis is not fiscally sound. It's dangerous.

Now is the time to strengthen what works—not dismantle it. Let's build forward, not backward.

Citations:

- Department of Housing and Urban Development, *FY 2025 CT-503 Grant Inventory Worksheet*
- Balance of State and Open Doors Fairfield County Continuums of Care, *FY 2025 Individual and Family PSH & RRH Unit totals*
- Chambers, J. M., & Brakenhoff, B. (2023) City of Lincoln Continuum of Care. *The community cost of chronic homelessness* [Report]
* \$90 million = number of people who will lose their housing, multiplied by the average cost.