

**TESTIMONY OF**  
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Chairwoman Roukema, Ranking Minority Frank and members of the House Subcommittee on Housing and Community Opportunity: Thank you for inviting the American Association of Service Coordinators (AASC) to testify at today's important hearing concerning the future of federal affordable service-enriched elderly housing. I am Janice Monks, executive director of the Columbus, Ohio-based AASC, a nationwide, grassroots nonprofit organization of more than 700 service coordinators, managers, management companies, public housing authorities, state housing finance agencies, state and local area agencies on aging and a broad range of national and state organizations involved in affordable, service-enriched housing. (*see attachments*).

Everyday, AASC members serve literally hundreds of thousands of low-income families, frail elderly persons and persons with disabilities who live in a variety of federal and state subsidized housing programs including the Section 202 programs, the Section 8 programs, public housing programs, the Congregate Housing Services Program (CHSP), the Low-Income Housing Tax Credit (LIHTC) program and even a variety of conventionally financed, market-rate housing programs. And soon, thanks to your wisdom and foresight, service coordinators will be helping eligible low-income neighbors where the facilities service coordinators work at are located.

While service coordinators shoulder a wide variety of responsibilities and duties, their work mainly is focused on helping our most vulnerable Americans:

- Maintain independence and avoid premature, costly and less-humane institutionalization;
- Link with appropriate and sometimes life-saving health, social and other services;
- Locate child care and other family services;
- Gain job training, employment and transportation; and
- Receive a wide range of educational opportunities.

But service coordinators do much more than help residents who live in and around the properties where they work. The advent of service coordination into low-income properties and

neighborhoods has had a much greater impact than probably anyone ever imagined it would. Almost every property that has added a service coordination component to its operation has seen a significant improvement in numerous ways. For example, service coordinators actually save management companies time and money by such things as: reducing unit and tenant turnover; solving a variety of time-consuming, tenant-related problems that before would bedevil management staff who mostly were ill-prepared and ill-trained to deal with them; reducing the number of off-hour emergency calls to management and local paramedics and other emergency personnel; increasing satisfaction of tenants and their families; and increasing the visibility and marketability, and improving the overall image of the property within the community, among many other things.

AASC and its members believe strongly that the future of affordable housing—not only for the elderly but also for families and persons with disabilities—depends greatly on our ability as a nation to ensure that those who need these scarce federal, state and local resources are linked through these programs to the types of social, medical and other services that allow them either to live independently as long as possible, or to achieve a level self-esteem, self-confidence and self-sufficiency that help wean themselves and their families from long-term dependence on housing programs and other types of government subsidies.

But even more important than any of this, service coordinators can and should play an integral role in the ongoing development of a seamless continuum of services and care that will be critically necessary in order to care for the more than 70 million baby-boomers who will begin retiring over the next 20 years. This generation not only will live to a much older age than today's seniors, it will demand a long-term care system based not on an institutional care model, like today's system, but instead one based on a social model—one that offers cost-efficient, homelike, flexible environments where they can receive a broad menu of care and services as long as possible.

Over the next decade, as Congress begins its critically important work revamping the Social Security, Medicare and Medicaid systems to prepare for this inevitable wave of baby boomers, it should consider the incredibly positive role that service coordination already has played in improving the programs in which it is utilized, and improving the lives of the residents, families and neighborhoods where those programs exist. With a strong service-enriched foundation of residential community-based care in which service coordinators act as the mortar that holds the bricks together, the federal government can and will develop a seamless continuum of care and services for today's elderly, tomorrow's baby boomers, their children and even their children's children.

By more firmly embracing and expanding HUD’s service coordinator programs today, Congress can take giant steps in ensuring these valuable programs continue to offer their residents much more than “pockets of poverty” and “shelters of last resort,” and instead become community oases for their residents and their neighbors, and launching pads of hope for struggling families striving to improve their lives and realize their dreams.

By investing a little more money and making some minor adjustments to a few statutes and regulations today, Congress can make this happen, and in the process improve the quality of life for millions of Americans and the neighborhoods where they live while ensuring that these programs survive and thrive to serve America’s future generations.

### **Funding Needs**

- **Congress should expand funding for HUD’s service coordinator programs.**

**Section 202/8 Programs:** Almost every year, more than half the funding requests for the Section 202/Section 8 service coordinator programs go unfilled, denying this vital resource to thousands of residents in need and hundreds of projects and communities that would reap benefits from their help. To fill this gap, and to avoid the arbitrary, unfair and much-maligned lottery system that HUD is forced to utilize because of the large number of requests competing for the small pot of money, AASC urges Congress to increase funding for these programs to \$100 million a year.

**Additional cost: \$50 million annually.**

**Public Housing:** Congress currently funds public housing service coordinators through general funds that public housing authorities can—and because of increasingly tight budget constraints more often than not do—use for a number of competing, equally important needs. To ensure that public housing residents have the same access to service coordinators as assisted housing residents, AASC urges Congress to create a separate set-aside for service coordinators in the public housing funding formula and provide at least \$50 million annually.

**Additional cost: None**

**Low-Income Housing Tax Credit (LIHTC) Program:** While an increasing number of LIHTC projects employ service coordinators mostly through local and state funds, these resources are shrinking as the nation’s economy weakens. To serve the growing tax-credit program, AASC urges Congress to create a separate set-aside for service coordinators in the

HOME Investment Partnership block grant program and fund it at \$50 million annually. This would allow tax-credit projects that serve special needs populations an opportunity to better serve their residents, improve their neighborhoods and their long-term marketability and viability.

**Additional cost: None**

### **Statutory, Regulatory Relief**

- **Congress can improve the service coordinator programs through some minor but important statutory and regulatory relief measures.**

**Fair-Market Rent (FMR) Cap Exemption:** Although Congress and HUD allow Section 8 properties to build the cost of a service coordinator into their annual budgets, restraints such as the 120% of FMR cap imposed by Congress to hold down Section 8 costs also in many cases makes this nearly impossible. By exempting the costs of a service coordinator from the 120% cap, Congress could make budget-based service coordinators a reality and ensure that literally hundreds of thousands of additional residents receive the benefits of service coordination. This also would decrease the competition and need for the grant programs, eliminate service coordinator contract renewals and extensions and release already over-burdened HUD staff to focus on other equally important duties.

**Additional cost: Up to \$10 million annually mostly offset by savings in HUD staff costs.**

**Allow service coordinators in the Section 811 program:** When Congress created the Section 811 program for persons with disabilities in the 1990 Cranston-Gonzalez Act, service coordinators were not included as an eligible project expense, unlike its sister program, the Section 202 project rental assistance contract (PRAC) program. Because of that, the Section 811 program and its residents have suffered due to the lack of an on-site service coordination component. By including service coordination in the Section 811 package, Congress can add great value to this important program, improve the quality of life for its residents and help states and communities better meet some of their obligations under the recent U.S. Supreme Court *Olmstead* decision.

**Additional cost: None**

**Congress should mandate adequate, appropriate team-based training and continuing education:** Currently, because HUD's service coordinator training requirements are not statutory but only guidelines issued through the HUD notice and handbook processes, many service

coordinators' training and continuing education needs are not being adequately met. Furthermore, because service coordinators, managers and other management staff aren't required to and generally don't train together, a cohesive, team-based training approach is mostly lost on the long-time "bricks-and-mortar" mentality of a majority of traditional housing providers. Congress should amend the appropriate existing statutes and regulations to ensure that service coordinators, their managers and the entire management team are trained and educated together so that the important work that service coordination is designed to carry out can be accomplished to benefit residents, families and communities.

**Additional cost: Negligible**

**Congress should encourage training partnerships with housing providers and our nation's systems of higher education:** Congress also could provide incentives for our nation's colleges and universities that train and educate social workers—some who will eventually become service coordinators—to partner with service-enriched housing providers. This will ensure that the next generation of social workers understands the value of working in residential care environments and that our current service coordinators can access the best, most professional education and training available.

**Additional cost: Negligible, but invaluable**

**Congress should require a quality-assurance component for all service coordinator programs:** In many states, liability issues are overwhelming other parts of our nation's current long-term care system, of which elderly supportive housing is an important part—such as the nursing home and assisted living communities—forcing a substantial number of providers either to cut back on essential services or personnel, or leave the system altogether. If this trend seeps into our unlicensed, residential care system, the cost of housing and providing supportive services to low-income elderly and disabled also will skyrocket, forcing many providers out of the system and substantially increasing the cost of housing and serving America's most vulnerable citizens. Congress should mandate that a formal, risk-management, quality-assurance component is part of all federal service coordinator programs.

**Additional cost: Negligible, but very cost-effective**

**Congress should require a focused collaboration between HUD, HHS, the IRS and the RHS (Rural Housing Services):** Since federal housing programs and responsibilities are spread between several federal agencies, it's imperative that the various agencies begin working more closely together to ensure a level and equivalent playing field, and consistent regulations and

guidance exists as our nation's continuum of care and services evolves. But due to the nature of federal bureaucracies, Congress needs to make this happen through statute. By requiring agencies involved in providing housing services and subsidies for low-income Americans to work together, Congress can close many existing gaps in our nation's affordable, service-enriched housing continuum.

**Additional cost: None**

**Congress should ensure that federal oversight of the service coordinator programs is handled by a single entity within HUD:** Currently, oversight of federal service coordinator programs is handled by two offices within the HUD bureaucracy—the Office of Housing and the Office of Public Housing—causing unnecessary confusion and inconsistency in the administration of these programs. In keeping with the philosophy of streamlining and reducing the size of federal government, AASC believes that Congress should mandate that service coordinators are administered from one HUD office instead of two.

In conclusion, AASC urges Congress to seriously consider these few, cost-effective but vital steps that can be taken now to improve our nation's service-enriched housing efforts already underway. If you have any questions or concerns, I will be glad to respond now or in writing at your convenience. We thank you for your time and consideration.

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