

**Updating the FHEPS Program to Prevent Evictions and Homelessness Will  
Help New Yorkers and Save New York State Money  
Governor Hochul Should Sign A.8009/S.6573**

**Budget Impact Analysis**

The New York State Legislature passed an update to the FHEPS program that would allow participants to use the subsidy for apartments with rent up to 100 percent of the Fair Market Rent (up from 80 percent). *See* A.8009/S.6573. Governor Hochul should sign this bill into law. Not only will it help prevent the evictions of families and resulting homelessness, the bill will save New York State money because the savings attributable to the bill outweigh the new costs.

**Overview:** *Updating the FHEPS Program Will Result in Net State Savings of \$10.1 Million*

**Assumptions:** Our analysis is based on the following assumptions:

- The Bill will result in an approximately of 2,300 families who are newly eligible for FHEPS and who will enroll in FHEPS.
- Each new FHEPS family represents \$2,361.02 in new costs for the State.
- 95 percent of new FHEPS families would be evicted and become homeless were it not for the Bill becoming law.
- The State saves \$7,143 for each new FHEPS family that averts homelessness.

**Budget Impact:**

<b>Savings Attributable to Preventing Homelessness:</b>	<b>\$15,607,455.00</b>
<b>New Costs Associated with Newly Eligible FHEPS families</b>	<b>- \$ 5,430,346.00</b>
<b>Net Savings for State Associated with Bill:</b>	<b><u>\$10,177,109.00*</u></b>

**\*Notes:**

It should be noted that this is a *conservative* estimate of savings in light of several factors. *First*, homelessness represents a human and monetary cost that far exceeds the savings projected by preventing homelessness for 95 percent of the new FHEPS families, including increases in health costs associated with homelessness, education and employment challenges associated with homelessness, and more. *Second*, the estimate is conservative because the \$11,805.12 per new FHEPS family projected cost (of which \$2,361.02 per family is new state costs) is an average based on rent data that extends from 80 percent of the FMR to 110 percent of the FMR, which is higher than the cap on FHEPS at 100 percent FMR. Accordingly, were that average not to include the rents at the higher end, the average cost per new FHEPS family, including the state share, would be lower.

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