Volunteers of America®
NORTHERN NEW JERSEY
A Division of Volunteers of America-Greater New York

NEW JERSEY

FY27 POLICY PRIORITIES

As economic and housing instability grows, so too has New Jersey's youth homelessness crisis—over 1,000 young adults were experiencing homelessness in 2025. **New Jersey can end youth homelessness by modernizing how it funds, delivers, and sustains programs that young people rely on and by strengthening the systems that prevent and end homelessness**. We recommend Governor Sherrill and the Legislature:

Invest in homeless youth

New Jersey has made great strides in supporting youth and families, including a sharp reduction in children in foster care and pioneering investments in programs that integrate workforce development and housing. Despite this progress, the state struggles to meet the growing needs of youth experiencing homelessness.

1. Align DCF funding with the true cost of care

Contract rates through the Department of Children & Families (DCF) have not been meaningfully adjusted in nearly 20 years and programs serving homeless youth are particularly under-resourced. A formal review and update of DCF contract rates is needed to reflect the true cost of delivering services, using updated wage, benefits, and overhead benchmarks. Updates should include multi-year COLAs to enable long-term stability.

2. Ensure parity in resources for foster youth

Homeless youth should be provided comparable resources to foster youth in similar programs, from equal stipends to quality furniture and technology.

3. Allow flexibility to maximize existing capacity

Contract terms stipulate the number and type of youth that providers can accept. In the absence of a foster youth referral, providers should be able to offer vacant beds to eligible homeless youth, responding to local needs without fear of permanently losing a bed.

Partial reimbursement for vacant beds would also ensure providers can pay fixed programmatic costs while awaiting an appropriate referral.

4. Strengthen post-program support for youth

Youth leaving DCF-funded independent living programs often experience a "benefits cliff"—while they have aged out of the housing program, they still need some supportive services. County-wide DCF Aftercare Specialists could provide light-touch case management for two years, reducing their risk of returning to homelessness.

5. Improve landlord & community partnerships

To reduce stigma and facilitate providers in establishing relationships with landlords, DCF can develop promotional materials about its programs, local providers, and the benefits of participation.

6. Provide stabilization funds to homeless youth

The **Youth Homelessness Guaranteed Income Pilot Program Act (A3992/S3459)** would provide direct cash assistance to youth at risk of homelessness, shown to improve housing and food security.

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Bring predictability and sustainability to New Jersey's budget process

A strong nonprofit sector ultimately strengthens the state's whole-of-government approach to preventing and ending homelessness. Yet providers are currently funded through an unpredictable and unclear budget process, making long-term planning, steady operations, and hiring difficult.

As federal uncertainty grows, so does the need for a transparent, needs-based system that nonprofits–and the people they serve–can rely on. **To support this, the state should reform the earmark process to:**

1. Use need to drive funding decisions

Developing a needs-based allocation methodology using community insight and municipal or county-level data, such as poverty rates, will help to direct limited resources to regions where they are needed most. A clear formula will also provide transparency around funding decisions.

2. Create sustainable, multi-year funding

Reliable, sustainable funding allows nonprofit providers to plan for the long term, maintain stable programs, and respond effectively to changing needs. Replace unpredictable annual funding by transitioning to a competitive multi-year RFP model that rewards demonstrated impact, quality, and accountability, where appropriate. This will give providers greater stability to plan and maintain quality services across budget cycles.

3. Fund services at their true cost

State funding should reflect the true cost of delivering services, including the cost of hiring and retaining qualified staff.

Volunteers of America-Northern New Jersey (VOA-NNJ) provides innovative housing, health, and wealth-building services to youth and adults who are experiencing, or at risk of, homelessness. Through 21 programs in Northern New Jersey, we help more than 400 people achieve housing stability each year, with a focus on behavioral health services for adults and independent living programs for youth working toward self-sufficiency.

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