

# *Pennsylvania Supportive Housing Coalition: Optimal Budget Scenario for Supportive Services*

2026

## *About CSH*

CSH (Corporation for Supportive Housing) advances affordable housing aligned with services by advocating for effective policies and funding, investing in communities, and strengthening the supportive housing field. Since our founding in 1991, CSH has been the only national nonprofit intermediary focused solely on increasing the availability of supportive housing. As an intermediary, we do not directly develop or operate housing but center our approach on collaboration with a wide range of people, partners, and sectors.

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## Introduction

Across Pennsylvania, communities are facing a critical shortage of resources to adequately fund supportive services within supportive housing programs. These programs—grounded in evidence and proven effectiveness—combine stable, affordable housing with tailored, person-centered services that empower individuals and families to overcome complex barriers and thrive. The populations served include those with histories of homelessness, behavioral health conditions, chronic medical needs, substance use disorders, justice system involvement, experiences of domestic violence, older adults, and transition-age youth, among others.

Supportive services are the backbone of these programs, providing the individualized care and coordination necessary for long-term stability. These services include activities such as:

- Creating individualized service plans and helping tenants meet their goals
- Coordinating mental health, substance use, and physical health care appointments
- Facilitating access to education and employment opportunities
- Supporting recovery from substance use
- Managing crises and providing de-escalation support
- Teaching life skills like budgeting, cooking, and cleaning
- Educating tenants about medications and supporting medication management
- Reconnecting tenants with family and building community support networks
- Mediating tenancy issues and supporting lease compliance

**This document presents an optimal budget framework designed to ensure supportive housing programs are equipped to deliver these essential services at the scale and quality needed to help residents achieve lasting stability and success.**

### \$17,820 per tenant per year enables:



Appropriately-sized caseloads



Reduced reliance on costly emergency services



Living wages for staff



Stable budgets for vital community based organizations

## Methodology & Key Findings

To inform the development of an optimal supportive services budget, CSH collected data using its [Supportive Services Budget Tool](#) and conducted **focus groups and polls** with members of the **Pennsylvania Supportive Housing Coalition**. All financial data was anonymized to ensure confidentiality. The analysis revealed five key challenges facing supportive housing providers across Pennsylvania:

- **Inadequate funding** to meet service demands
- **Excessive caseloads** that limit individualized support
- **Wages that lag behind other industries**, making recruitment and retention difficult
- **Ongoing budget strain** threatening program sustainability
- **Persistent staffing shortages**, leading to reduced support and high turnover

## Caseloads & Staffing

The U.S. Department of Housing and Urban Development (HUD) recommends caseloads of 10–20 households per case manager, depending on population and service intensity. Most PA providers report caseloads of 20–50 due to staffing shortages and limited funding—leading to burnout, turnover, and reduced service quality.

### *Wages & Workforce Challenges*

Supportive housing staff are highly skilled and mission-driven, and are expected to manage crises, navigate complex systems and support highly acute populations, yet wages have not kept pace with other industries. The **average supportive housing staff salary in PA is \$42,750**, which:

- Is only \$11,000 above the federal poverty level for a family of four
- Falls **\$16,000 below** the 80% Area Median Income (AMI) threshold
- Qualifies workers as **low-income in every PA county**

Providers are using creative strategies—like retention bonuses, flex time, and professional development—to retain staff, but these are not sustainable without increased funding.

### *Other Budget Pressures*

- **Personnel costs** are the primary budget driver, but **admin costs often exceed the 10% cap**, with actual needs closer to 15%.
- **Inflation and rising costs** (e.g., transportation, supplies, tech) are outpacing stagnant funding.
- **Increased acuity** among tenants raises costs for training, landlord mediation, and specialized services
- CSH estimates providers need to plan for a **7.5% annual increase**, which is currently unfeasible under existing funding structures.

## Cost Estimate Overview – Optimal budget scenario

### *Program Types Analyzed*

The cost analysis included five supportive housing service models:

- Tenant Support Services (TSS) – Site-Based
- TSS – Scattered Site
- TSS – Scattered Site with Startup Costs
- Intensive Case Management (ICM) – Scattered
- Assertive Community Treatment (ACT) – Scattered

### *Key Budget Assumptions*

- Admin/Overhead: 15%
- Fringe Benefits: 32%
- Operations (e.g., office, vehicles): ~16–17%
- Startup Costs (new programs): ~\$19,000
- Inflation Rate: 7%
- Caseloads: Based on HUD-recommended ratios
- Staffing: All programs include case managers and peers; ICM adds clinical staff; ACT includes a full multidisciplinary team
- Salaries: Based on living wage benchmarks, not current compensation levels

### *Estimated Annual Costs per Tenant – Based on 30 tenants per Program*

Program	Description	Annual Program Budget	Per Tenant Cost per Year
TSS – Site-Based	Site – Based. 2 case manager and 1 peer.	\$356,289.41	\$12,330.18
TSS - Scattered	Scattered site. 2 case managers and 1 peer.	\$534,612.00	\$17,820.40
TSS New Program	Scattered site. 2 case managers and 1 peer.	\$553,060.00	\$18,435.33
TSS Family Program	Scattered site. 2 case managers and 1 peer.	\$571,980.53	\$19,066.02
ICM	Scattered Site. 2 case managers, 1 peer, and 1 clinician.	\$597,337.74	\$19,911.26
ACT	Scattered Site. 8 FTE Multi-disciplinary team	\$890,357.03	\$29,678.57

**Cost Estimates:** Given the cost implications of the findings, these estimates reflect the ideal program costs based on caseload size, staffing, administrative expenses, and operational costs—compared against the current budgets that Pennsylvania providers are working within.

- **Ideal annual cost per tenant: \$17,820**
- **Current average annual cost per tenant: ~\$13,000**
- **Gap per tenant annually: ~\$4,820**

### *Budget Implications:*

The Pennsylvania Supportive Housing Coalition has established a need to create 38,000 units of supportive housing over the next 20 years. To support 2,000 new supportive housing units annually and meet this goal, Pennsylvania would need \$35.6 million annually at optimal funding levels—or \$9.6 million per year simply to close the current funding gap.

While supportive housing costs can vary by project, even at optimal funding levels, they remain significantly more cost-effective than crisis systems such as emergency rooms, hospitals, and incarceration. This reinforces the value of investing in supportive services as a proactive and fiscally responsible strategy.

### *In Pennsylvania, It Costs the Same to Provide:*



OR



OR



MEDICAL INPATIENT

**9 Days<sup>1</sup>**

PRISON

**4 Months<sup>2</sup>**

SUPPORTIVE HOUSING

**1 Year**

### **References:**

<sup>1</sup> <https://www.kff.org/health-costs/state-indicator/expenses-per-inpatient-day/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

<sup>2</sup> <https://www.pa.gov/content/dam/copapwp-pagov/en/cor/documents/resources/statistics/budget-documents/Cost-Per-Day-FY-21-22.xlsx>

## Conclusion

Supportive housing is a proven, cost-effective intervention that addresses the complex needs of Pennsylvanians experiencing homelessness, behavioral health challenges, and other vulnerabilities. Yet, without adequate and sustainable funding for supportive services, these programs cannot fulfill their full potential.

The data presented in this report highlights a significant funding gap: while the **ideal annual cost per tenant is \$17,820**, current funding levels average only **\$13,000 per tenant**, leaving a **\$4,820 shortfall per person**. To support **2,000 new supportive housing units annually**, Pennsylvania would require **\$35.6 million per year** at optimal funding levels—or **\$9.6 million annually** just to close the existing gap in services funding.

This investment is not only fiscally responsible but also cost saving when compared to crisis systems. For example:

- A single night in a Pennsylvania hospital can cost **\$2,000–\$3,000**, while a year of supportive housing services costs **less than \$1,500 per month**.
- Incarceration in Pennsylvania averages **\$42,727 per person annually**, **44% more** than that of even the most intensive supportive housing model (ACT at \$29,679/year).
- Emergency shelters cost **\$30–\$50 per night**, which can exceed **\$18,000 annually**—often without the wraparound services that lead to long-term stability.

Moreover, the workforce delivering these services is underpaid and overstretched. The average salary of **\$42,750** qualifies many staff as low-income in every Pennsylvania county, and caseloads often exceed **40 households per case manager**, far above the **HUD-recommended 10–20**. These conditions contribute to high turnover, burnout, and reduced service quality.

Investing in supportive services is not just a moral imperative; it's a strategic, evidence-based approach to reducing homelessness, improving health outcomes, and strengthening communities. With the right funding, Pennsylvania can ensure that supportive housing programs are equipped to help residents achieve lasting stability and success.

***Please contact Brian McShane, CSH Associate Director for PA/NJ, at [brian.mcshane@csh.org](mailto:brian.mcshane@csh.org) with any questions about this content. For more information about the Pennsylvania Supportive Housing Coalition and ways to get involved, please visit the [webpage](#).***

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