

SUBCOMMITTEE RECOMMENDATION

Housing and Community Services Department

Shelter System Funding

To: Ways and Means Full Committee
From: Transportation and Economic Development Subcommittee
Carrier: Representative Gomberg

On February 17th, the Transportation and Economic Development Subcommittee received a report from the Housing and Community Services Department on shelter system funding.

The report is in response to a budget note directing the agency to develop recommendations for \$204.9 million in statewide shelter system funding in the 2025-27 legislatively adopted budget. The agency is recommending a state shelter system funding strategy that incorporates a maximum annual state allocation of no more than \$31,000 per bed per year. Provider awards will be based on the type of shelter provided and the amount of need in the region served, and they will include an administrative expenses cap of 15% of the grant award. The agency also recommends maintaining effort requirements and performance metrics that include exits from shelter to permanent housing.

The Housing and Community Services Department will require a resource development plan that includes shared funding between the agency and other resources. It is also considering requiring a demonstration that non-agency funds are covering 20% of the aggregate cost of shelter. Regional shelter coordinators will

be selected in early 2026, and recommendations are expected to be implemented when shelter program funds are allocated for the 2027-29 biennium.

The Transportation and Economic Development Subcommittee recommends acknowledging receipt of the report.