

February 7th, 2022
Chair Abeler
Members of the Human Services Reform Finance and Policy Committee
Via Electronic Delivery

Dear Chair Abeler and members of the Human Services Reform Finance and Policy Committee

The Minnesota Coalition for the Homeless (MCH) is writing to express support for several aspects of the Governor's Budget Proposal in the housing and homelessness areas of the DHS budget. There are three proposals that are directly on the MCH agenda and several other key investments that we support.

The 2022 Policy Agenda of the Minnesota Coalition for the Homeless is focused on the experience that an individual or family may have transitioning from homelessness to a permanent home. We know that shelter saves lives and housing ends homelessness. Along the way, several key programs need additional resources to move families and individuals into safe, affordable, accessible, and appropriate homes.

\$72.006 million for Emergency Shelter Facilities in general cash funding through the bonding bill (to the Department of Human Services)

The first step along this path for many is emergency shelter. Unfortunately, according to the Homelessness Management Information System, 80 of our 87 counties have either no shelter beds or lack enough shelter beds to meet the need. MCH completed a statewide survey to gauge the needed state resources to build, acquire, or renovate shelters to meet the need. We've identified over \$100 million in capital needs statewide that would create or preserve over 2,000 shelter beds. Every region in the state needs access to additional shelter beds, and this statewide funding source would provide opportunities for culturally appropriate, accessible shelter across Minnesota. The Governor's proposed budget is a great starting point for discussing the real need for shelter infrastructure here in Minnesota.

\$95 million (over the next three years) for the Emergency Services Program (ESP)

Funding to support the current shelter operations and for the expansion in shelters will require deeper investments in the Emergency Services Program. We support the Governor's proposed budget of \$95 million over the next three fiscal years and the base allocation of \$30 million per year in subsequent budgets. ESP provides the best, most flexible source of funding for shelters so these local providers can provide local solutions across the state. According to the latest round of RFPs for this funding, DHS received \$78 million in requests for outreach, drop-in centers, and emergency shelter programs. In the latest funding round, there was \$16.4 million in state and federal funding for these programs, and as a result the state could only fund 21 percent of all requests. An increase in this program is key to supporting both new and existing shelters in providing services to people experiencing homelessness.

\$3 million for the Transitional Housing Program

Finally, many individuals and families leaving shelter find stability in time limited housing programs like the Transitional Housing Program. This program helps individuals and families obtain stable housing where they can develop good rental history while finding a permanent housing destination. The Governor's budget proposes \$3 million for this program. MCH supports this and would advocate to increase this investment to \$9 million. Additionally, an extension from 24 to 36 months of assistance in this program is essential to ensure that individuals and families are able to sustain a permanent home.

MCH supports several other important areas in the Governor's budget:

- Homeless Management Information System (\$1.6 million in 2023 and \$4 million in 2024/25)
- Homeless Youth Act (\$11.238 million in 2024/25)
- Housing Transition Services through Housing Stabilization Services (\$2.298 million in 2024/25)
- Housing Support for Adults with Serious Mental Illness Program Expansion (\$3.073 million in 2023 and \$6.168 million in 2024/25).
- Projects for Assistance in Transition from Homelessness (\$5 million in 2023 and \$10M in 2024/25).
- Community Living Infrastructure Program (\$11 million in 2024/25)

These investments will help move Minnesota closer to eliminating homelessness. This is the time to realize our potential and make great strides toward ensuring everyone has a safe, stable, affordable and accessible place to call home. Please join us in supporting the Governor's proposed budget in these areas.

Sincerely,



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Executive Director

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