

**Subject: Cost of Providing DHS Homeless and Shelter Services**  
**Related Department: DHS**

**FY 2025 Proposed Budget**  
**Budget Work Session Follow-up**

**4/8/2024**

The following information is provided in response to a request made by Mr. de Ferranti and Ms. Cunningham at the work session on March 14, 2024, regarding the following question:

*What is the cost of providing homeless and shelter services including the base cost and any increases in FY 2025? Are the services being offered changing? When will the new contracts be effective?*

\*\*\*\*\*

**FY 2024 Base Costs for Current Contracts**

The FY 2024 base cost of providing homeless and shelter services is \$3,073,350 under the current contracts for the Homeless Services Center (HSC), the Residential Program Center (RPC) for single adults, and Sullivan House for families.

<b>Shelters</b>	<b>FY 2024 Base Contract Cost (Current Contracts)</b>
Sullivan House	\$432,701
Residential Program Center	980,118
Homeless Services Center	1,660,531
<b>Total</b>	<b>\$3,073,350</b>

**New Contracts Coming in Early FY 2025**

The Department of Human Services is in the process of competitively soliciting services for the Homeless Services Center (HSC), the Residential Program Center (RPC) for single adults, and Sullivan House for families. The Request for Proposals is anticipated to be published soon, and DHS anticipates making awards to vendors by the middle of FY 2025.

DHS anticipates increased costs associated with these upcoming contracts due largely to the fact that the family shelter, Sullivan House, has never been competitively bid out, so the cost of providing this service is anticipated to increase. In addition, salaries and other expenses across all three homeless shelters have also increased since the last time that the two single adult shelters, the HSC and RPC, were bid out in FY 2019.

## **Subject: Cost of Providing DHS Homeless and Shelter Services**

### **Contract Budgets in the FY 2025 Proposed Budget**

The placeholder in the FY 2025 proposed budget for these increased costs is \$532,087. The actual awarded contract amounts can change from the estimate based on what additional optional services and costs are included in the proposals that DHS receives. Upon completion of the RFP process in FY 2025, DHS will review the budgeted placeholder with the final awarded contracts and, if needed, propose a request for additional funds in FY 2026.

### **Services in the Request for Proposals (RFP)**

The proposed core services offered in the Homeless Services Request for Proposals (RFP) are largely unchanged, reinforcing current alignment with core principles and best practices of homeless service delivery. This includes housing-focused case management, low-barrier and high-engagement expectations, and principles of trauma-informed care and harm reduction.