

# House Democrats Propose Additional \$500 Million For Massachusetts Shelter System

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State House News Service

Top House Democrats unveiled plans Wednesday to invest \$500 million in the emergency assistance family shelter system in the next fiscal year, hundreds of millions of dollars less than the Healey administration's projection of costs.

Matching Gov. Maura Healey's line item budget recommendation, the House intends to level-fund emergency family shelter at \$325 million, though the administration anticipates the shelter system price tag will reach \$915 million in fiscal 2025. The House's budget proposal augments the \$325 million figure by pulling \$175 million from the state's Transitional Escrow Fund.

The fund, composed of surplus dollars and federal COVID-19 relief money, is at the crux of a House and Senate supplemental budget debate over how to replenish shelter funding before the system runs out of money sometime this spring.

"This thing is a fluid discussion," House Ways and Means Chairman Aaron Michlewitz told reporters during a briefing Wednesday. "You go back nine months ago, and it was a different discussion than it is today, so it's hard to say exactly where this is going to be in six to nine months. We think that the number that we're putting out today is, or putting on the table for discussion within the House, is one that we think gets us far enough along that we can see where we are going forward."

While Healey in November imposed a 7,500 cap on the over-capacity shelter system, she based her \$325 million allocation on a caseload of 4,100 families. With the state at its cap for months now, there were 736 families waiting to access emergency shelter on Wednesday, according to a spokesperson for the Executive Office of Housing and Livable Communities.

The fully unveiled House shelter funding approach for fiscal 2025 appears to signal a preference for continuing a pay-as-they-go approach to the shelter crisis and an attempt to not make more money available for shelter costs that have exploded and are affecting the Legislature's ability to make other investments throughout the state budget.

Healey and Senate Democrats want the state to make the full \$863 million Transitional Escrow Fund available to cover family shelter costs, but at least so far top House Democrats do not favor that approach.

Massachusetts has spent \$504 million on operating emergency shelters so far this fiscal year, according to a biweekly report released Monday from the Healey administration. The report noted March invoices are still "being received and processed."

The state is spending about \$10,000 per family in the shelter system on a monthly basis, Senate Ways and Means Chairman Michael Rodrigues said last month.

Grappling with an unpredictable stream of new arrivals and a worsening revenue picture, lawmakers have used supplemental spending bills to plug major shelter funding gaps. Lawmakers are also wrestling with how to adjust the state's right-to-shelter law, particularly imposing time limits on shelter stays, to prevent the system from collapsing under its high costs.

House Speaker Ron Mariano, who's repeatedly condemned the lack of federal funding to support the migrant crisis, struck a

more positive note Wednesday when describing his branch's latest approach to covering steep shelter system expenses.

"Being an eternal optimist, things could change. Things could change next year, and we want to maintain as much control over this process as we can," Mariano said. "You know, as we deal with the ebb and flow, we're never quite sure what the numbers are going to be, so to anticipate the end number, I think it's a bit premature. I'm always hopeful that something happens in Washington that brings some sort of, maybe not a solution, but a tightening up of the immigration system."

Any serious run at passing federal immigration reforms appears unlikely at best until after this fall's elections.

The House's proposed use of the Transitional Escrow Fund to cover shelter costs could influence negotiations with the Senate over a supplemental budget in which the branches already disagree over how to pull from or potentially drain that fund.

Debate over the spending breakdown was initiated in January by Healey, who alongside her annual budget filed a supplemental budget that sought to drain the fund to cover shelter caseloads, school districts costs, case management, and health and community services. Healey's budget team expected a \$90 million funding gap with the proposal.

The House passed a supplemental budget in March steering \$245 million from the fund to emergency shelters for fiscal 2024. Meanwhile, the Senate passed a version that more closely hewed to Healey's request, allowing the administration to drain the entire account for this fiscal year and the following year.

"I think the state has a long history of providing supplemental funding as needed for the emergency assistance shelter system, but obviously in the past year, it's an unprecedented time in how much funding is needed to sustain the program," Kelly Turley, associate director of the

Massachusetts Coalition for the Homeless, said. "It's not new for the Legislature to almost knowingly underfund the program at the start of the fiscal year."

Michlewitz demurred when asked whether the Senate's approach is considered a "non-starter" in supplemental budget negotiations as the House now proposes using \$175 million from the fund in its annual budget proposal. He serves as the lead House negotiator on the six-member conference committee.

"We're in negotiations right now on the supplemental budget, so we'll have to see what shakes out," said Michlewitz. "I think I gave up a long time (ago) on guessing when we're going to come to an exact agreement, on what day it's going to be, but we're working – we're continually talking with our Senate counterparts right now."

Michlewitz later Wednesday indicated he was not aware of the date when the shelter system could run out of money, after he was asked by a reporter about that possibility happening by next week.

Turley warned delayed action from the Legislature could force the Healey administration to further restrict eligibility and access to the shelter system for migrant families, as well as Bay Staters facing homelessness.

"We're continuing to hear from providers, advocates and state officials that families continue to be staying in Logan Airport as an alternative because they haven't been able to access emergency assistance shelter or overflow spaces, and these are families who have already been deemed eligible for shelter," Turley said.