



We, the undersigned, are writing today to express our support for an annual \$25M appropriation to continue funding the Michigan Supportive Services Transformation Fund (SSTF). Supportive housing is an evidence-based solution that combines affordable housing with tenant-centered supportive services to help people with extremely low incomes and complex challenges get and stay housed. Supportive housing serves people with one or more disabilities who experience long-term homelessness and cycle between institutional settings and the streets. In Michigan, supportive housing services are provided primarily by nonprofit organizations throughout the state that understand the needs of their local communities.

In 2023, 4,758 households in Michigan with one or more persons with a disability experienced long-term homelessness. Additionally, 46% of people experiencing homelessness in Michigan are Black, despite being only 14% of Michigan's overall population, underscoring deep racial disparities.

Michigan's [Statewide Housing Plan](#) and the [Michigan Interagency Council on Homelessness](#) call for increased funding and fully leveraging Medicaid for supportive housing services. CSH is grateful to the Governor's office and the legislature for helping to accomplish these goals by appropriating \$6M and \$20M for SH services in the FY23 and FY24 budgets, respectively. Based on ongoing need, we are pursuing an annual \$25M appropriation starting FY26 and recommend decreasing the state contribution as Medicaid reimbursement increases. This will ensure supportive housing providers have the necessary ongoing funding to provide consistent services to supportive housing residents.

Already, providers are realizing positive outcomes from the \$6M appropriated to supportive housing services in the FY23 state budget. The outcomes include an outstanding 99% housing stability rate among the 470 households served. Recipients of this funding also report significant shifts in the quality of services they can provide, including the time they can dedicate to each supportive housing tenant they serve. Becca Binder, Executive Director of Northwest Michigan Supportive Housing (NMSH), a recipient of funds from the FY23 appropriation, stated, "NMSH has been operating in emergency and crisis response mode for years and this funding has helped us transition away from that, decreasing staff burnout while improving outcomes for tenants by dedicating more time and energy to the needs they present with on a daily basis."

These experiences are consistent with research from a supportive housing program in Colorado showing that two years after their referral to supportive housing, residents had a **40% decrease in emergency department visits**. Further, those in supportive housing saw a **40% reduction in arrests and 38 fewer days in jail (a 30% reduction in jail stays)**. Across all these reductions, there was a **\$6,875 annual cost offset per person**.

We urge the administration and Michigan Legislature to appropriate \$25M per year starting in FY26 to the Michigan SSTF, reducing the total investment annually as Medicaid reimbursement for SH services increases.