Appendix C: Eligible Expense Framework
FY26 Homeless Shelter Cities Mitigation Application (HSCM)

The Office of Homeless Services (OHS) is preparing the Fiscal Year 2026 (FY26) Homeless Shelter Cities Mitigation (HSCM) application. To ensure that HSCM funds are allocated and spent accountably and in alignment with Board expectations, OHS has drafted two frameworks to inform if expenses are eligible for reimbursement in FY26. Once reviewed, adjusted, and approved by the Board, these expenses will be provided to eligible cities for consideration in funding applications and future budget reimbursement submissions.

Frameworks for Board Consideration:
Option A:
- Continue to allow eligible municipalities to present mitigation strategies for approval by the Board, which has included activities or expenses not specifically related to a designated radius around an eligible shelter (*see page 2*).

Option B:
- Limit eligible expenses to a radius (e.g. 300 ft., 1/2 mi., etc.) in which services are administered directly to mitigate the impacts of the location of an eligible shelter (i.e. vehicles, staffing costs, and other expenses would only be reimbursable for time spent directly within a predetermined radius of an eligible shelter).
  - **Waiver:** The Board would retain the right to grant an exception to an eligible municipality for funds to be spent on public safety expenditures without a geographic radius restriction(s), so long as the funds are dedicated solely to a designated homeless response team.

Key Consideration:
"Eligible services" (Utah Code) means any activities or services that **mitigate the impacts of the location of an eligible shelter,** including direct services, public safety services, emergency services, social services, public sanitation services, and community or neighborhood programs as further defined by OHS Administrative Rule.

Commonly Reimbursed Expenses:
Tier 1: Salt Lake, South Salt Lake, Midvale, Sandy, St. George, and Ogden
Full reimbursement is often provided for incurred expenses through the HSCM account. However, in some cases, some expenses (e.g. vehicles and general public safety personnel) are not exclusively dedicated to the eligible shelter. While an ambulance cost may be reimbursed under statutory language, **the Board may consider whether a vehicle which responds to all municipal calls is beneficial to the mitigation of an eligible shelter(s)**.

- Public safety staff may bill full time salaries to HSCM, but may only spend a portion of their time at the eligible shelter.
- Law enforcement salaries/fringe benefits
  - Including recurring overtime costs
- Law enforcement equipment
  - Vehicles ($50,000 - $80,000 per customized vehicle)
  - Uniforms and weapons
  - E-bikes ($3,500 per customized unit)
- Law enforcement conference attendance
- EMS/Fire salaries/fringe benefits (not specifically dedicated to shelter)
- EMS/Fire equipment
  - Vehicles ($250,000 - $300,000 per customized ambulance)
  - Ambulance supplies (AEDs, bed bug heaters, stair chairs, medical supplies, etc)
- Infrastructure projects
  - Sidewalk installation for shelter client use
  - Parking lot resurfacing
- Neighboring business repair reimbursements

Tier 2: Cedar, Logan, Richfield, and Tooele
- Shelter operations staff salaries and benefits (e.g., shelter advocates, clinicians)
- Private security services
- Client services (e.g. rent, security deposits, application fees, client transportation, fees to obtain vital documents, etc.)

Denied Reimbursement Expenses:
- Drones to patrol open space areas, away from eligible shelter location
- ATV cab enclosure canopy, not applicable to eligible shelter location
- Trailers to perform camp abatements, not applicable to eligible shelter location
- Items or activities that address homelessness broadly, not related to an eligible shelter
- Major equipment requests, submitted after application approval

Additional Resources:
- HSCM Restricted Account Admin Rule
- 35A-16-Part 4
- HSCM Overview Slides
- June 24' UHSB Exec Summary for FY25 HSCM Awards