



131st Legislature
Joint Standing Committee on Appropriations and Financial Affairs

Testimony of Kara Hay, President and CEO of Penquis
in favor of the Budget Change Package LD 258

May 18, 2023

Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations, I am Kara Hay, President and CEO of Penquis, a large community action agency in central/northern Maine that serves between 3,500 and 5,000 struggling Mainers every, single day. We provide roughly fifty services aimed at ensuring Mainers have access to safe and affordable housing, early childhood education, transportation, family supports and programs that build financial stability. I am submitting written testimony in support of the Change Package to Biennial Budget, LD 258.

Thank you for this opportunity to submit testimony in support of the Change Package to Biennial Budget, LD 258. I am especially thankful for the sections that allocate \$80 million to the Maine Housing Authority with \$35 million for the Rural Rental Assistance Program; \$35 million for the Low-income Housing Tax Credit program; \$10 million for innovative affordable housing development strategies, the allocation for the Home Energy Assistance Program and the allocation in support of the Housing First model.

This investment will meet critical needs across the State of Maine. As we all know, heating fuel prices have been at an all time high this year, and although our share of the federally funded Low Income Home Energy Assistance Program (LIHEAP, or HEAP) is a little above last year's funding, the higher price of fuel means we can either serve fewer people with the same benefit as last year, or the same number of households will receive a lower benefit. My organization has been lucky to receive donations for supporting families who are struggling with heating costs, but the demand far outweighs the supply.

At Penquis, our phones are always ringing because many of our community members are struggling and need our help. Last winter though, the number of people who were calling was unprecedented, many of whom shared that they have never needed to call for help before but had found themselves in a place where they simply can't make it through on their own. We had also been struck by the urgency in people's voices as they called. Many were deeply afraid of literally freezing to death.

Allocating additional HEAP funds to community action agencies, who are the local administrators of HEAP funds, means that many more households will be safe and warm this winter. We will make sure that these funds are as low barrier to access as possible and will get them into the hands of those who need them.

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As I know you all know, Maine needs to be building at least 1,000 new units of affordable housing a year for Maine's housing supply to begin to meet the current demand. The number one barrier to addressing Maine's housing crisis is a lack of funding to build affordable housing. The policy solution is to invest in building affordable housing for people all across Maine in need. LD 258 with this Biennial Budget allocation to build housing makes an important step in doing this.

The critical gap that I see missing from this change package is the lack of addressing rental affordability. Rent is simply not affordable for many Maine residents. We see this every day in Penobscot, Piscataquis, and Knox Counties as hard-working Mainers come to our organization seeking assistance to stay warm, housed, and supported. Even with working full time positions, many are simply unable to afford what is available to them for rental costs. We know that we need more housing units in our State. It is important to note that we also need help bridging the affordability gap to make rents more affordable. Rent relief would help fill this gap, which is especially important to making rents affordable for people with really low incomes. This will help cover the cost of rent while seeking jobs that pay a living wage or waiting for longer-term federal rental assistance.

I am submitting testimony today in support of the investments described above in this budget change package as they will be deeply impactful to the people of Maine. Thank you for your time and consideration.