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Good afternoon, Senator Rotundo, Representative Gattine, and honorable members of the Appropriations and Financial Affairs Committee,

My name is James Dowd, and I am the Vice President of Finance at Preble Street and formerly a CFO for a nonprofit that provides housing for low-income men, many of whom used GA to stay housed. Preble Street operates 16 programs throughout Maine with staff that work daily alongside hundreds of individuals and families who struggle with housing insecurity. Our mission is to provide accessible, barrier-free services to empower people experiencing problems with homelessness, housing, hunger, and poverty and to advocate for solutions to these problems.

Preble Street is vehemently opposed to Part S of the Governor's proposed supplemental FY 2025 General Fund budget due to the adverse harm it will cause for the most housing insecure Mainers. It will result in a significant rise in homelessness and it does not make fiscal sense.

Limiting GA emergency housing assistance to three months out of a 12-month period, capping non-housing related aid to 30 days in a 12-month period, and restricting a municipality's ability to grant above maximums to 30 days in a 12-month period will cause people who are safely housed right now to become unhoused.

My responsibility at Preble Street is, like yours, to make sure the budget is balanced and the accounting makes sense. This proposal doesn't make sense. For example, it is far less expensive to use GA to keep people housed than it is to pay for shelters. The maximum GA reimbursement for a 0-bedroom heated unit in Portland is \$1,434/month. MaineHousing estimates that an average shelter bed cost is \$3,776/month. This calculates an annual savings of \$28,104 per person on GA. It is 163% less expensive to keep people housed by GA than it is to support them in a homeless shelter.

Despite a significant budget surplus this fiscal year, this proposal cuts support to zero and low-income Mainers who rely on GA rent assistance due to limited low-income housing options, housing shortages, and rising rents. Mainers utilize GA as a last-resort funding source; and limiting GA rental assistance will increase homelessness, already at unsustainable levels in Maine.

GA spending has already been reduced by \$23 million in this fiscal year from fiscal 2023. Sadly, the present GA spending reflects the tremendous need throughout Maine for general assistance. According to the 2024 study published by the National Low Income Housing Coalition, Maine ranks 26th in the nation for its rental cost. The Fair Market Rent (FMR) for a two-bedroom apartment is \$1,372. To afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn \$4,572 monthly or \$54,863 annually. That figure is unreachable for someone of low to zero income.

This dramatic GA slash comes amid the nonavailability of housing vouchers (continued frozen since July 19th, 2024). Since these vouchers are on pause, many Maine people remain in emergency shelters or horrifically, sleep outside. Now is the worst time to slash GA supported housing. It'll be from there to homelessness.

Who are some of the people we work with that access GA to escape homelessness and stay secure in housing? Veterans from our Veteran Housing Services; people escaping human trafficking from our Anti-Trafficking Services; young adults who leave our Teen Shelter launching into independence; and families that are safely housed with the help of our Rapid Re-Housing team. What do all these people have in common? The rooms or tiny apartments they rent all cost more than they earn with their weekly paychecks or limited income. Make no doubt about it. General Assistance keeps them housed. There is no other way they'd be able to make it.

Recently, we learned of a client that was in her third trimester of pregnancy, nearing the birth of her child, when she and her partner faced a daunting reality: a lack of stable housing and the uncertainty of what their future would look like once their baby arrived. Thanks to the support of GA, the couple was able to secure housing just before the birth of their newborn. It is unconscionable to think that in three months—or 90 short days—this new family could be unhoused due to the three-month GA rental assistance limit. GA is a lifeline for many individuals with limited or no resources.

We urge you to consider the lasting impact of GA assistance on individuals and families in need and to support policies that ensure its continued availability for those who are rebuilding their lives.

The costs associated with GA housing assistance pale compared to the potential increased costs of municipality services and interventions that are needed if the number of people experiencing homelessness in our communities grows. This vital funding provides a safety net to maintain housing for the most vulnerable.

Capping General Assistance on non-housing-related living expenses to 30 days in a 12-month period is irresponsible because it will lead to food insecurity, limited access to medical care, and housing instability. Too many Mainers are already making difficult choices about what they spend their money on: prescriptions, utility bills, food, or housing. In 2022, according to Feeding America, 13% of Mainers faced food insecurity, and 1 in 8 Mainers struggled to provide food for their families. Food insecurity is already on the rise in our State. Between

2021 and 2024, food insecurity increased by nearly 50%. With further limits placed on General Assistance, these numbers will continue to rise.

With only 33 homeless shelters in the State, many agencies will see increased demand. However, service utilization will be difficult as many shelters are already at capacity and operating with considerable budget deficits, leading to more people sleeping outside.

We urge Maine's Appropriations and Financial Affairs Committee to reject Part S of the supplemental FY 2025 General Fund budget. Placing these harsh limits on GA will further the daily financial burden for many Mainers and cost the State and municipalities more in the long run due to increased homeless service demands in a system that is already maxed out and has no more room.

Thank you.

50 years of turning hunger and homelessness into opportunity and hope