



STATE OF MAINE  
GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE  
181 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0181

Testimony Neither For Nor Against

**L.D. 698, An Act to Sustain Emergency Homeless Shelters in Maine**

March 18, 2025

Senator Curry, Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, the Governor's Office of Policy Innovation and the Future offers this testimony neither for nor against **L.D. 698, An Act to Sustain Emergency Homeless Shelters in Maine**.

The 40 shelters across the state that participate in the Emergency Shelter Homeless Assistance Program (ESHAP) are a critical lifeline for thousands of Maine people who have nowhere else to go. Their continued viability as both a resource of last resort and a base from which people can get the supports they need to transition out of homelessness is imperative.

We are aware that state-level supports, in the form of the Shelter Operating Subsidy and the HOME Fund, represent more than 80% of ESHAP funding, and that the balance is provided through federal funds now very much at risk under the new Administration. We also recognize that philanthropic giving, while a resource that shelter organizations are constantly seeking to capitalize on, is unlikely to fill the operational financing gap at issue.

The Mills Administration and Legislature have worked together over the past six years to make unprecedented investments in a wide variety of emergency and permanent housing initiatives, including the Housing First program, which we expect will put our state in position to be the first in the nation to end chronic homelessness.

As regards shelter funding in particular, the Administration and Legislature have in recent years provided \$15 million in one-time funds to support the ESHAP shelter network. We have also utilized nearly \$7.5 million in Emergency Housing Relief Funds to create and sustain life-saving winter warming shelters in a dozen municipalities across the state. Additionally, last year, the Administration worked with the Legislature, Attorney General and Maine Recovery Council to make about \$10 million available to ensure the continued viability of Maine's five low-barrier shelters.

We understand, however, that the 35 non-low-barrier shelters in the ESHAP network which did not benefit from last year's investment continue to struggle – as do their peers in states across the country - with highly limited budgets, rising costs and increasing needs. Indeed, the annual \$2.5 million Shelter Operating Subsidy in the state's baseline budget, which this proposal seeks to supplement by \$5m, has not been increased since 2016.



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However, the Administration is unable to identify sufficient revenues to fund such a proposal in the current budget environment.

We are committed to working with the Legislature, shelter providers, MaineHousing, and local and federal government agencies to identify a more sustainable financial path for the Maine's emergency shelters. We will continue to seek opportunities to meet this challenge moving forward.

Thank you for your consideration of our testimony.