

MID-MAINE HOMELESS SHELTER & SERVICES

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March 17, 2025

Dear Senator Curry, Representative Gere, and Honorable members of the Committee:

Re: LD698 An Act to Sustain Emergency Homeless Shelters in Maine

Maine's homeless shelters are in crisis. For many years we have pleaded with the legislature to increase our annual funding. During the pandemic federal resources rolled into the state and additional one-time allocations to shelters kept many of us afloat, papering over the structural deficiencies in how we are funded.

Those dollars are no longer propping up shelters and many of us are on the brink of closure. Our shelter currently operates at an almost \$200,000 loss and there is no easy way to close this gap.

Cash flow is our immediate concern, so in the short term, the answer is a \$200,000 bank loan to tide us over until our second and final allocation of special funding negotiated last year and included in the supplemental budget is disbursed, along with a second round of recovery funding from the Attorney General, and a first round from the Recovery Council.

We are not alone in borrowing from Peter to pay Paul.

Last year when low barrier shelters came to you to ask for funding, this committee asked why we were not sustainable. At that time, I referenced a national study that examined the unit cost of operating a shelter bed and told you that cost was \$100 per diem. MaineHousing validated that study later that year and their Shelter Cost Study was published this past January. It lays bare the simple reason my colleagues and I are here every year:



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"Founded by the Interfaith Council in 1990"

- We provide a service that costs \$100 per day but which earns just \$7.16 in state and federal revenue.
- This allocation has not increased since 2016, even though payroll, our largest expense, has gone up by almost 75% since 2019.

In that same time, the population we serve has also changed. We are diverting many households with children and/or jobs through diversion funds and Rapid Rehousing. As a result, our shelter now serves people who cannot be diverted: the elderly, the disabled, the addicted, and the chronically homeless. Many have co-occurring mental illness and trauma, and acuity levels are unlike any of us have ever seen.

Despite working harder than ever before, over the three years we have focused on low barrier shelter, we have seen our share of the state's allocation to shelters fall from \$450,000 in 2019 to just \$278,000 in 2025. Much of this is due to factors beyond our control:

- Part of our funding is paid based on housing placements and in the wake of the pandemic and much lower rental vacancies, we are no longer housing guests as quickly as we did before the pandemic. Back then we housed 30 households a month. This year we are lucky if we house 3 households.
- Maine's voucher account ran dry last summer. Since then, we have had no vouchers and thus no ability to house shelter guests. We are still able to house people, mostly through Rapid Rehousing. Shelter Guests, however, are stuck.

Despite these setbacks, like shelter workers across the state, our team continues to exceed expectations. Since January 1st of this year, we have reversed 30 overdoses. Our shelter, built to accommodate 60 guests, routinely sees nightly populations closer to 100 people and anywhere from five to ten assistance animals. This is skilled work requiring technical expertise in mental health and addiction response, trauma, de-escalation, harm reduction, and an abundance of patience and goodwill.

We also continue to innovate. With the help of your former colleague, the Honorable Colleen Madigan whom we hired as our clinical director, we will be the first shelter in the state to offer Substance Use Intensive Outpatient Program (SU-IOP). It's an unusual step for a shelter to take, but a necessary one: in December, Waterville's remaining hospital closed its IOP program leaving our guests and clients without access to necessary addiction and recovery support.

This program is also part of our long-term sustainability strategy as it will generate positive revenue, filling some of the gap between what the state pays and what we need to stay operational. We are considering a range of additional revenue generating strategies including respite care and recovery residences.

We also want to provide opportunities for some of our guests to become self-sufficient. We've recently partnered with the New England Labor Housing Initiative, a project to develop pre-apprenticeship training programs with unions and help those who are ready develop essential skills for a union apprenticeship and economic self-sufficiency.

When most people think of a homeless shelter, I think they are expecting a Dickensian poor house - a place that is dark, cruel, as meagre in its food rations as it is in its kindness of spirit. Nothing could be farther from the truth. You are invited to come to Waterville and visit the closest low barrier shelter to the capital. Meet with our Guest Advisory Committee, speak with Colleen Madigan. See the vital work we - like our colleagues across the state - are doing to keep people alive and get them back into housing.

You should also know that Maine's homeless shelters are some of the most efficient organizations in the state. We take care of people who have experienced unimaginable trauma, we keep our municipalities and towns safe, and we

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save lives. We genuinely like the people we serve and strive to make our shelters warm, inviting, and life-affirming. We form strong bonds with our guests; we celebrate when they get leased up, and we grieve when they have setbacks.

We make sure that our most vulnerable citizens are cared for and not incarcerated. All this and more, for just \$100 per day. No hotel can offer what we offer, nor any General Assistance office. We alone do this work, and we do it well.

Homelessness is a significant concern for all Mainers. It is not good for business and when left unchecked, we all suffer. Most importantly, it is terrible for the people who must endure it. It should be obvious that providing people who are unhoused access to safe, secure, and welcoming shelter ensures they do not need to meet their needs by panhandling and sleeping in doorways.

Many argue that people need to take care of themselves and make better choices. Of course, most people who say that have a home. Their life expectancy is on target to meet the national average of 82 years. Sadly, for someone who must survive outside for any length of time, the picture is far less rosy. Their life expectancy is just 48 years.

This is the price they pay for a broken housing system, an opioid epidemic they did not cause, and a healthcare system that has left most of them abandoned and without access to care.

It is no small thing to ask for \$5 million. But without this funding, beds will be lost, and more people will be in prison or outside. At least 30 in Waterville would have died in the last two and a half months. This is an appropriate response by a state that claims to be the “way life should be”.

We can and we must do better.

Yours in partnership,

A handwritten signature in black ink, appearing to read 'Katie White', with a stylized, cursive script.

Dr. Katie Spencer White
President & CEO
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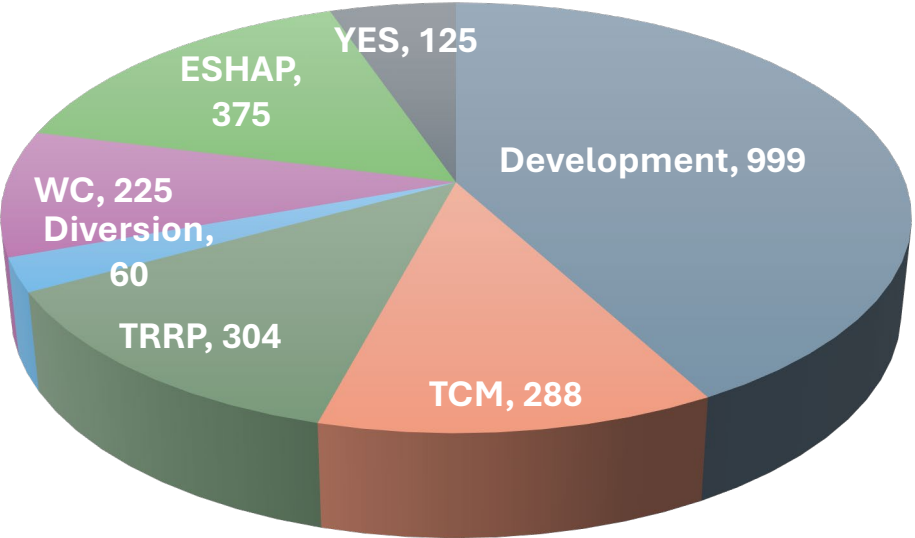
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2025 Budget

October 28, 2024

2025 Budget Functional/Program Expenses

2025 Budget \$2,376K



Functional /Program Expenses
2025 Budget
\$ (000)

Development	\$	216
Diversion	\$	97
ESHAP	\$	663
TCM	\$	287
TRRP	\$	380
Warming Center	\$	419
YES	\$	198
G&A	\$	725
Total	\$	2,985

2025 Revenue & Expenses

	Revenue	
Development		\$ 986,750
	Donations	\$ 274,000
	Events	\$ 50,000
	Private Grants	\$ 100,000
	Govt Grants	\$ 550,000
	Towns	\$ 12,750
Programs		\$ 1,389,310
	TCM	\$ 288,000
	TRRP	\$ 304,077
	Diversion	\$ 60,000
	Warming Center	\$ 225,000
	ESHAP	\$ 375,000
	YES	\$ 125,233
	Waterville Housing	\$ 12,000
	Revenue Total	\$ 2,376,060
	Expenses	
Development		\$ 216,622
	Fundraising	\$ 6,300
	Health Insurance	\$ 19,000
	Payroll Development	\$ 191,000
	Background Volunteers/Expense	\$ 322

2025 Revenue & Expenses

Programs		
	<i>Diversion</i>	\$ 97,000
	Diversion Expense	\$ 30,000
	Diversion Payroll	\$ 67,000
	<i>ESHAP</i>	\$ 662,940
	2025 Governor's Funding Expense	\$ 176,307
	ESHAP Expense	\$ 12,000
	Health Insurance	\$ 63,000
	Payroll Shelter	\$ 797,000
	Payroll Grant Allocations	\$ (415,000)
	Kitchen Supplies	\$ 3,874
	Electricity 1st Floor	\$ 25,760
	<i>TCM</i>	\$ 287,000
	TCM Expense	\$ 25,000
	Health Insurance	\$ 30,000
	Payroll TCM	\$ 221,000
	Mileage	\$ 11,000
	<i>TRRP</i>	\$ 380,077
	TRRP Expense	\$ 304,077
	Health Insurance	\$ 10,000
	Payroll TRRP	\$ 66,000

2025 Revenue & Expenses

	<i>Warming Center</i>	\$ 419,000
	Warming Center Expense	\$ 225,000
	Payroll WC	\$ 194,000
	YES	\$ 198,093
	Electricity 2nd Floor	\$ 22,093
	YES Federated Account Maine Housing	\$ 17,000
	Yes-Tenant Activity	\$ 3,000
	Health Insurance	\$ 34,000
	Payroll YES	\$ 122,000
G&A Total		\$ 725,209
	Health Insurance	\$ 73,000
	Bank Service Charges	\$ 8,000
	Insurance Expense	\$ 45,255
	Office Operations	\$ 124,249
	Payroll Admin	\$ 326,000
	Professional Fees	\$ 26,900
	2nd Floor Elevator & Building	\$ 29,140
	Building Maintenance	\$ 28,450
	Highwood Maint/Prop Tax	\$ 2,376
	Building Supplies	\$ 8,250
	Grounds Maintenance	\$ 6,735
	Licenses, Permits & Inspection	\$ 6,320
	Staff Meetings & Training	\$ 6,000
	Medical Building	\$ 3,000
	Propane	\$ 9,817
	Highwood	\$ -
	32 College Avenue	\$ 3,827
	Trash Expense	\$ 1,222
	Water, Sewer & Hydrant	\$ 11,268
	Bamboo HR	\$ 5,400
	Expenses	2,985,942
	Revenue	\$ 2,376,060
	Net 17	\$ (609,882)