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**Testimony in support of LD 2138, Resolve, to Improve Funding for Homeless Shelters
Before the Joint Select Committee on Housing
Submitted by Lori Dwyer, President & CEO, Penobscot Community Healthcare**

Good afternoon, Senator Pierce, Representative Gere, and Members of the Joint Select Committee on Housing, my name is Lori Dwyer, and I am the President and CEO of Penobscot Community Healthcare (PCHC). I am here today along with the three other CEOs who operate low-barrier shelters to testify in support of the amended language of LD 2138, a bill that would help address the ongoing funding deficit for low-barrier shelters in Maine. We had the opportunity to address this committee on December 5th. Today I will reiterate the vital importance of low-barrier shelters in Maine's housing and public health systems and the urgent need for increased, sustainable, long-term funding of these shelters to meet Maine's collective responsibility to care for the unhoused population.

Currently, there are five low-barrier shelters in Maine, run by four organizations:

- Hope House Health & Living Center in Bangor (Hope House), currently operated by PCHC;
- Mid-Maine Homeless Shelter & Services (MMHSS) in Waterville;
- Milestone Recovery in Portland;
- Elena's Way Wellness Shelter in Portland, operated by Preble Street; and
- Florence House Women's Shelter in Portland, operated by Preble Street.

A low-barrier shelter accepts someone regardless of sobriety, mental illness, or history of criminal convictions, including registration on the sex offender registry¹. These shelters serve a subpopulation of unhoused people who face the most significant challenges, often in combination, including acute mental illness, substance use disorder, history of trauma and a high chronic diseases burden. Our shelters provide life-saving services, address food insecurity, and more and do so to a group of Mainers that would otherwise be left unserved and unsheltered, or would be served by more costly, less effective environments such as emergency departments and local jails. Currently, the handful of low-barrier shelters across Maine are at capacity, severely limiting or precluding access to those whom we know are still living outside or in abandoned spaces.

Low-barrier shelters are operating at a nearly \$4 million cumulative, annual deficit². Our shelters cost more than others to operate due to the need for higher staffing ratios and the intensity and specialization of the work, including regular overdose prevention and the intensive aftercare that is required. Our shelters act as first contact for the people we serve. We are the primary entry point to the healthcare system and recovery community for unsheltered community members,

¹ See 99-346 MAINE STATE HOUSING AUTHORITY Chapter 19: HOMELESS SOLUTIONS RULE

² Specific numbers for each shelter and the overall deficit are available in the provided spreadsheets

providing ongoing outreach, navigation and case management services, as well as recovery, primary healthcare and social work services, either by providing those services on-site or through community partners. These relationships and connections – both with the people we serve and with providers - are vital.

The Hope House Shelter, a 56-bed, low-barrier shelter will close in October 2024 unless significant funding is secured. The cumulative impact of years of flat funding has led to this point. Though Hope House is a high-functioning, professional shelter with a long history of innovation and commitment to the community, without a designated, ongoing revenue stream, we simply cannot do it anymore.

It is important to note that the coalition of low-barrier shelters I have the privilege of representing here today are not turning to the State for the entire funding solution. The amount requested in this amended proposal, \$2.5 million, would address just over 60% of the current deficits. We have also requested a multi-year commitment of opioid settlement funds at the State, as well as County and local level to help cover the remaining deficit. However, to date, no new funding has been confirmed.

Partial solutions will not work, and that includes one-time funding. We know from our conversations with potential partners that no organization will assume responsibility for Hope House operations without a multi-year funding solution. In other words, for the shelter to remain open the deficit must be rectified ongoing. This bill is a critical part of that.

The decision to close or transfer Hope House was among the most challenging decisions my organization has made. It's worth noting that, though Hope House is the first to make this heartbreaking announcement, it likely will not be the last low-barrier shelter to do so if increased funding does not materialize.

Finally, it is worth reiterating that the loss of the 56 beds at Hope House will strain the system significantly. It will also lead to increased overall costs – as well as worse outcomes for the people we serve. The remaining low-barrier shelters will have more people to serve, our hospitals will see more emergency room visits, and public safety and the criminal justice system will be further strained. Overall costs to local and state budgets, as well as the healthcare system, will increase. Additionally, unsheltered homelessness in our communities will be exacerbated for the foreseeable future – at least until the continuum of housing solutions in Maine are built and the system has capacity to house people at all levels of income and need.

I speak for each one of my colleagues in this room when I say that we all persistently search for new funds and innovative ways to keep our doors open, and we are relentless in this search. I hope we can work together to designate a permanent state budget line for low-barrier shelters, so that the State is a critical part of the funding solution that ensures low-barrier shelter beds on the front line of this housing crisis remain available.

I and my colleagues are available for any questions the committee may have. Thank you.