

**Testimony for the Committee on Appropriations and Financial Affairs  
February 27, 2024  
Regarding LD2214, An Act to Make Supplemental Appropriations and Allocations....**



**SPUR  
WINK**

going the distance

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Good afternoon, Senator Rotundo, Representative Sachs and esteemed members of the Appropriations Committee. Thank you so much for the opportunity to speak today. My name is Eric Meyer. I am President & CEO of Spurwink. I am here to speak neither for nor against LD2214, but rather to request one-time funding in the Supplemental Budget in order to rescue critical mental health services and jobs in Lewiston and surrounding communities. At Spurwink, we provide behavioral health and educational services to children, adults, and families across Maine. Last year, we served over 8,100 Maine people affected by trauma, mental health challenges, substance use disorders, developmental disabilities and autism, so they can lead healthy, engaged lives in their communities.

On January 5 of this year, I was approached by Catherine Ryder, CEO of Tri-County Mental Health Services (TCMHS aka Tri-County). She let me know that, due to a fiscal crisis, her organization was expected to abruptly close its doors by the end of this March and she asked Spurwink to acquire Tri-County. She shared that the goals of her board and her leadership are to ensure that services continue uninterrupted and that as many people as possible have employment options to continue doing this critical work.

As many of you know, Tri-County is a Lewiston-based nonprofit that serves over 2,000 behavioral health clients and employs 180 people. For seventy years, TCMHS has been a critical provider of mental health services in a community with limited service options and significant need. That need has never been more clear than in the wake of the recent mass shootings in Lewiston. Sadly, TCMHS is in a significant fiscal crisis and is running out of cash. They can only make payroll through March and will abruptly close at the end of March without a rescue plan. Spurwink's Board and leadership are committed to doing what they can to ensure that these critical mental health services and employment continue in Lewiston; BUT we need one-time financial support to make this possible. Without this rescue plan, Tri-County will be bankrupt and abruptly cease all services. This rescue plan is incredibly complex, challenging and costly. A typical process of this nature usually takes 9 to 18 months; in this case Spurwink has had less than 3 months to design a solution. In acquiring Tri-County, Spurwink will be assuming significant financial loss in the months ahead with more losses in the coming fiscal year. Spurwink's acquisition plan is feasible only with the strong support of Governor Mills, DHHS and the Legislature.

The Spurwink Board Chair and Vice Chair are both very supportive of this plan to preserve and strengthen services in the Lewiston community and the entire Tri-County service area. However, the Spurwink Board will be very focused on the stewardship of our existing services and their financial stability. It is likely that the Board would have very serious reservations about Spurwink taking on up to \$2m in unplanned costs as part of this acquisition. As a Maine nonprofit, Spurwink operates on a very thin margin without a meaningful endowment or investors. These one-time financial costs related to the acquisition of Tri-County represent a significant operational risk for Spurwink resulting in likely net financial losses that the Board did not anticipate and would typically work to avoid. I am concerned that our Board will not approve this plan to save these services, without financial support to address the significant costs of doing so. In order for this rescue plan to succeed, Spurwink respectfully requests an amendment to LD2214 that provides one-time funding of \$1,962,705. I have included a one page overview of financial summary information along with my testimony. I urge your support for this request. Thank you for your time and consideration. I'd be happy to answer any questions.

Respectfully submitted,

Eric Meyer  
[emeyer@spurwink.org](mailto:emeyer@spurwink.org)

## Tri-County Mental Health Services Rescue Plan Financial Support Updated

February 27, 2024



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Tri-County Mental Health Services (TCMHS), is a Lewiston-based nonprofit that serves over 2,000 behavioral health clients and employs 160 people. For seventy years, TCMHS has been a critical provider of mental health services in a community with limited service options and significant need. That need has never been more clear than in the wake of the recent mass shootings in Lewiston. Sadly, TCMHS is in a significant fiscal crisis and is running out of cash. They can only make payroll through March and will abruptly close without a rescue plan.

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With the goals of continuing services uninterrupted and ensuring continued employment for as many TCMHS staff as possible, Spurwink entered into an accelerated due diligence process. **Without this rescue plan, Tri-County will be bankrupt and abruptly cease all services at the end of this March, 2024.**

This rescue plan is incredibly complex, challenging and costly. A typical acquisition of this nature usually takes 9 to 18 months. **In acquiring Tri-County, Spurwink will be assuming significant financial loss in the this year alone with more losses in the coming fiscal year.** Spurwink's plan is only feasible with the strong support of Governor Mills, DHHS and the Legislature. In order for this rescue plan to succeed, Spurwink needs the following and respectfully requests this support:

### Funding needed for the acquisition

1. Temp staff for acquisition	\$312,564
2. Legal expense of acquisition	\$25,000
3. Additional audit expense	\$15,000
4. Insurance tail coverage-TCMHS	\$270,561
5. Exit costs from TCMHS E.H.R	\$75,000
6. ET payout for termed staff	\$112,144
7. TCMHS Staff health insurance claims	\$315,000
8. Operational losses April-June	<u>\$837,436</u>
Total	\$1,962,705

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