

State of Maine - 132nd Legislature
Appropriations and Financial Affairs Committee
Joint Standing Committee on Housing and Economic Development

Testimony of Molly Feeney on behalf of Homeworthy,
Homeless Services of Aroostook, the Maine Coalition to End Domestic Violence,
Bangor Area Homeless Shelter, Tedford Housing, H.O.M.E. Inc, and Preble Street
February 5, 2025

RE: Shelter Operating Subsidy

Senator Rotundo, Representative Gattine, Senator Curry and Representative Gere, and Members of the Appropriations and Financial Affairs and Housing and Economic Development Committees:

Thank you for the opportunity to comment on this critical issue of emergency shelter funding provided through the Emergency Shelter Homeless Assistance Program (known as ESHAP) and distributed by MaineHousing.

My name is Molly Feeney, and I have the privilege of serving as the Executive Director of Homeworthy; a homeless service organization based out of Knox County. Today I am testifying on behalf of a coalition of emergency shelter directors across Maine, representing all types of shelters from Aroostook to York County, from Hancock to West Penobscot.

Our organizations were compelled to come together in this statewide collaborative effort to ensure sufficient funding to maintain operational viability for the current 1200 essential emergency shelter beds within the 40 ESHAP funded shelters spread throughout the state.

First, we want to take a moment to say we respect the complexities and fiscal challenges of this biennial budget and are deeply grateful to see the Governor's proposal for flat funding of ESHAP. However, our coalition of emergency shelter directors comes to you today after months of careful dialogue and cost analysis, hoping to address the most immediate needs of the ESHAP-funded emergency shelters statewide through a funding proposal that is practical, direct and targeted. While you will also see this proposal in a standalone LD this session – we felt it important to come forward during the biennial budget discussions to flag the need for an increase in the ESHAP line item.

This essential funding is the single top legislative priority of shelter directors this session.

To provide some additional context to this request for increased funding, a recently completed, MaineHousing study (forthcoming) of shelter budgets found that the average nightly cost to operate a safe shelter bed is nearly \$100, yet the current **Shelter Operations Share** from ESHAP provides a subsidy of just \$7.16 per bed, per night **creating an almost \$93 dollar per bed, per night budget gap.**

Currently, this massive hole created by the difference between ESHAP funding and true cost requires each shelter, and specifically its director, to identify the other 92% balance in order to sustain the provision of these vital services for Maine people. .

To address this situation, we urge you to approve a 5-million-dollar increase, specifically to the Shelter Operations Share within the ESHAP grant.

Of note, the current 2.5m appropriation from the state fund for the ESHAP program has not increased since 2016 while the costs of providing these services has only continued to grow. The requested additional funding

would increase the Operations subsidy by \$11/night, to \$18.16 per bed, per night – providing a modest but impactful improvement on Maine shelters' fiscal sustainability.

You may wonder, how much do other state & federal sources contribute to the funding stack for emergency shelter beds?

The answer is that each emergency shelter in the state is left to cobble together its own unique combination of federal, state, and philanthropic funding.

At Homeworthy, my shelter, state sources like Targeted Case Management helps to cover some of the essential services within shelter, the ESHAP stabilization fund has a small role in the funding stack, as well as the ESHAP Performance share, all together covering \$22 per bed night (out of the \$100/bed/night reality cost). Even if every one of the 40 ESHAP funded shelters receive each of these additional state and federal funding sources (and they don't) this would only average about \$29 per night, leaving over \$70 per bed, per night dollars gap to be funded through philanthropy. Again – at current levels, Maine's emergency shelter directors are left to privately fundraise for 2/3 of our budgets. As one of these shelter directors, I can assure you, this is simply fiscally unsustainable and if not adjusted will result in shelters closing, beds being lost and higher cost alternate services (such as jails, prisons and emergency departments) being used instead.

Please consider 3 things in the context of this biennial budget:

1. The state of Maine's current contribution to the Emergency Shelter Homeless Assistance Program (ESHAP) is **\$2.5M**. This has been unchanged for 9 years.
2. While state funding has remained flat, the need for these services and the number of unsheltered Mainers continues to rise.-This is true in Orrington, Bangor, Caribou, Belfast, York, and just about every community in between. In 2024, Maine's ESHAP-funded shelters (other than the Domestic Violence shelter) served 3,932 unique individuals. Our state Domestic Violence shelters served and additional 2,377 people last year.
3. Failure to provide additional funding will result in the loss of shelter beds. And let's be clear: emergency shelter beds are the front line "emergency rooms" for Maine's housing crisis. This is where people receive immediate shelter as well as an array of supportive services for a particularly vulnerable population. If we do not address this funding gap, the first communities impacted will be those experiencing the greatest poverty and are often those living in the most rural parts of our state. If shelters close, our neighbors who find themselves in crisis and unhoused may be forced to seek shelter 100's of miles from their own community, and reduce their ability to access the support systems necessary to become permanently housed. And even if they are able to travel to and seek shelter in another municipality, without an increase in funds to support the emergency shelter network, they will most likely be again met with shelters that are at or beyond capacity – leaving them with nowhere to turn other than encampments.

We are grateful for the variety and extent of recent investments in Maine's housing continuum and the commitment of this legislature and Administration to address and relieve homelessness. An imperative part of this strategy is to sustain the current statewide network of emergency shelters and beds - both so that those other investments are able to realize their potential – and in recognition of the high barriers to housing and the ongoing need for these shelter services. A five million dollar increase in state ESHAP funds to provide for a slightly larger share of the costs for Maine's shelter beds is critical. With this relatively modest increase, we hope Maine's emergency shelters will avoid fears of imminent closure and will provide a bridge for shelter residents from today's precarious fiscal realities to tomorrow's era of assisting people in crisis to find permanent

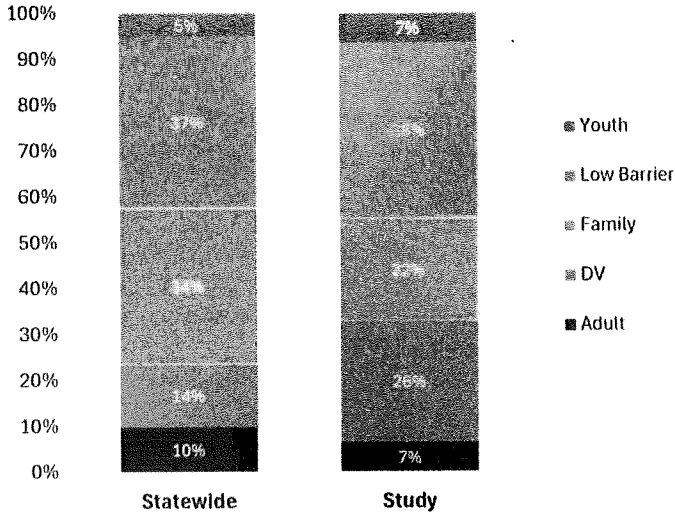
housing solutions. In the meantime, emergency shelters continue to be on the frontlines of this public health crisis, and we cannot afford to remain underfunded.

Thank you.

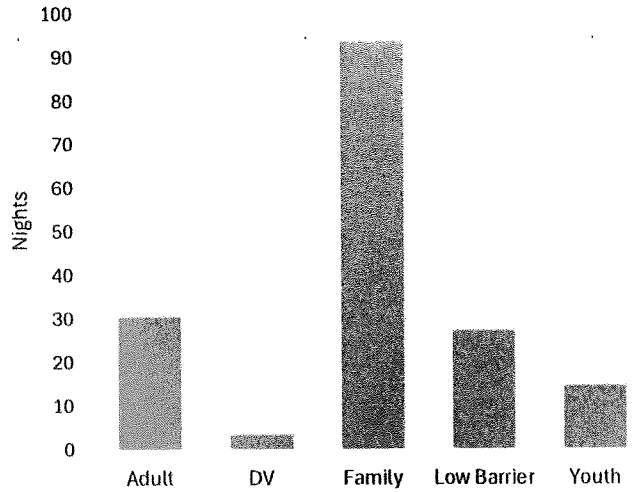
Molly Feeney

Graphs below illustrate data provided by MaineHousing, February 2025

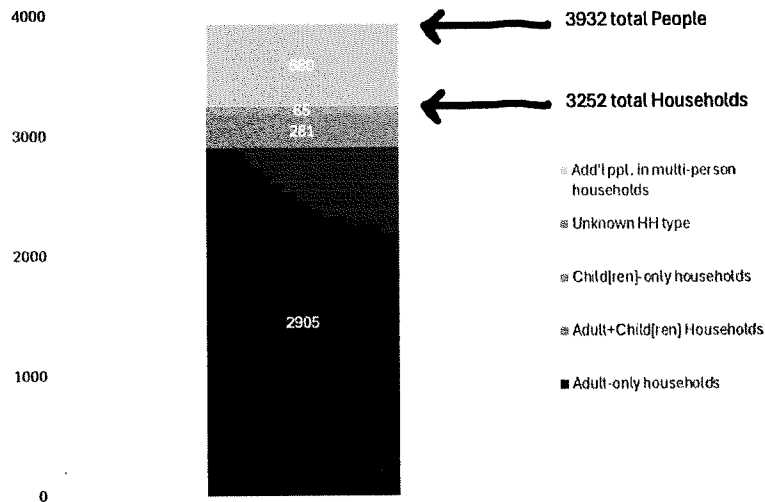
Beds statewide v. Study participant beds



Ave. Length of Stay by Shelter Type



Types of Households Served in ESHAP-funded Shelters 2024



* Note: Tallies in this graph do NOT include data from Domestic Violence (DV) shelters, which are not yet official, and which constitute 15% of shelter beds statewide