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Testimony of Rep. Tavis Hasenfus introducing
LD 215, An Act to Establish a Program to Assist Residents of Large Recovery Residences
Before the Health and Human Services Committee

Good afternoon, Sen. Ingwersen, Rep. Meyer and esteemed members of the Health and Human Services Committee. My name is Tavis Hasenfus, and I represent House District 57, which includes the communities of Winthrop and Readfield. I am here today to present **LD 215, An Act to Establish a Program to Assist Residents of Large Recovery Residences**.

Recently, a residence housing individuals recovering from opioid dependency opened at a former nursing home in downtown Winthrop. The Zysk House is serving both women and men coming from all across the state and has approximately 53 beds available for residents. The residents pay for the apartment-type living through various sources, however a significant number of residents pay for rent through General Assistance (GA).

Prior to the opening of the Zysk house, in Fiscal Year (FY) 2022, Winthrop distributed \$4,210 in GA. As you'll hear from Winthrop's town manager, for FY 2025, Winthrop has already distributed \$69,042 in GA with over one quarter left in the fiscal year. Additionally, the significant increase in applications has caused the town to hire an additional employee to process the applications.

The Zysk house and houses like it are of huge importance in addressing our states opioid epidemic. However, the way we support these large-scale recovery residences requires a more particularized approach than the current system, and Winthrop is evidence of this.

LD 215 is designed to change the way we deliver housing assistance to large-capacity recovery residences.

Currently, the state funds recovery beds by providing a per-month subsidy paid through GA. This requires residents to request GA through the town, whereby the town pays the rent subsidy and is then reimbursed at 70% of the costs per month. Winthrop hosts the largest recovery residence in the state, and changing the funding source from GA to a direct recovery housing payment process would benefit our community as well as others with established recovery residences or future residences.

The way this would be done would be by taking the funds currently in GA and placing them in a fund to be used to pay directly to a recovery residence, thereby bypassing the towns and eliminating the need for towns to process GA payments for this purpose and then seek reimbursement.

Additionally, I am proposing this to be a revenue neutral bill by taking the current GA funds used to reimburse towns and direct that money for a recovery housing fund. This fund would be administered by a contracted agency, which I would defer to this committee and DHHS to determine. To keep this revenue neutral, I propose a friendly amendment to this bill that the housing subsidy for large-scale recovery residences be reduced by 30%. Currently, a recovery residence receives the full subsidy amount regardless of the amount of beds. This means that a house with four residents would receive approximately \$2,800, while a house with 20 residents would receive \$14,000 per month.

It seems fair to reduce the subsidy amount when a residence is larger than a typical family living situation as an economy of scale makes a larger residence more profitable than a smaller residence. Because of this, a larger residence should be able to sustain a payment that is less than that received by a smaller residence. I am also open to a sliding-scale fee that decreases as the number of beds goes up.

Additionally, this opens more opportunities for individuals in recovery at the same cost to the state – this should mean that the state will be able to house more individuals based on the same expenditure. However, we must make sure that the subsidies are not so low that recovery residences are no longer profitable, as these residences provide a vital resource to the recovery community and I, in no way, want to discourage their use.

We understand that these residences are new to my community and our state. Given the large capacity of some of the new residences, it is important to know the potential impact on our communities and our state. I believe that the state should assume the primary financial burden of addressing recovery from the opioid epidemic and, when possible, remove unnecessary burdens placed on municipalities.

We must not forget that this is an epidemic that is affecting us all. It has had devastating effects on every community, we are all in this together, and it will take every community and the state to recover together. I am incredibly proud of what my town has been able to offer thus far and have every confidence that Winthrop can continue to set a positive example of how a small town can have a big impact on one of the state's most pressing concerns. Yet the state must change the way we fund residences to better assist communities doing their part to aid in recovery.

In conclusion, my hope for this bill is to:

1. Remove large scale recovery residences from GA eligibility.
2. Replace current GA rent subsidy with a direct rent subsidy paid to residences.
3. Have a subsidy 30% less than the current bed rate.

I want to thank you all for your time and attention this afternoon. I am happy to answer questions and would be pleased to work on any amendments desired by the committee.