



Testimony in Support of LD 641, “An Act to Support Diversion Efforts to Address Homelessness in Maine”

Before the Joint Standing Committee on Housing & Economic Development

Good afternoon, Senator Curry, Representative Gere, and the esteemed members of the Committee on Housing and Economic Development. My name is Jared Gay, and I am the Director of Public Policy & Advocacy at United Way of Southern Maine. This testimony is on behalf of all seven United Ways of Maine. Today, I stand before you to express our strong support for LD 641, "An Act to Support Diversion Efforts to Address Homelessness in Maine," sponsored by Representative Marc Malon, which seeks to allocate critical funding to the Housing Problem Solving Program.

The idea for this bill began through conversations with the Homeless Services Hub 2 Coordinator for Cumberland County. Late last year, she highlighted the dire need for enhanced funding for diversion programs in Maine. Her insights revealed that while these efforts are effective, they are historically underfunded.

Motivated by the coordinator’s insights, I met with staff at Maine Housing who oversee the Housing Problem Solving Program, which is where Maine’s diversion efforts operationalize. The staff I met with affirmed the efficiency and necessity of diversion efforts. They also echoed the sentiment that enhancing funding for these programs not only aids those on the brink of homelessness, but early intervention also yields long-term savings. Maine Housing also generously shared that in 2024, the Housing Problem Solving Program ran at an expense of approximately \$1445.09 per client successful resolution. Comparatively, our Targeted Rapid Rehousing Program, which assists those who already lost their housing, incurred costs of \$7,333.96 per client.

Moreover, a 2017 study by the City of Portland calculated the annual cost per shelter bed at \$25,086. Adjusted for inflation, this cost soars to about \$33,000 per bed per year.¹ These figures starkly illustrate the cost-effectiveness of early intervention through diversion programs.

¹ Preble Street. (2017, April 10). *Maine homeless shelters require significant costs*. Preble Street. <https://www.preblestreet.org/2017/04/10/maine-homeless-shelters-require-significant-costs/>

I provide these figures not to say that this should be a battle between shelters and diversion efforts. Both are underfunded and both are integral to reducing homelessness. Rather, I provide these figures to demonstrate that adding funding to this critical program actually helps reduce homelessness before it starts in a cost-effective way.

Not only is Housing Problem Solving cost-effective, but it also runs at a highly successful rate. 78% of Housing Problem Solving clients had their issue resolved in 2024.

The Hub Coordinators from across the State, all of whom are submitting testimony in support of this bill either here in person today or written, will elaborate on the operational challenges and the gap between the inflow of unhoused Mainers and those we can assist to secure housing following my testimony. This gap underlines an urgent need for increased funding to better support our community members in maintaining their housing and dignity.

Above all, preventing homelessness before it starts is an incredibly important task, and the Housing Problem Solving Program does this effectively with the resources they have. With more funding we can bolster our state's capacity to intervene effectively before individuals and families fall into homelessness.

I urge you to support this bill, thereby affirming your commitment to the well-being of all Mainers. Together, we can ensure that our state leads in compassion and practicality.

Thank you for the opportunity to testify, I am happy to answer any questions you might have.