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March 25, 2025

Senator Curry, Chair
Representative Gere, Chair
Members, Joint Standing Committee on Housing
100 State House Station
Augusta, ME 04333-0100

Re: LD 748 – *An Act to Increase Bridging Rental Assistance Program Housing Voucher Funding to Reduce the Current Partial Waiting List and Increase Housing Vouchers for Persons Living with Mental Health Challenges*

Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing, thank you for the opportunity to provide information neither for nor against LD 748, *An Act to Increase Bridging Rental Assistance Program Housing Voucher Funding to Reduce the Current Partial Waiting List and Increase Housing Vouchers for Persons Living with Mental Health Challenges*.

This bill increases funding for the Bridging Rental Assistance Program (BRAP) in order to reduce the wait list for assistance and increase housing vouchers by addressing the increase in program costs resulting from a 2021 policy change that increased the portion of participants rent paid by the program. OBH administers BRAP and knows it is a program that serves Maine's most vulnerable residents. However, BRAP would likely require more than the amount proposed in order to achieve the LD's goal of reducing the current waiting list and increasing access to housing vouchers.

For the committee's information, here is additional background on BRAP:

- BRAP is a long-running program at DHHS and is intended to serve as a bridge between homelessness and more permanent housing options for three priority populations with Serious Mental Illness: Priority 1 are those who have been discharged from a psychiatric hospital; Priority 2 are those who have been released from incarceration; and Priority 3 are those who meet the definition of "literally homeless" established by the US Department of Housing and Urban Development (HUD).
- BRAP was flat funded from 2016-2024 at \$6,606,361 even as significant pressures converged on Maine's housing market, including a surge in the state's unhoused population, increases in rental costs, and oversubscription of limited housing assistance resources. BRAP clients were historically required to contribute 51% of their income towards their monthly rent; however, given market pressures and in the face of COVID-19, it was reduced to 40% of income effective May 1, 2020 (FY21). This provided clients with financial relief and greater stability in the community, but it also increased the financial burden to the program.

- DHHS used Unencumbered Balance Forward (UBF) from the BRAP General Fund account to supplement the baseline budget during this period, and in the 2024-25 biennial budget BRAP received a small (\$383,375) increase to its baseline. Still, this was insufficient to meet demand for housing assistance and in February 2024, BRAP instituted a partial waitlist, awarding resources to Priority 1 and 2 populations and putting Priority 3 applicants on a waitlist. The waitlist has grown to 148 individuals in the 12 months since.

In calendar year 2024, BRAP housed an average of 809 individuals. Recognizing that the program's baseline funding of \$6,989,836 would be insufficient to meet the program's current obligations, and that DHHS does not have the continued availability of UBF funds to supplement the baseline budget, the Administration requested an additional \$480,000 in annual funding.

At the time the budget was developed, there were 834 housed individuals in the program and DHHS estimated that an additional \$1.9 million was needed annually to maintain that census with a partial waitlist. Based on rent increases since then, the need is now \$2.5 million annually. To clear the current waitlist, the program would need \$1.5 million annually in funding in addition to the \$2.5 million, although that still would not represent the current need since vouchers go unused and demand will continue to grow. The baseline funding, the budget request, and this proposal together would help stabilize BRAP, but would likely not meet the need based on current enrollment and is an unsustainable initiative in our current fiscal moment.

Again, OBH thanks you for your time and attention, as well as your support for BRAP and Maine's most vulnerable residents.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,



Sarah Squirrell
Director
Office of Behavioral Health
Maine Department of Health and Human Services