

A Cost-Benefit Analysis of Maine's Eviction Prevention Program

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Dear Senator Curry, Representative Gere and member of Joint Standing Housing and Economic Development Committee,

To aid the Committee in its deliberations on LD 1522, "An Act to Establish the Maine Eviction Prevention Program," the Maine Center for Economic Policy has attempted to quantify the public savings created by the Eviction Prevention Program in its pilot phase. While comprehensive data was not available in all areas, we hope this information will help to demonstrate the range of costs that can be avoided when individuals have stable housing. Because this analysis focuses on public costs, it does not quantify the full costs to families who are evicted, and the negative impacts it has on their lives. It also does not include the full range of less tangible social costs that come from housing insecurity.

While this analysis was inspired by LD 1522, it may also be useful in considering other housing assistance bills such as LD 1287, "An Act to Support Workforce Development by Establishing the Housing Stability Fund."

Please feel free to reach out to me at jmyall@mecep.org with questions about this analysis.

Summary

EPP cost	\$18 million
Avoided GA costs	unknown
Avoided eviction court costs	\$0.1 million
Avoided shelter costs	\$4.1 million
Avoided child welfare costs	\$2.1 million
Avoided MaineCare use	\$1.3 million
Avoided sales tax loss	\$0.1 million
Avoided incarceration costs	\$2.8 million
Total avoided public costs	\$10.5 million

Assumptions

The Eviction Prevention Pilot Program is expected to serve 1,600 households over the pilot period at a cost of \$18 million, equivalent to \$11,250 per household.¹

Since the program prioritizes individuals who are facing eviction, this analysis assumes that the program has a 100% success rate in preventing evictions.

To date, the 850 households served by the program represent 1,900 individuals,² implying that the full 1,600 served households will represent 3,576 individuals.

General Assistance Costs

In many cases, the Eviction Prevention Program will be replacing General Assistance as a source of support for applicants. Unfortunately, there is no comprehensive data available on how many applicants to the EPP were receiving General Assistance at the time of their application, and how much their need for General Assistance was reduced as a result of participating in the program. However, it is potentially a significant amount. In Portland, for example, 59% of GA applicants received housing support vouchers in 2024.³ For Maine taxpayers, funding these needs through the state's general fund is generally better than using local property taxes, since general fund revenue is more progressive, and asks more from higher-income Mainers who can most afford it. In general, property taxes place a proportionally higher ask on Mainers with low and middle incomes.

Court Costs

Evictions create direct costs to the public court system. The fee charged to landlords from filing a Forcible Entry and Detainer Action in Maine court is only \$100, which means that the remainder of the cost of adjudicating the case falls on the public purse. According to a Judicial Branch time management study, FED cases account for 528,477 of 25,224,195 minutes in staff time each year, or 1% of court personnel time.⁴ The Judicial Branch's operational expenses in 2024 totaled \$79,790,115 in 2024,⁵ meaning that 1% of this cost represents \$797,901. If the court collects \$100 in fees from each of the 4,843 Forcible Entry cases filed each year, it raises \$484,300 in offsetting revenue, for a net public cost of \$313,601, or \$65 per eviction filing. As an outside estimate, avoiding eviction filings for the 1,600 households in the EPP will save the judicial system \$104,000 in costs each year.

Shelter Costs

Evictions increase the risk of homelessness. One study finds that being evicted increases the chance of a household using a homeless shelter by 19 percentage points in the following year.⁶ This represents 304 households or 679 individuals removed from the shelter system. In 2023, the average length of stay in Portland shelters in 2023 was 64 nights,⁷ and the cost per bed-night is currently around \$95.⁸ 679 individuals represent 43,456 avoided bed-nights, or a savings of \$4,128,320.

Public Education Costs

Maine K-12 schools receive federal assistance to help homeless students through the McKinney-Vento program based on a formula related to their total Title I funding for low-income students. As a result, schools do not receive more funding based on the share of their low-income population that is homeless. Reducing the number of homeless students under the EPP will free up more of the McKinney-Vento money to help other homeless students.

In 2025, MaineHousing announced the award of \$2 million to support students at risk of homelessness in select Maine school districts. MaineHousing estimated the program could help up to 1,750 students.⁹ Evictions prevented by the EPPP would reduce the demand on this separate program.

Child Welfare Costs

Children also face fewer instances of abuse and neglect, and are less likely to be placed into foster care or other protective arrangements when their families have supportive housing. One study found that providing housing supports to families with children reduced child welfare costs by \$14,600 per family over five years.¹⁰ Adjusted for inflation and annualized, this is the equivalent of \$3,151 per family per year.¹¹ MaineHousing does not publish data on the number of families with or without children in the EPP, Census Bureau data suggests that 41% of households in poverty in Maine include children.¹² This would be equivalent to 656 families in the EPP. On this basis, the EPP avoids \$2,067,056 in child welfare costs each year.

Health Care Costs

There is also evidence that evictions increase emergency room and other health care use.¹³ Medicaid enrollees in New York who faced eviction were more likely to lose Medicaid coverage entirely, but even with this disenrollment effect, average costs per person were \$158 per person higher over 6 months in 2017.¹⁴ This translates to \$375 per person per year in 2024 dollars.¹⁵ For the 3,576 impacted individuals in the EPP, this represents a savings to MaineCare of \$1,341,000. Of this amount, approximately \$965,000 was paid by the federal government, and \$375,000 from the general fund).¹⁶ This does not include additional costs to hospitals for free care, or costs passed on through higher premiums to private insurance-holders.

Employment and State Tax Costs

The instability caused by evictions often disrupts individuals' ability to fully participate in the labor market. This results in periods of higher unemployment and ultimately lost earnings. One study estimates a net loss of earnings of up to 7 percent after an eviction.¹⁷ Unfortunately, while MaineHousing reports data on the total income of households facing eviction, it does not distinguish between earned income (e.g. from employment) and other kinds of income (e.g. from Social Security, TANF, or other safety-net programs). Adjusting the numbers in the New York study for inflation¹⁸ suggests an average reduction in earnings of \$1,046 per household, or \$1,673,600 per year for the entire program population. This, in turn, results in a loss of sales and excise tax revenues to the state of \$103,763 per year.¹⁹

Criminal Justice System Costs

Housing instability is also associated with more involvement with the criminal justice system. A 2009 Maine study found that access to housing supports reduced the amount of time homeless individuals spent in jail from an average of 4.8 days per person to 0.2 days per person.²⁰ Holding someone in jail in Maine costs approximately \$173 per day.²¹ Accordingly, the EPP saves 16,450 jail-days, at a savings of \$2,845,780 per year.

Notes

¹ Testimony of Victoria Morales, Maine Quality Housing Commission, on LD 1522, “An Act to Establish the Maine Eviction Prevention Program,” April 25, 2025.

<https://legislature.maine.gov/bills/getTestimonyDoc.asp?id=10046501>

² Ibid.

³ *City of Portland, Health and Human Services Annual Report 2024*. nd

<https://content.civicplus.com/api/assets/1b5850ae-8b6a-4049-b733-f215e022fb42?cache=1800>

⁴ Brian Ostrom et al., “Maine Judge and Clerk’s Office Staff Workload Assessment.” *National Center for State Courts*. May 2023. <https://www.courts.maine.gov/about/reports/workload-assessment-study-2023-final.pdf>

⁵ *Maine Judicial Branch Annual Report 2024*. <https://www.courts.maine.gov/about/reports/ar2024.pdf>

⁶ Robert Collison and Davin Reed, “The Effects of Evictions on Low-Income Households,” Dec 2018.

https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf

⁷ City of Portland Health & Human Services, “2023 Year in Review: Homeless Services.”

<https://content.civicplus.com/api/assets/930ecdea-9853-4c0c-8bf4-506f3e9c88a2>

⁸ Maine Housing, “2025 Cost of Shelter Study.” January 2025 https://www.mainehousing.org/docs/default-source/policy-research/research-reports/homeless-reports/2025-shelter-cost-study.pdf?sfvrsn=bc669d15_3

⁹ “MaineHousing awards \$2 million in state grants to prevent student homelessness.” *MaineHousing* Jan 15, 2025. <https://www.mainehousing.org/news/news-detail/2025/01/16/mainehousing-awards--2-million-in-state-grants-to-prevent-student-homelessness>

¹⁰ Laura Packard Tucker, Michael Pergamit, and Mari Bayer, “How Much Does Supportive Housing Save Child Welfare Systems?” *Urban Institute*. Oct 2023. <https://www.urban.org/sites/default/files/2023-10/How%20Much%20Does%20Supportive%20Housing%20Save%20Child%20Welfare%20Systems.pdf>

¹¹ Adjusted using CPI from June 2022 dollars to March 2025 dollars.

¹² American Community Survey, table B17012 via data.census.gov

¹³ Robert Collison and Davin Reed, “The Effects of Evictions on Low-Income Households,” Dec 2018.

https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf

¹⁴ Gabriel Schwartz et al., “Eviction, Healthcare Utilization, and Disenrollment Among New York City Medicaid Patients.” *American Journal of Preventative Medicine* 2022;62(2) 157-164

[https://www.ajpmonline.org/action/showPdf?pii=S0749-3797\(21\)00491-8](https://www.ajpmonline.org/action/showPdf?pii=S0749-3797(21)00491-8)

¹⁵ Adjusted using annual CPI-M

¹⁶ MECEP calculation based on MaineCare expenditures for state fiscal year 2024. See

<https://legislature.maine.gov/doc/11322>

¹⁷ Robert Collison and Davin Reed, “The Effects of Evictions on Low-Income Households,” Dec 2018.

https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf

¹⁸ \$800 per year in 2016 dollars, equivalent to \$1,046 per year in 2024 dollars. Adjusted using CPI.

¹⁹ Based on an average sales and excise tax rate of 6.2% of income for households in the bottom 20% of the income distribution. See “Who Pays: 7th Edition,” *Institute for Taxation and Economic Policy*, Jan 2024.

<https://sfo2.digitaloceanspaces.com/itep/ITEP-Who-Pays-7th-edition.pdf>

²⁰ Melany Mondello et al., “Cost of Rural Homelessness Rural Permanent Supportive Housing Cost Analysis.” *State of Maine*. May 2009. https://www.mainehousing.org/docs/default-source/policy-research/research-reports/homeless-reports/homeless-reports-archive/cost-of-rural-homelessness-5-2009.pdf?sfvrsn=af65d015_7

²¹ Winifred Tate, Meagan Sway, and James Myall, “A Better Path for Maine: The Case for Decriminalizing Drugs.” *ACLU of Maine and Maine Center for Economic Policy*. March 21, 2022.

<https://www.aclumaine.org/en/betterpathreport>. Estimated a cost of \$141 per day in 2019 dollars, equivalent to \$173 per day in 2024.