

# THE EFFECTIVENESS OF PERMANENT SUPPORTIVE HOUSING IN MAINE

A Review of Costs Associated with the Second Year of Permanent Supportive Housing for Formerly Homeless Adults with Disabilities

October 2009

**Prepared by**

Melany Mondello, Shalom House, Inc., [mmondello@shalomhouseinc.org](mailto:mmondello@shalomhouseinc.org), 207-874-1080

Thomas McLaughlin PhD, University of New England, [tmclaughlin@une.edu](mailto:tmclaughlin@une.edu), 207-221-4511

Jon Bradley PhD, Preble Street, [jbradley@preblestreet.org](mailto:jbradley@preblestreet.org), 207-775-0026

**Sponsored by**

Corporation for Supportive Housing

MaineHousing

Maine Department of Health and Human Services

Maine Community Foundation

# Table of Contents

	<b>Page</b>
<b><u>Project History and Background</u></b> .....	<b>3</b>
<b><u>Results</u></b> .....	<b>4</b>
<u>Urban Maine</u> .....	<b>5</b>
<u>Rural Maine</u> .....	<b>6</b>
<u>Employment</u> .....	<b>7</b>
<b><u>Research Design</u></b> .....	<b>11</b>
<b><u>Appendix</u></b>	
<u>A. Urban Demographics</u> .....	<b>13</b>
<u>B. Rural Demographics</u> .....	<b>14</b>
<u>C. Data Sources</u> .....	<b>15</b>
<u>D. Service Categories</u> .....	<b>17</b>

---

## PROJECT HISTORY AND BACKGROUND

---

Affordable housing availability for Maine's homeless citizens with disabilities continues to be a significant issue for the State of Maine. In 2005 the State of Maine through Maine State Housing Authority participated in the Taking HealthCare Home initiative sponsored by the Corporation for Supportive Housing through a Robert Wood Johnson Foundation grant. This project provided an opportunity to review the current permanent supportive housing options in Maine as well as to examine the cost of permanent supportive housing as compared to the cost of a life lived in homelessness. In 2007 and 2009 two reports<sup>1</sup> were published detailing the cost of services and housing for a sample of citizens in Maine who had a major disability and were homeless prior to entering a permanent supportive housing program. Both reports showed favorable results when people were offered a permanent home of their own in which to seek stability and recovery. Many parties involved in the development and maintenance of Maine's housing stock were interested in whether those cost savings continued once a person entered their second year of stable housing. This report represents the results of a review of the costs associated with the second year of permanent supportive housing for people with disabilities who were formerly homeless.

---

<sup>1</sup> Cost of Homelessness, Permanent Supportive Housing Cost Analysis, September 2007, McLaughlin, Mondello, Gass and Shore  
Cost of Homelessness, Rural Permanent Supportive Housing Cost Analysis, May 2009, McLaughlin, Mondello, Bradley and Shore

---

## RESULTS

---

This report contains data pertaining to the urban Greater Portland area of Maine as well as the Balance of the State which is referred to as Rural Maine. In the urban area of Greater Portland tenants were homeless for longer periods of time prior to finding successful housing. Therefore, the study compared two one-year time periods for the urban dataset. As is the case in most rural states, people in rural areas were homeless for much shorter periods of time and so the study compared two six-month time periods for this population.

This research and the resulting findings represent the following sub-populations:

- Individuals with disabilities experiencing homelessness
- Families with disabilities experiencing homelessness
- Individuals with disabilities experiencing chronic homelessness

The review of service use during a person's second year of housing reveals continued decreases in service utilization cost when compared to homelessness. Service utilization as compared to the first year of tenancy remains relatively stable. Gains in the decreased use of emergency services during a person's first year of housing continued throughout the second year of successful housing. As expected with any person's healthcare needs there are fluctuations in costs but the costs do not return to pre-housing levels.

There were differences between the levels of savings in the urban and rural areas. These differences are attributed to multiple factors. One factor was the higher cost housing in urban areas and the percentage of scattered site housing included in the rural sample. The housing in the urban area included a housing first, congregate living program with 24 hour on-site staff for chronically homeless individuals. The cost of this program is more than a scattered site program due to the level of support required by many chronically homeless individuals. Secondly, the rural data set was 84% scattered site voucher housing as compared with the urban data set which was only 71% scattered site voucher housing. Additionally, the rural data set reflects a six-month time period and there are fluctuations in service use throughout the year.

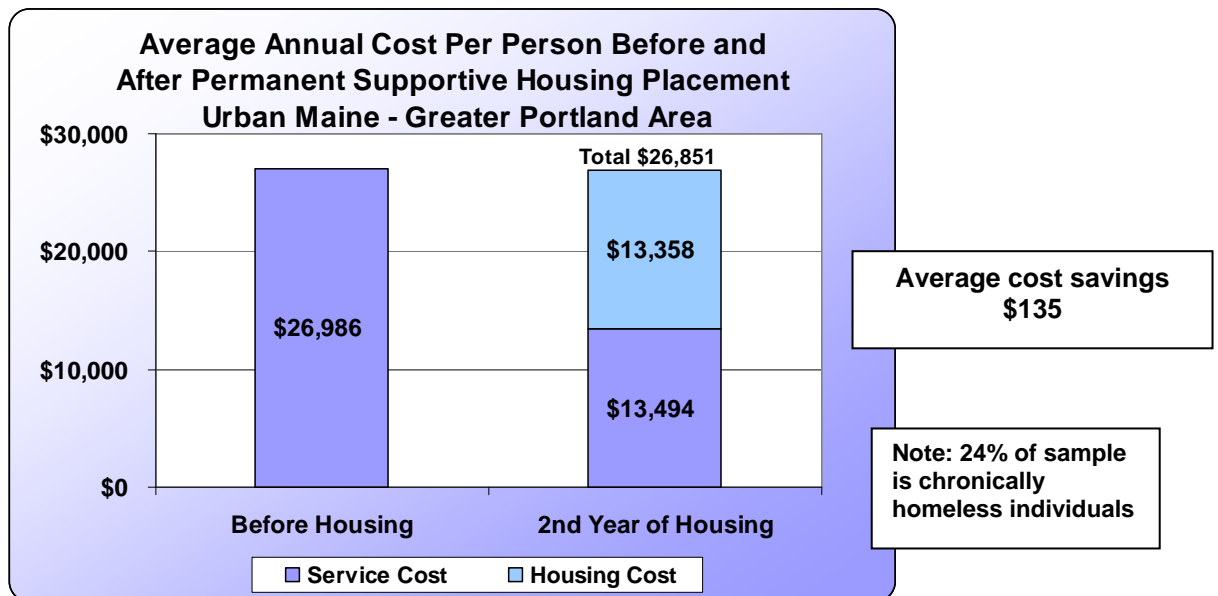
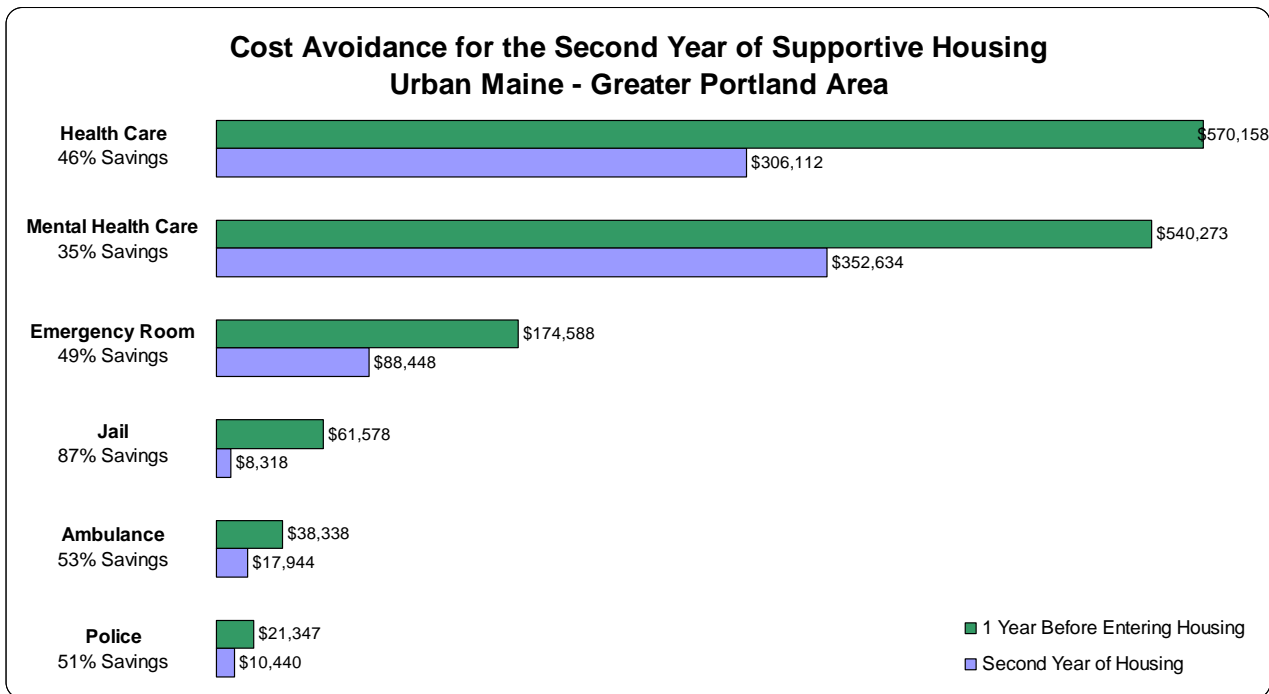
As seen in this and previous reports, permanent supportive housing programs in all areas offered a viable long-term solution to stabilizing the costs associated with housing for people who are homeless with disabilities. The continued improved quality of life and appropriate care offered through permanent supportive housing is essential to the recovery process for people with disabilities who had experienced homelessness. This effective housing intervention provides sustainable results and tangible cost savings while helping citizens resume stability in their path to recovery. Quality of life is returned to people at a cost less than providing no assistance.

# URBAN MAINE (GREATER PORTLAND)

## Cost of Permanent Supportive Housing and Homelessness

Ninety-seven of the 99 original tenants participated in the Second Year Cost Analysis. The charts below show that service delivery costs remained below pre-housing levels for tenants in Urban Maine.

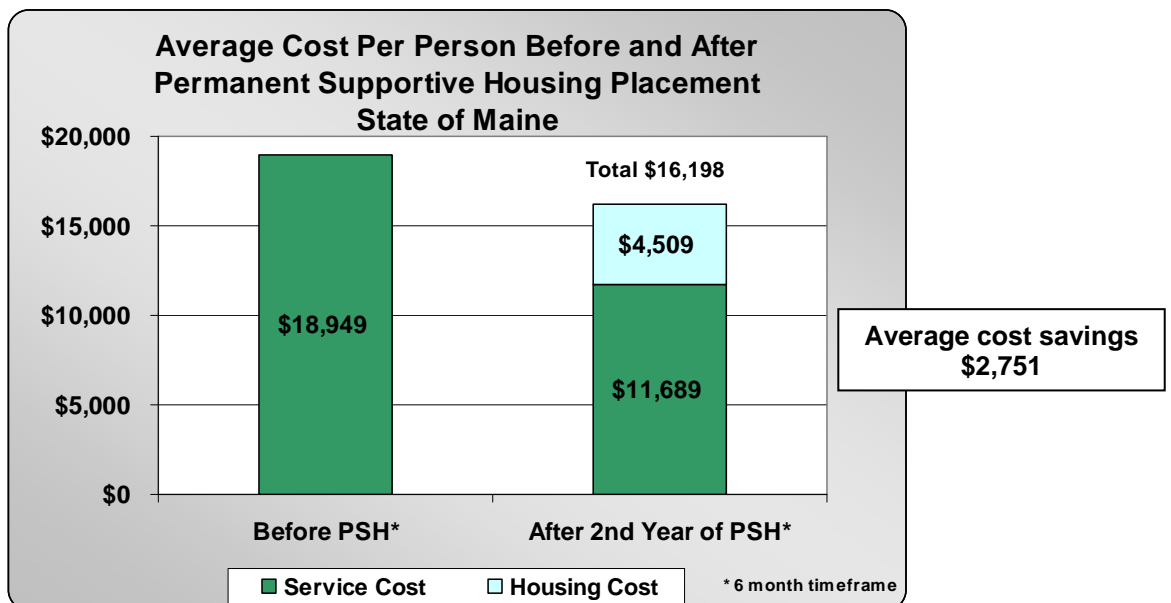
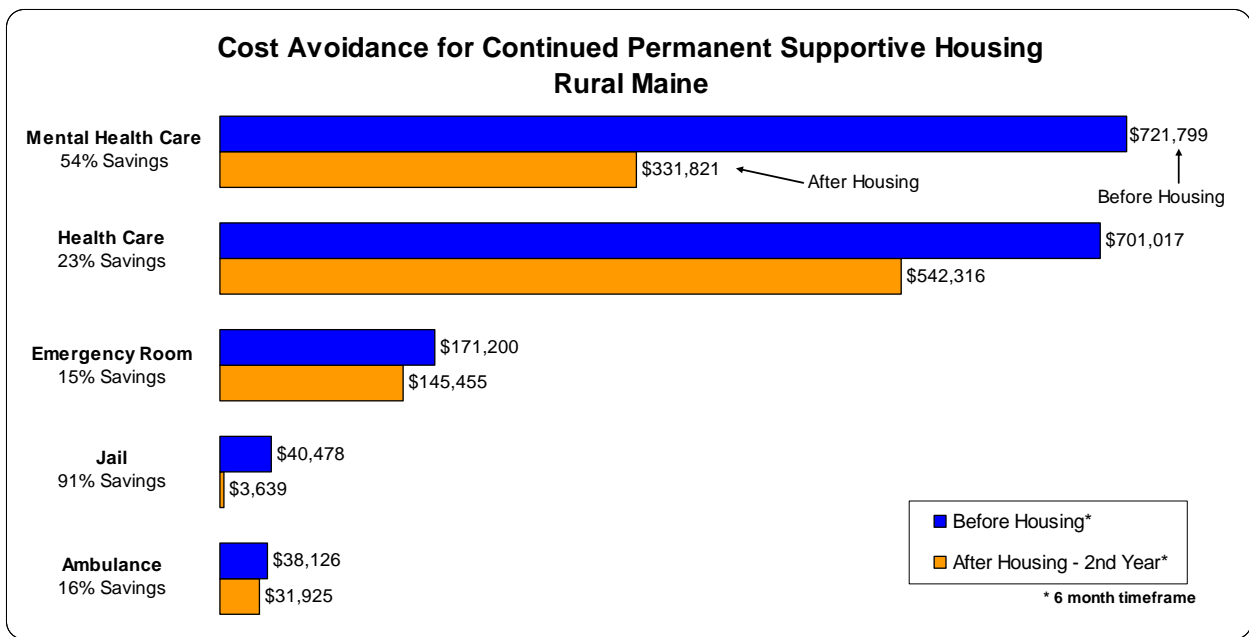
- 🏠 **50% reduction in Service costs** during the second year of permanent supportive housing
- 🏠 **46% reduction in Health Care costs** representing a \$264,046 decrease in health costs
- 🏠 Permanent supportive housing placements continued to reduce costs in the following areas: **emergency room by 49%, incarceration by 87%, ambulance transportations by 53%, and police contacts by 51%.**



# RURAL MAINE – Cost of Permanent Supportive Housing and Homelessness

Ninety-five percent or 155 of the original 163 rural tenants participated in the Second Year Cost Analysis. The charts below show the service delivery costs remained below pre-housing levels for tenants in Rural Maine.

- 🏠 **37% reduction in Service costs** by providing continued permanent supportive housing to people with disabilities experiencing homelessness in rural areas
- 🏠 **54% reduction in Mental Health costs** representing a \$389,977 decrease in mental health costs
- 🏠 Permanent supportive housing placements continued to reduce costs in the following areas: **emergency room by 15%, incarceration by 91% and ambulance transportations by 16%**
- 🏠 **\$2,751 per person average cost avoidance**
- 🏠 **\$426,322 six month cost avoidance for all 155 tenants**



---

## EMPLOYMENT AND EDUCATION

---

Two surveys were developed to capture employment and education data from tenants, one for tenants who were currently employed and another survey for tenants who were not employed. The non-employed survey captured data regarding volunteering levels and knowledge about resources available to help people enter the workforce. The survey for those employed captured data regarding the current job as well as the length of time to find employment. The information from these surveys will help develop trainings for staff and tenant education about the employment resources available in Maine.

Sixty-six of the original 252 people responded to the employment surveys. Fifty-seven people (86%) were not employed and nine people (14%) were currently working. Three people reported being in school and twenty-two (33%) people reported receiving some type of vocational or apprenticeship training.

The employment survey consisted of a variety of questions including questions that are currently asked by the Maine Homeless Management Information System (HMIS). The format and specific choices mandated by HUD through HMIS regulations were used in this project survey to allow future comparison between this sample and other people in the homeless system.

### EDUCATION LEVEL

Two of the questions asked people about their current education level. Tenants were asked to identify the highest level of high school they completed as well as if they had earned any advanced degrees.

Education Level	Total	Percentage
12th grade or below without a diploma	10	15%
GED	20	30%
High School Diploma	36	55%

**The results show 85% or 56 people earned either a high school diploma or GED equivalent.**

Education levels ranged from four people who received a bachelor degree to ten people not in possession of a high school degree or a GED equivalent. Twenty people completed a GED equivalent and 36 people received a high school diploma. Overall 85% or 56 people earned either a high school diploma or GED equivalent.

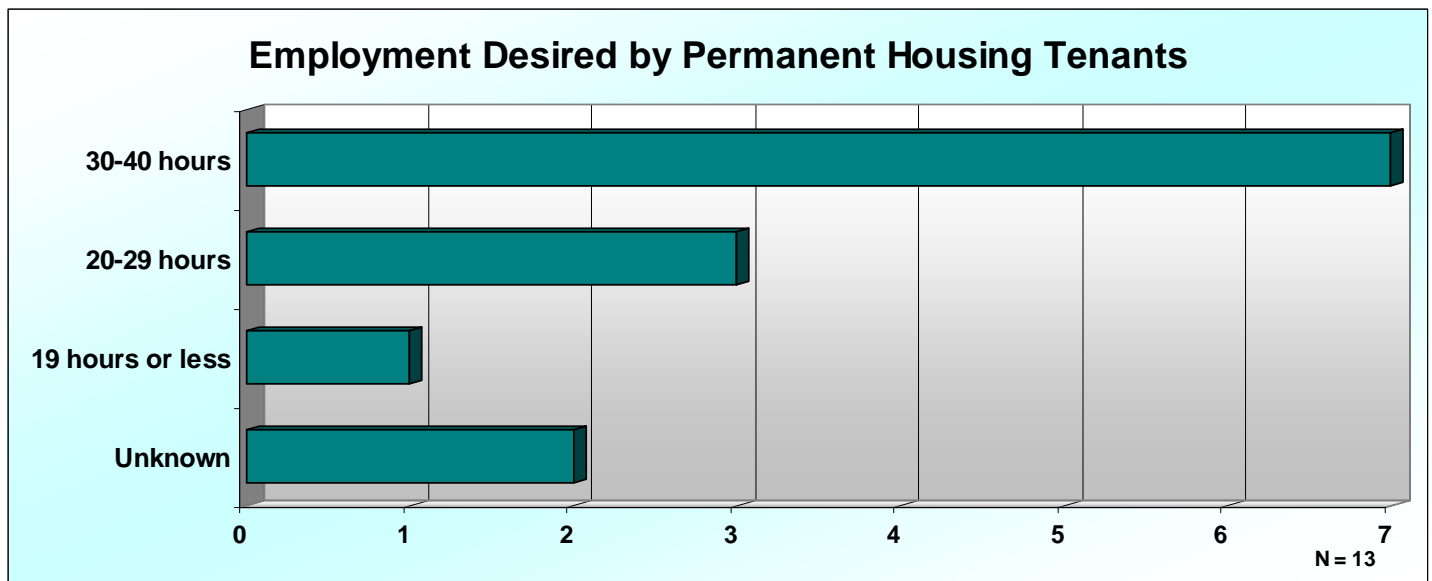
Twenty-four percent (24%) of respondents reported earning an Associate, Bachelor or other advanced degree.

Advanced Degree Earned	Total	Percentage
No advanced degree	50	76%
Associate Degree	10	15%
Bachelor Degree	4	6%
Other Degree	2	3%

**The results show 24% or 16 people earned an advanced degree.**

## CURRENTLY UNEMPLOYED TENANT PROFILE

Fifty-seven people responded in the category of unemployed. Of these 57 people, 23% or 13 people were looking for work. Of the people looking for work, 54% are looking for at least 30 hours of employment.



As part of the survey tenants were asked about their knowledge of employment resources to help them find a job. As detailed in Tenant Knowledge box below respondents were most familiar with the Career Center resources and less familiar with some of the new programs available in their community.

Twenty-one percent or 12 people reported they currently volunteer in their community. The number of hours volunteered by person ranges from 1 hour to 30 hours per week.

Four people representing 33% of the sample have been volunteering in their community for over two years. The remaining eight people have been volunteering for less than 2 years.

Type of Employment Desired	Total	Percentage
30-40 hours	7	54%
20-29 hours	3	23%
Less than 20 hours	1	8%
Unknown	2	15%

Hours Volunteered	Total	Percentage
Less than 10 hours	7	58%
10 or more hours	5	42%

Length of Time Volunteering	Total	Percentage
Over 2 years	4	33%
7-24 months	4	33%
6 months or less	4	33%

### Tenant Knowledge of Employment Resources

- Career Centers – 75%
- Vocational Rehabilitation Services – 47%
- Women, Work and Community – 16%
- Disability Program Navigators – 9%
- Employment Specialists – 11%
- Competitive Skills Scholarship – 2%
- Job Accommodation Network – 0%



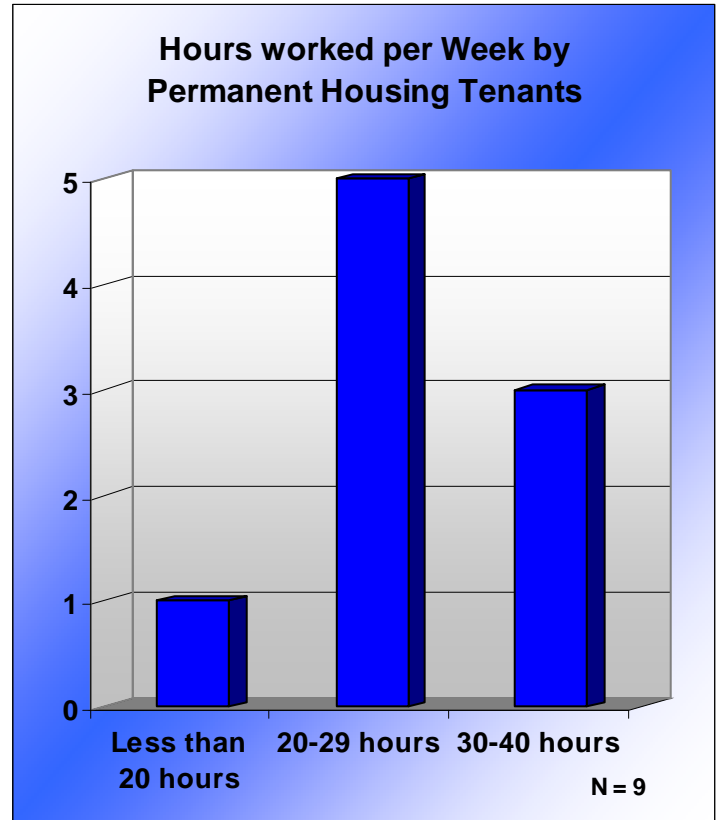
## CURRENTLY EMPLOYED TENANT PROFILE

Nine people responded to the survey as currently employed. Of these nine employed people, eight have secured permanent positions and one person was a temporary worker. The jobs secured by permanent supportive housing tenants are as housekeepers(3), cashiers(2), teachers(1), bank tellers(1), respite workers(1) and community advocacy workers(1).

Amount of Time Searching for Employment	Total	Percentage
Less than 6 months	1	11%
More than 6 months	7	78%
Already had a job	1	11%

Length of Time with Employment	Total	Percentage
Less than 1 year	3	33%
1- 2 years	2	22%
More than 2 years	4	44%

Number of Hours Currently Employed	Total	Percentage
Less than 20 hours	1	11%
20-29 hours	5	56%
30-40 hours	3	33%



## BENEFITS AND WAGES

Of the nine people working three people have vacation and sick time and only one person has health insurance through their employer. The wages range from a low of \$7 per hour to a high of \$12.45 per hour. According to recent data published by the Maine Department of Labor, Center for Workforce Research and Information the average wage needed by a single adult in Maine to live on a Basic Needs budget is \$10.65.<sup>2</sup> This amount varies by county with a low of \$9.94 in Northern Maine and a high of \$12.38 in Southern Maine.

Wage Amount	Total	Percentage
Less than \$10 a hour	6	67%
Over \$10 a hour	3	33%

<sup>2</sup> Maine Department of Labor, Center for Workforce Research and Information, July 2009

---

## RESEARCH DESIGN

---

### PARTICIPANTS

Tenants were asked to participate in this study continuation if they met all of the following criteria:

1. They had been a participant in the Phase One research project and
2. They had been living in Permanent Supportive Housing for a minimum of two years; and
3. They had a current diagnosis of a long-term disability, such as a mental illness, substance abuse, physical disability, or co-occurring disorders and
4. Prior to entry into permanent supportive housing they lived in a homeless situation as defined by the Department of Housing and Urban Development (HUD).

All tenants in the previous study lived in a homeless situation as defined by the Department of Housing and Urban Development (HUD) prior to program entry and had a current diagnosis of a long-term disability, such as a mental illness, substance abuse, physical disability, or co-occurring disorders.

A total of 97 of the 99 (98%) original project tenants in Urban Maine (Greater Portland area) met these criteria and they were re-interviewed and asked to participate in the Maine Cost of Homelessness study continuation.

At total 155 of the 163 (95%) original project tenants in Rural Maine met these criteria and they were re-interviewed and asked to participate in the Maine Cost of Homelessness study continuation.

### HOUSING PROGRAMS

Permanent supportive housing programs included in this report provide affordable housing and supportive services for people who were formerly homeless situation with one or more major disability. There is no limit on the length of stay. The intent of this type of supportive housing is to offer independent living options in a community setting with the tenants' needs determining the type and intensity of services provided.

Participants were drawn from twenty permanent supportive housing programs throughout the State with the majority coming from the Department of Health and Human Services and City of Bangor's Shelter Plus Care programs. Shelter Plus Care is a rental subsidy program funded through Maine's Housing and Urban Development Continuum of Care funding allocation. This program provides rental subsidy funding to study participants which is matched by money spent on service provision to tenants. The vouchers are mainly used to rent apartments from private landlords in the community.

Other participants lived in supported apartment buildings with varied levels of on-site staffing. These programs are listed below by county and agency.

#### Cumberland County

Preble Street Resource Center – Logan Place

Shalom House

Croquet Lane Apartments, Pleasant Street Housing and Spring Street

Kennebec County

Bread of Life Ministries – State Street SRO  
Community Housing of Maine – Veteran’s Waterville Project  
Tedford Housing – Pleasant Street Augusta

Penobscot County

Bangor Area Homeless Shelter – Cedarview Apartments  
Community Health and Counseling – Riverview II  
OHI – Chalila House  
Community Housing of Maine – Lewey House

Sagadahoc County

Tedford Housing – Gilbert Place

Somerset County

Kennebec Behavioral Health – Wilson Place

York County






York County Shelters Programs -  
11 Lebanon, 17 Thornton, 57 Lebanon, Bates and Bowdoin, and Janis Apartments

**TIME FRAME**

Service utilization data was gathered from providers for the time period covering the second year of housing stability.

**DATA SOURCE**

Data was collected from local and regional sources including the following:

-  Fire Departments
-  Health Clinics
-  Hospitals
-  Jails
-  Mental Health Centers
-  Police Departments
-  Shelters
-  Sheriff Departments

A complete list of sources can be found in Appendix C.

**LIMITATIONS**

This study is modeled after similar studies completed in Denver, New York, and other major cities. The study design tracks service utilization by a set of individuals for defined periods before and after their entry into Permanent Supportive Housing. It does not compare the cost-effectiveness of Permanent Supportive Housing with other forms of housing.

Due to confidentiality requirements this study relied on the voluntary participation of tenants. It is therefore possible that there was some skewing of results due to self-selection; those who agreed to participate might have differed in service utilization from those who refused to allow their data to be used.

It was only possible to obtain supportive service data for those participants who were receiving MaineCare benefits; therefore, results may undercount utilization of services by those who were not enrolled in MaineCare for the full duration of the study period. Additionally, for those tenants who were part of a family only the head of household service information was available.

Finally, there may be some undercounting of services delivered outside of Portland, as these providers were not asked to provide information.

## APPENDIX A Urban Tenant Demographics

Median Age	Median Age Female	Median Age Male
46	44	47

Male	Female
58	39
59.8%	40.2%

Veteran
20
20.6%

HOUSEHOLD TYPE	
Single	Family
80	17
82.5%	17.5%

RACE					
Caucasian	Black/ African American	American Indian Alaska Native	Asian	Other Race	Unknown
80	8	3	3	2	1
82.5%	8.2%	3.1%	3.1%	2.1%	1.0%

DISABILITIES						
Severe Mental Illness	HIV	Chronic Alcohol Abuse	Chronic Drug Abuse	Developmental Disability	Physical Disability	Other Disability
92	4	31	10	1	4	8
94.8%	4.1%	32.0%	10.3%	1.0%	4.1%	8.2%

97 Tenants Surveyed from Shelter Plus Care, Shalom Supported Housing and Logan Place

## APPENDIX B Rural Tenant Demographics

Median Age	Median Age Female	Median Age Male
43	42	44

Male	Female
73	82
47.1%	52.9%

Veteran
14
9.0%

HOUSEHOLD TYPE	
Single	Family
122	33
78.7%	21.3%

RACE				
Caucasian	Black/ African American	American Indian Alaska Native	Other Race	Unknown
134	3	13	4	1
86.5%	1.9%	8.4%	2.6%	0.6%

DISABILITIES				
Severe Mental Illness	Chronic Alcohol Abuse	Chronic Drug Abuse	Physical Disability	Other Disability
158	30	26	3	1
101.9%	19.4%	16.8%	1.9%	0.6%

155 Tenants Surveyed from Rural Permanent Supportive Housing Programs

## APPENDIX C Data Sources

Data Provider		Data Provider
Acadia Hospital		Hancock County Jail
Alfred Rescue		Hancock County Sheriff
Androscoggin Sheriff and Jail		Health Care for the Homeless Clinic
Aroostook County Jail		Hope Haven
Aroostook Shelter Services		Hope House
Auburn Police Department		Hospitality House
Augusta Fire Department		Kennebec Behavioral Health
Augusta Police		Kennebec Sheriff and Jail
Bangor Area Homeless Shelter		Kittery Police
Bangor Fire Department		Knox County Jail
Bangor Police Department		Knox County Sheriff
Bar Harbor Police Department		Lewey House
Bath Police Department		Lincoln Police
Biddeford Fire Department		Maine Coast Memorial Hospital
Biddeford Police Department		Maine Department of Health and Human Services
Blue Hill Memorial Hospital		Maine Medical Center
Bread of Life Ministries		MaineCare
Brewer Police Department		MaineGeneral Hospital
Brunswick Fire Department		Mercy Hospital
Brunswick Police Department		Meridian Mobile
Caribou Fire and Ambulance		Midcoast Hospital
Caribou Police		MidMaine Homeless Shelter
Chalila House		Milestone Foundation
Central Maine Medical Center		Mount Desert Island Hospital
City of Bangor – Shelter Plus Care		Newport Police Department
Community Health and Counseling		Northern Maine Medical Center
Community Housing of Maine		Old Town Police
County Ambulance		Orono Police Department
Cumberland County Jail		Oxford Street Shelter
Delta Ambulance		Parkview Hospital
Dorthea Dix State Hospital		Penobscot Bay Hospital
Ellsworth Police Department		Penobscot Community Health
Emmaus Shelter		Penobscot Jail and Sheriff
Eastern Maine Medical Center		Portland Fire Department
Fairfield Police Department		Portland Police Department
Gardiner Fire Department		Preble Street
Gardiner Police Department		Presque Isle Police
Goodall Hospital		Redington-Fairview General Hospital
Hallowell Police Department		Riverview State Hospital

<b>Data Provider (cont)</b>
Rockland Fire Department
Rockland Police
Saco Police Department
Sagadahoc Sheriff
Sanford Fire Department
Shalom House
Skowhegan Police
Southern Maine Medical Center
Spring Harbor Hospital
St.Joseph's Hospital
St.Martin de Porres
St.Mary's Hospital
Tedford Housing
Veteran's Administration
Two Bridges Jail
Topsham Police Department
Two Bridges Jail
United Ambulance
Veazie Police Department
Waterville Police Department
Winslow Police Department
Winthrop Police Department
York County Shelters Programs
York County Sheriff and Jail



## APPENDIX D Service Categories

<b><u>GROUPINGS</u></b>	<b><u>Sub-categories</u></b>
<b>Ambulance</b>	Ambulance
<b>Case Management</b>	Case Management Community Support Day Shelter Adult Protective Services
<b>Dental</b>	Dental Denturist
<b>Emergency room</b>	Emergency
	Healthy Families Adult PDN Service Ambulatory Care Clinic Service Ambulatory Surgical Center Attendant Services Certified Rural Health Clinic Chiropractic Services Family and Pediatric Nurse Practitioner Family Planning Clinic Federally Qualified Health Center General Inpatient General Outpatient Health Clinic Home Health Services Independent Lab Indian Health Services Medical Imaging Services Medical Supplies/DMI Supplies Medicare B – X-over Medicare Part A – X-over Nursing Facility Occupational Therapy Optical Services Optometric Services Physical Therapy Physician Podiatrist Prosthetic Devices Rehabilitation Services (Head Injury) V.D. Screening

## SERVICE CATEGORIES (cont)

<b>Housing</b>	11 Lebanon Street 17 Thornton Avenue 57 Lebanon Bates and Bowdoin Chalila House Croquet Lane Gilbert Place Janis Apartments Lewey Logan Place Personal Care Services Pleasant Street Augusta Private Non-Medical Institutions Riverview II Shelter Plus Care Janis Apartments Lewey Logan Place Personal Care Services Pleasant Street Augusta Private Non-Medical Institutions Riverview II Shelter Plus Care Spring Street State Street SRO Stevens Avenue Veteran's Project Wilson Place
<b>Jail night</b>	Jail Night
<b>Police contact</b>	Police Contact
<b>Mental Health Care</b>	Mental Health Services - counseling, psychiatry Mental Inpatient - State Hospital and Private psychiatric beds Outpatient Mental Health Psychological Services
<b>Prescribed drugs</b>	Prescribed drugs
<b>Transportation</b>	Transportation
<b>Shelter night</b>	Shelter Night
<b>Substance Abuse Treatment</b>	Detoxification Bed Health Clinic Substance Abuse Services Substance Abuse Case Management Substance Abuse Treatment - Inpatient and Outpatient

