Shelter Cost Study

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MaineHousing
MAINE STATE HOUSING AUTHORITY

Prepared by

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State of Maine Homeless Shelter Cost Study

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Introduction

MaineHousing's Planning and Research Department conducted this study in the fall of 2024 at the request of the State's shelter providers to better document and understand the actual cost of providing shelter for those experiencing homelessness in Maine. The report is based on budget information provided by 27 shelters, whose missions are varied; these include general adult shelters, low-barrier shelters, family shelters, youth shelters, and shelters for domestic violence survivors. Each shelter type provides different services and requires different levels of staffing.

About Maine's Homeless Response System

Throughout this report there are references to Maine's homeless service hubs. Maine's homeless response system is organized into nine service hubs, and shelters are a critical part of each hub. The hubs are a service coordination strategy that is the outcome of efforts by the Statewide Homeless Council, the Maine Continuum of Care, and other parties invested in restructuring Maine's homelessness response system in collaboration with MaineHousing.

Each hub is a collaborative multi-agency team, devoted to continuous, data-driven improvement of the homeless response system. Hub teams identify gaps and inconsistencies by working with a cross-sector team of service providers, municipalities, housing providers, people with lived experience, and others who interact with people experiencing homelessness.

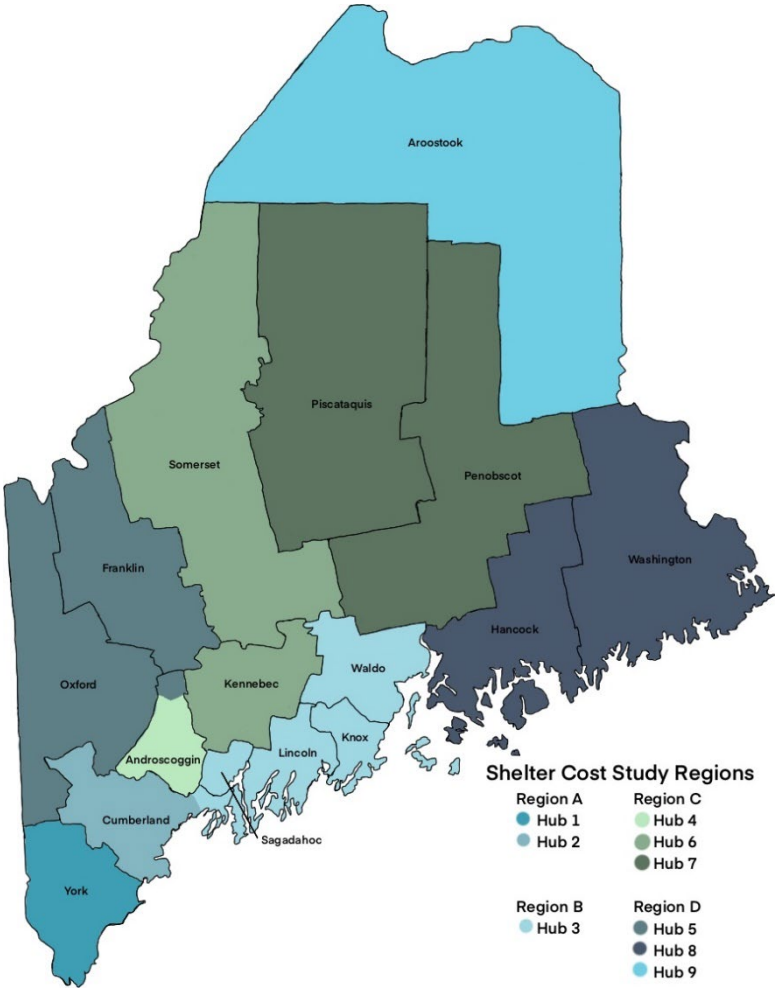


Figure 1 - **Map of homeless response service hubs and Shelter Cost Study Regions.**

Cost Study Summary

This study examines the operating budgets of 27 Maine shelters operated by 17 organizations. Those 27 shelters represent two-thirds of Maine's Emergency Shelter and Housing Assistance Program (ESHAP) shelters. Among the participating shelters, the average annual cost per bed is $34,714.09, which translates to just over $95 per bed-night.[1] This study expands upon that basic statistic by estimating the average cost per bed for different geographic locations and shelter types – the five common types being adult, low barrier, family, youth, and domestic violence.[2] By incorporating these 27 budgets into a single statistical model, the study leverages the cost differentials between all providers, shelter types, and locations to identify expense estimates for any shelter in any location.

Key Considerations:

- **Snapshot of Current Costs**. The per-bed costs in this study are estimates based on current shelter operations in Maine. Not only will the actual costs change with shifts in prices and labor markets, but these estimates also reflect any measures that shelter providers are currently taking in order to balance their budgets, such as deferred maintenance or suboptimal staffing ratios. Thus, the cost-per-bed estimates provided are best interpreted as minimums or conservative estimates of what is needed to optimally provide shelter services.
- **Sample Size Limitations.** The available sample limits the number of factors that can be included in the statistical model and non-participation introduces certain concerns, which are discussed in the Methodology section. In short, the estimates below amount to average shelter costs, and the observable differences therein, among only the participating shelters.
- **Variation in Shelter Operations.** Many of the different shelter providers have distinct organizational or accounting practices that may obscure costs of operation. For example, several respondents observed that shelters for victims of domestic violence (DV) rely on significant support from broader organizations that provide DV services, support that is not reflected in individual shelter budgets.

Annual Shelter Cost per Bed			
By Shelter Type		Location Differentials	
Adult	$28,680.44	Hubs 1 & 2	+ 16,631.62
Low Barrier	$35,583.09	Hub 3	+ 6,088.46
Family	$17,582.78	Hubs 5, 8, & 9	+ 3,614.97
Youth	$64,439.37		
DV	$19,151.36	Example: Family shelter in Hub 3 estimate	
For shelters in Hubs 4, 6, & 7		$17,582.78 + $6,088.46 = **$23,671.24**	

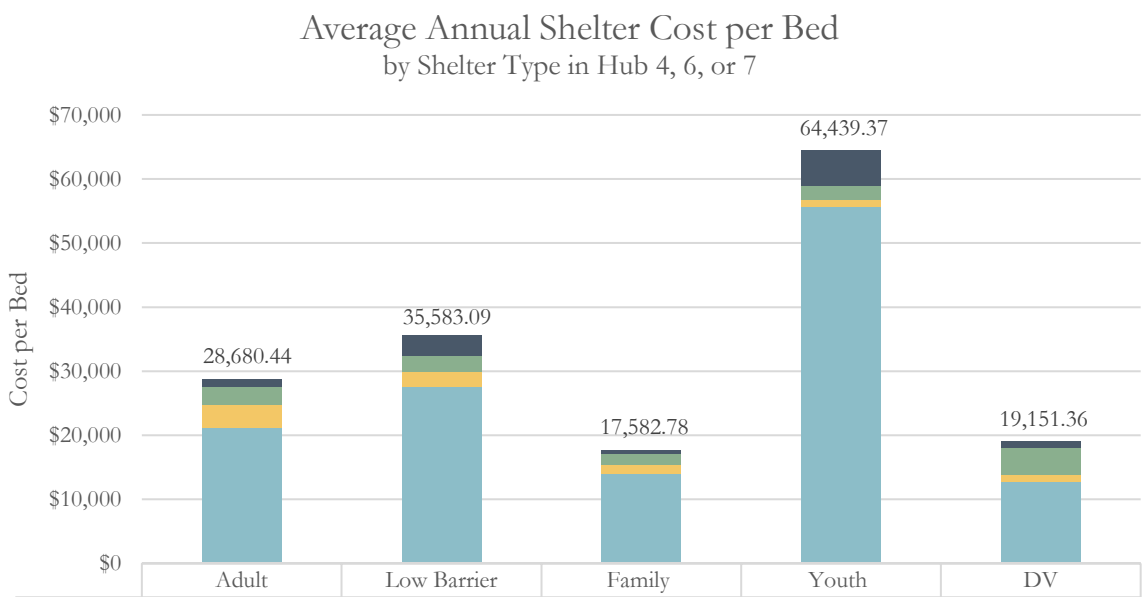
Table 1 - Shelter Cost Summary. Estimates of annual cost per bed for the 27 Maine homeless shelters represented in the data. Location differentials: add these to the estimates by shelter type to get the estimated cost for a particular type of shelter in a particular area, as shown in the example.

Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

[1] Based on the study estimates and the locations and shelter types of the non-participating shelters, the statewide average for all ESHAP shelters is estimated to be $37,312.12, or $102.22 per bed-night.

[2] Domestic violence shelters are also low barrier shelters. "Low barrier" in the study refers to low barrier adult shelters.

Cost by Shelter Type



	Adult	Low Barrier	Family	Youth	DV
Operating	1,116.46	3,152.05	518.10	5,507.50	1,043.09
Facilities	2,835.68	2,612.56	1,717.97	2,146.50	4,289.68
Client	3,566.26	2,269.06	1,419.49	1,062.32	1,022.10
Payroll	21,162.05	27,549.42	13,927.23	55,723.05	12,796.50

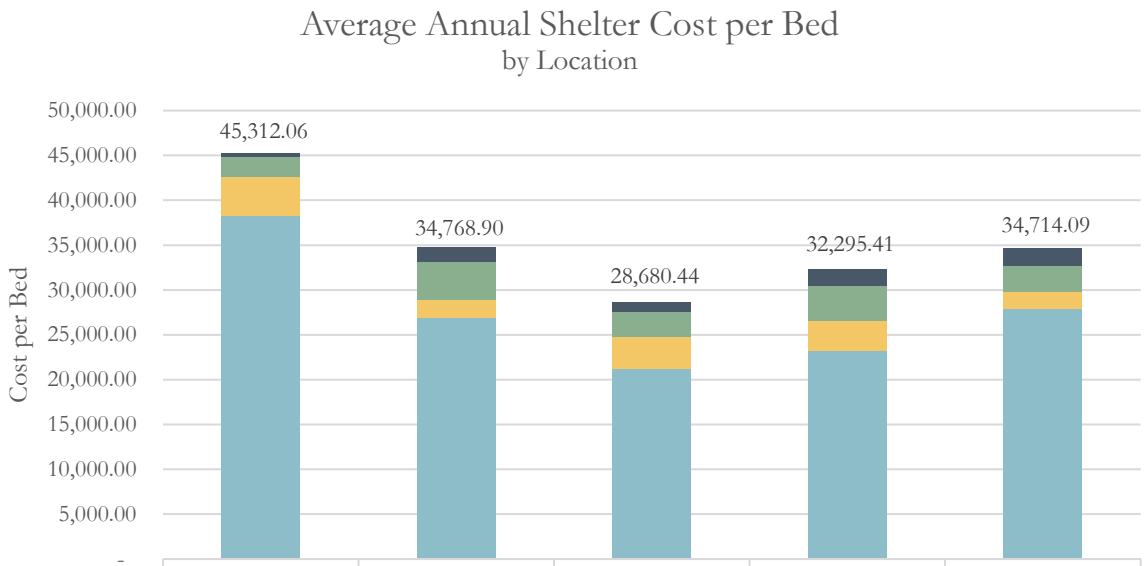
***Figure 2* - Annual Cost-per-Bed estimates by Shelter Type, with expense category breakdown. The costs represent the average for a shelter of the given type, if that shelter is in Hub 4, 6, or 7. The average cost differentials for all other hubs, relative to 4, 6, and 7, are shown in Table 1.**

Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

Payroll includes all payroll expenses related to shelter operations and direct services available to shelter residents, including housing navigation services. Client expenses include only non-payroll expenses directly related to shelter residents, such as meals or transportation. Facilities expenses are those associated with normal upkeep of a facility (rent, utilities, and maintenance, for example), while operating expenses are those associated with the operations of a shelter, but not the direct provision of services (administrative support, training, and contracted support, for example).

Payroll expenses comprise the largest expense category overall, ranging from 66.8% of operating costs for DV shelters to 86.5% of operating expenses for Youth shelters. Less payroll expenses and relatively high facility expenses at DV shelters are both consistent with smaller shelter settings that require less internal monitoring and services, but additional external security. Increased payroll expenses at Youth shelters are consistent with enhanced licensing and staffing requirements. Higher-than-average operating costs also help explain Youth shelters' comparatively high total cost-per-bed. However, with only two of four statewide ESHAP Youth shelters participating, this is the smallest subsample of the shelter participants. This makes the Youth shelter estimate the most susceptible to being skewed by random variation or outliers, such as a shelter experiencing an unusual shock to their expenses in any given budget year.

Cost by Region



	Hubs 1 & 2	Hub 3	Hubs 4, 6, & 7	Hubs 5, 8, & 9	Maine*
Operating	427.78	1,654.40	1,116.46	1,843.85	1,975.55
Facilities	2,257.58	4,156.00	2,835.68	3,868.62	2,984.17
Client	4,317.82	2,090.10	3,566.26	3,335.16	1,835.26
Payroll	38,308.89	26,868.41	21,162.05	23,247.80	27,919.11

Figure 3 **– Annual Cost-per-Bed estimates by Location, with expense category breakdown. Costs are the average for an Adult shelter in the given hub, whereas the bar for Maine* represents the statewide average across all shelter types. Cost differentials by shelter type, relative to an Adult shelter, are shown below.**

Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

The distribution of shelters and sample size available in this study made it impractical to account for each hub individually. The hubs are grouped based on a review of relevant demographic and market characteristics that are likely to impact shelter costs, as well as an imposed minimum of three shelters in each region. The region including Hubs 4, 6, and 7 is taken as the baseline for comparison with other regions, due to its central location and multiple moderately sized population centers.

Shelter Type Differentials	
Adult	+ 0.00
Low Barrier	+ 6,902.65
Family	- 11,097.66
Youth	+ 35,758.93
DV	- 9,529.08

Table 2 **- Cost differentials by shelter type.**

There are two notable characteristics of the cost differences by location. First, the increased shelter costs in Hubs 1 and 2 can be entirely attributed to higher payroll costs. While labor markets are more competitive in that region of the State, meaning higher wages, it is also shown in the next section that the region employs more labor hours per bed than others. Second, the central region (Hubs 4, 6, and 7) has the lowest overall costs per bed in the State, despite having the second highest cost per bed when looking at simple regional averages that do not account for shelter type.

Other Factors

Staffing

Location	Volunteer Staffing	Part-Time Staffing	Full-Time Staffing	Staff Hours per Bed	Benefits Share of Payroll
Hub 1 & 2	1.7%	27.0%	71.3%	27.24	17.8%
Hub 3	1.4%	11.1%	87.5%	10.25	10.6%
Hub 4, 6, &7	4.1%	11.0%	84.9%	11.97	14.7%
Hub 5, 8, & 9	0.2%	22.3%	77.5%	8.63	17.5%
Shelter Type					
Adult	13.4%	24.4%	62.2%	14.64	7.1%
Low Barrier	1.2%	13.7%	85.2%	20.36	16.4%
Family	0.2%	22.2%	77.6%	6.96	11.3%
Youth	0.0%	42.9%	57.1%	51.52	17.4%
DV	4.3%	3.2%	92.6%	7.79	22.1%
Average	**2.3%**	**20.2%**	**77.5%**	**15.66**	**16.1%**

Table 3 **- Shelter staffing characteristics. All values are based on staffing estimates provided by participating shelters. This table shows simple averages for each variable, broken down separately by shelter location and by shelter type.**

Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

Staffing expenses, a key factor in all shelter budgets, comprise more than 80% of shelter costs. Staffing per bed appears to be a primary driver of shelter expenses. These overall staffing averages align in close proportion to the cost differences seen in Figure 2, with Youth shelters employing significantly more than all others, followed by Low Barrier and then Adult shelters. In general, varied staffing levels by shelter type can be attributed to differential staffing requirements related to safety concerns, expertise, and the needs of the population being served.

It is important to note that the figures in Table 3, particularly the high number of staff hours per bed in Hubs 1 and 2, do not account for which shelter types are more represented in that region. At least some of the increased staffing per bed is explained by a greater concentration of the shelter types with increased staffing requirements than seen in other regions (see Table 4).

Volunteer staff are an attractive means of reducing expenses, which may be more or less feasible depending on location or shelter type. Shelters of each type serve distinctive populations, whose service needs may call for a variety of qualifications, including specific expertise or occupational licensing, that exclude volunteers. In addition to specific qualifications, continuity of service provision can also make it difficult to rely on volunteer support. Anecdotally, shelters that do employ volunteers rarely employ them in roles that include direct client services, with the exception of staffing telephone hotlines. The near absence of volunteer staffing in Hubs 5, 8, and 9 could be taken to suggest that access to volunteers is more limited in less populous regions, but that is inconsistent with low levels of volunteer staffing in Hubs 1, 2, and 3 relative to

Hubs 4, 6, and 7. It is more likely that shelter type primarily determines how easily volunteers can contribute to shelter operations and regional variation is determined by the types of shelters represented in each region.

The share of total payroll expenses accounted for by employee benefits is less associated with part-time staffing than may be expected. This could be due to variation in benefit packages, either because premiums vary by labor market or other variation in the levels and costs of the benefits offered. Several shelter respondents commented that the expenses in the budgets provided reflect the reality of their current financial situation, not what they believe to be the most appropriate compensation plan. Examples of what they felt should be improved upon are retirement benefits, professional development allowances, and lower health insurance premiums and/or copays.

Meals

Providing meals is a factor that could drive cost differentials, given that there are any number of approaches to ensuring that shelter residents have access to food and, for a given shelter type, variation in the level of food preparation that is required. The dataset is limited with respect to this factor. 100% of Youth and Low Barrier shelter budgets in the data include the expenses for meals, while only 20-33% of the other shelter type budgets included meal expenses. However, for those not reporting meal expenses, it remains uncertain whether meals were provided elsewhere, those expenses were accounted for elsewhere, or no meals were provided.

It is clear from the budgets and questionnaires received that there is a great deal of variation in how meals are provided. Many shelters have meals prepared by onsite staff, while others contract with a third party for meal service, have volunteers do meal prep, or simply provide food and the facilities for residents to prepare their own meals. The variation in responses and the limited number of observations made it impossible to draw any clear correlations with regard to meal provision, other than the unsurprising fact that Adult, Low Barrier, and Youth shelters provide prepared meals and that Family and DV shelters are more likely to let residents prepare their own meals.

Networks and Organizational Support

The data also shows whether a shelter is part of a network, i.e. one provider with multiple shelters, which is certain to have an impact on the nature and structure of expenses for those individual shelters. However, incorporating this distinction into the statistical model made the calculation and explanation of estimates more complex but did not offer any statistical contribution, either in terms of altering the estimated cost differentials or improving the fit of the model. We do not interpret this to mean that being part of a shelter network has no benefits that may lead to reduced shelter costs. It is more likely that being part of a shelter network is associated with other factors that obscure any possible correlation with lower costs. To improve the clarity and accessibility of the cost estimates shared in this study, the network variable was excluded from the preferred model.

The support provided to shelters by broader organizations is another factor we are aware of but do not have sufficient data to address directly. For example, several domestic violence shelters commented on the fact

that they rely on broader domestic violence organizations to provide supportive services for their residents. The degree to which each shelter relies on this sort of support appears to vary in an unpredictable manner that is difficult to objectively measure. However, since it is common among the DV shelters, it is safe to assume that the DV shelter costs mildly underestimate the true cost of all services integrated into that type of shelter provision. Another clear example of this is the fact that several shelters of various types do not have a rent or mortgage expense in their budget. The organizations either own the property outright or it was donated. This is an organizational benefit that reduces operating expenses for those shelters in a way that is not necessarily replicable, at least not without direct policy intervention.

Unobservable Factors

There are certain to be many factors that impact shelter expenses which are not evident in an accounting ledger. Some shelter participants commented on this in their response to the questionnaire. This study explicitly addresses staffing and meal provision because they are the most obvious areas of potential variation. Working with a small sample of shelters and the wide variety of unique organizations and shelter environments, no other factors were identified that were both observable (i.e. could be clearly recorded within a limited range of responses) and would be likely to have sufficient variation between shelters. The latter requirement excludes anything that is only true or applicable for one or two shelters. Conversely, it also excludes anything that is equally true or applicable for all but one or two shelters. It is the same issue that currently limits the reliability of our cost estimates regarding Youth shelters; it is true that the estimated cost differential exists for the Youth shelters in the study but there is insufficient data to fully dismiss the possibility that there are unobserved factors – unrelated to serving youth but uniquely common to those two shelters – that are contributing to that cost differential. This concern would apply to any policy or programmatic difference that is unique to one or two shelters.

Data and Methods

To conduct this study, MaineHousing issued a request for all shelter providers in Maine to share their budget information for at least one year of operations. Out of 41 ESHAP shelters, budgets were received for 27, represented by 17 shelter providers. The participants include at least one shelter in each of the nine Homeless Service Hubs throughout Maine, and at least two shelters of each of the five shelter types that we distinguish. After a preliminary review of the data, MaineHousing followed up with an individualized questionnaire for each participating shelter provider to clarify points regarding budget information, collect missing information or context, and complement the budget data with information about additional factors, such as staffing estimates. The table below provides counts of participating shelters in each shelter type (rows) and region or hub (columns).

Region	A		B	C			D			
Hub	**1**	**2**	**3**	**4**	**6**	**7**	**5**	**8**	**9**	**Total**
Adult			1			1		1		3
Low Barrier		3			1	1				5
Family			2		1			3		6
Youth		1		1						2
DV	1	1		1	2	1	1	1	3	11
Total	**1**	**5**	**3**	**2**	**4**	**3**	**1**	**5**	**3**	**27**

Table 4 **- Participating Shelters. This table includes a full accounting of the location and type of shelters who contributed their budget and input for this study.**

Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

To reduce barriers to participation in the study, budgets were accepted whether they included actual expenses from a previous year or budgeted expenses for the current fiscal year. Therefore, the data includes actual shelter expenses from as early as calendar year 2023, and at the other end of the range, budgeted expenses for fiscal year 2025 (FY25). A total of eight shelters' expenses used in this study are for FY25, three are calendar year 2023 expenses, and the remainder are FY24 expenses. The statistical model was estimated accounting for budget years, but this version of the model did not materially change the estimated cost differentials. In the end, the budget year variable was excluded to preserve statistical power (degrees of freedom) and to aid readers' understanding of how the cost estimates are calculated.

A final data limitation arises from accepting budgets in whatever format was convenient for the participant, then MaineHousing staff fitting those into a unifying scheme of expense categories. The submitted budgets varied widely in their level of detail and organizing principles. A great deal of time was devoted to assigning budget items to the appropriate expense categories, but some items may have been misallocated or misinterpreted. Thus, we must allow for some possibility of error, particularly in the distinctions between non-payroll expenses.

Shelter Type	Total ESHAP Shelters	Participating Shelters		Total ESHAP Beds	Participating Beds	
Adult	5	3	60%	117	60	51%
Low Barrier	6	5	83%	442	234	53%
Family	15	6	40%	405	138	34%
Youth	4	2	50%	60	40	67%
DV	11	11	100%	162	162	100%
Region						
A	10	6	60%	591	184	31%
B	4	3	75%	77	67	87%
C	11	9	82%	302	276	91%
D	16	9	56%	216	107	50%
Total	41	27	66%	1,186	634	53%

Table 5 **- Study Participation Rates. For each shelter type and region, this table shows the number and percent participation in terms of shelters and shelter beds.**
Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

Table 5 shows the percentage of all ESHAP shelters and beds represented in the study data, broken down by shelter type and region. Notably, all 11 DV shelters participated and are therefore fully represented. Family shelters have the most limited representation, with just 40% of shelters and about one-third of shelter beds included in the study data.

Summary Statistics

Variables	Observations	Mean	Std Dev	Min	Max
Bed Count	27	23.5	14.71	6	62
Total Expenses	27	$ 815,138.37	$ 786,706.91	$ 111,935.25	$ 2,623,207.45
Operating Expenses	27	$ 46,388.85	$ 68,357.92	$ 0.00	$ 340,000.00
Facilities Expenses	27	$ 70,072.74	$ 51,859.62	$ 7,235.41	$ 214,644.00
Client Expenses	27	$ 43,094.71	$ 55,431.33	$ 500.00	$ 212,000.00
Payroll Expenses	27	$ 655,582.07	$ 693,388.97	$ 72,840.65	$ 2,326,300.34
Wages -	27	$ 529,718.47	$ 569,584.60	$ 50,786.51	$ 1,906,611.34
Benefits -	27	$ 130,721.03	$ 105,550.56	$ 4,918.18	$ 419,689.00
Staff Hours per Bed	27	13.91	12.74	0.03	58.60
Percent Volunteer Hours -	25	4.2%	9.8%	0.00%	40.0%
Percent Part-Time Hours -	25	15.0%	17.7%	0.00%	51.1%
Percent Full-Time Hours -	25	80.8%	18.6%	48.9%	100.0%
Benefits Percent of Payroll	27	16.3%	9.01%	3.9%	33.6%
Navigation	25	0.8	0.36	0	1
Meal Provision (Y/N)	25	0.44	0.50	0	1
Meals Per Day (if Y) -	11	2.45	0.89	1	3
Meals Open to Public -	11	0.27	0.45	0	1

Table 6 **- Summary Statistics. Includes basic statistics on all variables included in the study data.**
Source: Maine shelter provider budgets received by MaineHousing, Sep-Nov 2024.

The summary statistics table above provides basic information about each of the variables used in this study. Where the number of observations is fewer than 27, it is because not all participating shelters provided a response to the questionnaire including that information, or because that variable references information that is only applicable if the shelter had replied in the positive to a previous question (e.g. the fact of meal provision and whether those meals are open to the public).

Variable Definitions

Bed Count: The reported number of beds in each shelter.

Total Expenses: The sum of all expenses for each shelter.

Operating Expenses: All non-payroll expenses associated with normal operations of a shelter but not directly tied to programming or services for shelter residents. Includes administration, staff training, contracted support services (IT, legal, etc.), and all insurance.

Facilities Expenses: All non-payroll expenses associated with the requisition and maintenance of a shelter facility, including rent or mortgage costs, depreciation, utilities, and maintenance.

Client Expenses: All non-payroll expenses directly associated with programming and services for shelter residents, including travel, food, counseling, and all other programmatic expenses.

Payroll Expenses: All payroll expenses, including wages/salaries, benefits, and payroll taxes.

Wages: All wage and salary expenses, including payroll taxes.

Benefits: All benefits expenses incurred by the shelter, including medical, dental, vision, retirement, and other pay-related perks.

Total Staffing Hours: The sum of volunteer hours per week, part-time hours per week, and full-time hours per week, as estimated in response to the study questionnaire.

Staff Hours per Bed: Total Staffing Hours (per week) divided by Bed Count.

Percent Volunteer Hours: Volunteer hours per week estimate divided by total staffing hours.

Percent Part-Time Hours: Part-time hours per week estimate divided by total staffing hours.

Percent Full-Time Hours: Full-time hours per week estimate divided by total staffing hours.

Benefit Percent of Payroll: Benefits divided by Payroll Expenses.

Navigation: An indicator variable equal to 1 if the shelter's budget included the expenses from providing navigation services, and equal to 0 otherwise.

Meal Provision: An indicator variable equal to 1 if the shelter's budget included expenses for providing regular meals to shelter residents, and equal to 0 otherwise.

Meals per Day: For shelters that provide meals, this indicates the number of meals per day, from one to three, that they provide.

Meals Open to Public: For shelters that provide meals, an indicator variable equal to 1 if the meals that are open to non-residents, and equal to 0 otherwise.

Methodology

The estimation strategy used in this study is a multivariate regression model. This approach estimates a baseline average cost per bed, but also the average difference in cost per bed associated with each of the regions and each of the shelter types.

This simple strategy is a result of the small sample size of shelter budgets available in the data. Even with this simplified approach, the relationships identified by our estimates do not perform particularly well in traditional tests of statistical significance. However, the objective of this study is to provide evidence of how much it costs to run shelters in Maine, which is what those estimated relationships are. The cost estimates in this study are the average cost per bed, among the participating shelters, to provide shelter of the given types and in the given locations. Those participating providers represent 66% of all ESHAP shelters in Maine. The available sample size limits the number of variables that we can include in the estimation strategy, but it is non-participation that presents the only real threat to the accuracy of the cost estimates provided above. If, on average, the participating shelters of a given type have lower costs per bed than the non-participating shelters of that type, then these estimates are an underestimation of the true cost of that type shelter provision – and the reverse applies if costs for participants are instead higher on average. Although this is a noteworthy concern, it remains the case that this study provides the best available evidence to date on the cost of shelter services in Maine.