



## Testimony of the Maine Municipal Association (MMA)

### In Conditioned Support of LD 258, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund...for the Fiscal Years Ending June 30, 2024 and June 30, 2025

#### PART VV

February 22, 2023

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Senators Rotundo and Baldacci, Representatives Sachs and Meyer, and members of the Appropriations and Health & Human Services Committees. My name is Kate Dufour, and I am offering testimony in “conditioned” support of PART VV proposed in LD 258 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association’s Legislative Policy Committee and directed to establish MMA’s position on bills of municipal interest.

While municipal officials support the measure found in PART VV seeking to stem the trend of effectively replacing access to long-term housing with use of hotels and other short-term rentals, it is but one of the many solutions that need to be simultaneously implemented to ensure sustainable access to permanent housing.

As proposed, the measure limits the use of General Assistance (GA) funds to cover the costs of housing in short-term establishments for 30 days, generally, and caps assistance at the federal per diem rate for lodging. While the approach seeks to contain these expenditures, without a plan for creating affordable housing and the wrap around services families need, municipalities fear the approach will not achieve the intended outcome and will instead create a process that continues to rely heavily on short-term rentals to address permanent housing needs. When one family exhausts the benefit, it’s highly likely that another will qualify for the assistance.

This unintended outcome is particularly concerning to municipal officials, because the federal per diem rate of \$98 for 30 days – a total of \$2,940 – exceeds the maximum levels of assistance provided under the GA program. Currently, the maximum level of GA for a family of four in Aroostook County is \$1,185 and, in the Portland Fair Market Rent Area, it is \$2,415. With the state reimbursing municipalities for only 70% of those costs, the property taxpayers will be called upon to shoulder greater burdens, including the increasing costs of program administration, which currently does not qualify for state reimbursement.

To be clear, municipal officials appreciate and support the limits and exceptions found in this initiative, but it is not enough. Other measures need to be in place.

Municipal officials look forward to working with the members of the Appropriations and Health and Human Services Committee to develop and implement a package of housing and GA program reforms that seek to deliver important services to Maine's most vulnerable populations. However, these reforms must also reduce the burdens placed on the property taxpayers and municipal employees who are left to implement state policy goals, often without the necessary resources.

Thank you for considering the municipal perspective on this initiative. If you have any questions about our position, please contact me at [kdufour@memun.org](mailto:kdufour@memun.org) or 592-4038.