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Testimony of the Maine Municipal Association

In Opposition to the General Assistance Related Sections of LD 1710, *An Act to Establish the Maine Rental Assistance and Guarantee Program and Amend the Laws Regarding Tenants and the Municipal General Assistance Program*

May 12, 2023

Senator Pierce, Representative Gere and members of the Housing Committee. My name is Kate Dufour, and I am testifying in opposition to the sections of LD 1710 impacting the General Assistance program on behalf of the 70 municipal leaders elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish positions on bills of municipal interest.

Although originally adopted as a program of last resort, over the course of the last several years the General Assistance (GA) program has become an avenue for supplementing all other forms of state and federal aid. Between 2013 and 2022, the state's share for GA expenditures was roughly \$11.2 million, annually. However, as of late, the lingering effects of a global pandemic and the resulting flight to Maine, the rapid conversion of year-round housing to short-term rentals, a booming housing market, and the increasing costs of necessities are all impacting the GA program. In 2023, state reimbursement under the program jumped to \$23 million, increasing the combined state and municipal expenditure to an all-time high of \$32 million.

As a result, the cost of the program continues to increase and place burdens on the property taxpayers who are responsible for funding 30% of the assistance provided as well as 100% of the expenses associated with administering the program.

While municipal officials believe amendments to the program are necessary, unfortunately many of the provisions found in sections 7 to 15 of the bill seek to not only increase costs but to shift additional administrative burdens onto municipal officials.

Calculation of Maximum (Section 7). Municipal officials support amending the manner in which the maximum level of assistance is calculated since the aid provided in many areas of the state falls short of the actual living expenses. However, simply directing municipalities to do so by calculating the limits according to a new formula is not entirely helpful. Instead, the Department of Health and Human Services should be directed to calculate the maximum levels of assistance annually and disseminate that information to municipalities in a timely fashion.

Comprehensive Application Form (Section 10). Not only does this section of the bill require the use of a uniform application for all assistance programs, but it also requires the first point of contact to calculate eligibility for all programs. This is of great concern because it falls as a state mandate on local administrators who will now be required to become experts on all programs. Or conversely, it could put a nonprofit organization in control of the expenditure of property tax dollars without the consent of the very individuals required to pay for a portion of

those costs. Under existing law, a community can already shift responsibility to administer the program to a third party.

Trauma-informed & Culturally and Linguistically Appropriate Services (Section 12). The bill also mandates that GA administrators provide trauma-informed and culturally and linguistically appropriate services, again without any additional state reimbursement.

Of note, the bill defines trauma-informed services, as the provision of services that “acknowledge and are informed by the widespread impact of trauma and recognize the potential paths for recovery; recognize the unique signs and symptoms of trauma in clients, families and staff; respond by fully integrating knowledge about trauma into policies, procedures and practices; and seek to actively avoid retraumatization.” While “culturally and linguistically appropriate services” means “services that are designed to serve culturally diverse populations in a person's preferred language; function effectively within the context of cultural beliefs, behaviors and needs presented by a person who applies to or is a participant in a general assistance program and the person's community; contribute to a work environment that supports diversity; promote community engagement; build trust and relationships with general assistance applicants and participants; actively support and enable general assistance participants to make informed choices; and value and facilitate the exchange of information with general assistance participants.”

These are tasks better suited for social workers who have the appropriate education to properly identify trauma concerns, and not necessarily for the municipal officials who are left to wear many different hats, due in large part, to state level mandates. If this is a priority for the state, then the Department of Health and Human Services should be required to provide those services to municipalities at no expense to the property taxpayers.

Period of Eligibility (Section 13). The bill requires communities to provide up to six months of assistance, instead of the current limit of 30 days, without putting into place the safeguards that prevent a state level claw back of reimbursement or the denial of state aid should a recipient become ineligible for assistance during the period of presumed eligibility. While the ability to assist over a longer period of time could serve as a tool for ensuring the acquisition of permanent housing, without provisions in statutes protecting municipalities, the investment is too high of a risk and too large a financial burden for property taxpayers to shoulder. To put that figure into context, the maximum amount of assistance that would be provided to a single applicant residing in a studio apartment ranges from a low of \$24,912 in an Aroostook County municipality to a high of \$38,592 in a York County community.

However, municipal officials do believe that GA program reforms are necessary and to that end have asked Sen. Moore and Rep. Meyer to submit LD 1664, *An Act to Increase Reimbursement Under the General Assistance Program* and LD 1732, *An Act to Expand the General Assistance Program*, respectively.

The Association's more complex GA related bill (LD 1732) seeks to address some of the issues raised by the municipal officials entrusted to administer the program and are being advanced by a working group of municipal leaders and GA administrators from rural, suburban, and urban communities. The concern among members of the MMA working group is that while the program, which was once a resource of last resort, has morphed into a program that is necessary to supplement other state and federal assistance programs, the laws and rules guiding the program's implementation have not kept up with the evolving environment. The changes proposed in the bill seek to modernize the program by addressing accountability and resources.

Both bills, along with LD 1675, *An Act to Amend the Laws Governing the General Assistance Program Regarding Eligibility, Housing Assistance and State Reimbursement and to Establish a Working Group* and LD 1426, *An Act to Secure Housing for the Most Vulnerable Maine Residents by Amending the Laws Governing Municipal General Assistance* received public hearings on May 5 before the Health & Human Services (HHS) Committee.

Rather than having two communities explore the needed changes to the GA program, we urge the Housing Committee to ask members of the HHS Committee to consider the suggestions found in LD 1710 as they develop an appropriate and comprehensive response to the GA program.

Finally, the provision of LD 1710 seeking to create a rental assistance program has tremendous merit and if properly enacted could relieve the pressures currently placed on the GA program.

Thank you for considering the municipal perspective on this issue.