

Sanford Springvale

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City of Sanford | 919 Main Street, Sanford, Maine 04073 | (207) 324-9173 | sanfordmaine.org

February 22, 2024

Re: Testimony LD 2214 Budget Appropriation Part II and Part OO, General Assistance

Appropriations Committee,

The City of Sanford's General Assistance (GA) reimbursable expenditures increased from a long-term average of approximately \$170,000 per year (reimbursed at 70%) through 2020 to \$250,000 per year in 2021 as a result of post-pandemic housing market instability and resultant rent increases. That housing cost caused increase did not abate in 2022 at \$226,000 in expenditure. This represented the perceived new normal for Sanford because of post-pandemic market conditions. Even so, this new normal represented an increase in volume necessitating bringing on additional staff (not reimbursable.) Sanford could cope.

But of national and international factors, with the random arrival of hundreds of new Mainers (a.k.a. refugees, asylum seekers, etc.) over the course of just a few week in 2023, the expenditure ballooned to \$820,000. New Mainers represented \$600,000 in additional GA expenditure in 2023, a budget overage of \$180,000 to be absorbed. GA is now on track to breach \$1,000,000 in 2024, with new Mainers representing all of that increase: \$750,000 of total GA expenditure, \$0.75 of every GA dollar spent, \$250,000 after reimbursement. This is furthermore necessitating further increases in staffing and language interpretive services in the 2025 budget, again not reimbursable: an approximately \$150,000 increase.

All told, GA and in particular services for new Mainers is expected to cause a \$400,000 increase to the 2025 municipal budget. This increase and gap will cause reductions in other necessary City services.

Of the State, Sanford is asking for:

- Direct reimbursement for the cost of absorbing new Mainers.
- Increasing the reimbursement rate from 70% to 90% to lessen the burden.
- Allowing reimbursement of a portion of administrative costs.
- Reducing the administrative burdens place upon GA because of new requirements enacted by the legislature.
- Allowing municipalities to share GA information through the Wellpac database, currently illegal.

Sincerely,

Ian Houseal
Director of Community Development
City of Sanford
207-608-4101