

Janet T. Mills
Governor

Sara Gagné-Holmes
Acting Commissioner



Maine Department of Health and Human Services
Office for Family Independence
11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011
Tel.: (207) 624-4168; Toll-Free: (800) 442-6003
TTY: Dial 711 (Maine Relay); Fax: (207) 287-3455

April 7, 2025

Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 453 - *An Act to Require the State to Pay 90 Percent of All General Assistance Expenses of Municipalities and Indian Tribes*

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition to LD 453, *An Act to Require the State to Pay 90 Percent of All General Assistance Expenses of Municipalities and Indian Tribes*.

Maine is one of 25 states that operate a General Assistance Program. States vary significantly in how they structure and administer their respective programs. No other state utilizes a matching formula and most cap GA expenditures. Over the past 30 years, eight states have eliminated their General Assistance programs. In Maine, GA was developed more than 40 years ago as a program of last resort. As you all know, GA provides temporary assistance to cover basic needs when individuals are not eligible for other programs, or those programs are insufficient. Assistance is provided through vouchers for basic needs such as food, housing, and medication. Municipalities and Tribes determine eligibility based on state law and rules and pay 30% of the eligible expenditures while the State reimburses the remaining 70%.

Costs for the program have increased three-fold between Fiscal Year 2019 and Fiscal Year 2023, ballooning from \$13 million in FY19 to an all-time high of \$43 million in FY23, for both the State and municipal share of costs. The baseline state budget for the program is \$10.4 million. The increase in costs during this timeframe was related to the COVID-19 pandemic, higher housing costs, and inflation for the cost of food and other necessities supported through this safety net program, as well as policy changes that expanded the definition of a “qualifying emergency” to include homelessness and allow reimbursement for costs exceeding regular program maximums. To cover these increased costs, the Mills Administration and the Legislature have twice approved additional one-time appropriations, with the most recent being an additional one-time appropriation of \$10 million for the current Fiscal Year (2025).

The Department opposes this bill due to the significant fiscal impact which the bill proposes on top of the current serious financial challenges the remain within the program as it currently exists, which this bill does not address. It would lower the municipal share of costs and would require a substantial cost increase to the General Assistance program from the State’s General Fund. If the 90% reimbursement was in effect for SFY23 and SFY24, the state would have incurred an

additional \$15.8 million in costs. In the upcoming biennium, the additional General Fund cost of this proposal would total \$8.9 million and increase in future biennial budgets. For these reasons, the Department opposes LD 453.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in blue ink that reads "Ian Yaffe" with a horizontal line extending from the end of the name.

Ian Yaffe
Director
Office for Family Independence
Maine Department of Health and Human Services