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April 7, 2025

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

Re: LD 1029 - *An Act to Ensure General Assistance for Housing Does Not Reduce Assistance for Other Basic Necessities and to Increase Presumptive Eligibility and State Reimbursement for General Assistance*

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 1029, *An Act to Ensure General Assistance for Housing Does Not Reduce Assistance for Other Basic Necessities and to Increase Presumptive Eligibility and State Reimbursement for General Assistance*.

Given the general fund impact of this bill, the Department is opposed to its passage. Below is additional information for your consideration.

This bill requires that the cost of housing assistance in the General Assistance program would not prevent an applicant from receiving assistance for other basic necessities and creates the expectation that General Assistance must sufficiently provide for both housing and other needs. This bill proposes an increase to the period of presumptive eligibility for guests of an emergency shelter from 30 days to 180 days. Finally, LD 1029 requires increases in state reimbursement to municipalities and Indian tribes from 70% to 90% for direct costs of general assistance and from 70% to 100% for the direct costs in providing emergency shelter assistance.

The requirement to provide assistance sufficiently for housing and other basic necessities would alter the method of determining how financial eligibility is calculated by General Assistance administrators, which would significantly increase the amount of assistance expended overall. The current maximums are calculated based on statutory requirements within 22 M.R.S. § 4304 which take into consideration the most recent housing fair market rents as established by the United States Department of Housing and Urban Development and the percentage increase of the annually updated federal poverty level as defined by the federal Department of Health and Human Services. Reimbursing shelters for bed-nights at 100% of the cost may reduce eligibility for an applicant with other needs, reduce incentives for shelters to operate efficiently, and strain limited resources that could be better allocated to long-term solutions for homelessness.

General Assistance is designed to help those in need, and it is a program that allows for repeat application and aid while administrators closely follow an applicant's changes in resources and expenses. Each application period and meeting between the General Assistance administrator and the client provides an opportunity for the administrator to verify an applicant's accountability and program eligibility. General Assistance is not intended to be an inherent, continuous financial source. 22 M.R.S. § 4301 states that the program "provides a specific amount and type of aid for defined needs during a limited period of time and is not intended to be continuing "grant-in-aid" or "categorical" welfare program." The Department is currently studying eligibility periods and will be sending a report to this committee by January 30, 2026, as required by MRS 22, Ch. 1161, §4327.

Under current law, municipalities and Tribes have a 30% share in the direct costs of assistance to eligible General Assistance recipients. The Department reimburses municipalities for 70% of eligible expenditures. The current reimbursement rate has been in effect since 2015, and it ensures shared financial responsibility for General Assistance expenses. It also reflects the significant decision-making and control that municipalities have over the operation of the program, consistent with guidance and oversight from the Department.

The Department is opposed to this bill primarily because it would significantly increase costs. Increased levels of assistance, eligibility durations, and the increased State reimbursement share would require significant funding. Absent increased financing, which must be legislatively authorized, the Department is not able to absorb the prospective costs associated with LD 1029.

We wanted you to be aware of the above information as you consider this bill going forward. If you have any further questions during your deliberation of this bill, please feel free to contact me or the Department's Government Relations Director, Abby Stivers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ian Yaffe", with a horizontal line extending to the right.

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