

**Testimony in Support of LD 978, “An Act to Increase General Assistance Reimbursement for Municipalities and Indian Tribes”**

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James Myall, Senior Policy Analyst

Dear Senator Ingwersen, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services. My name is James Myall, and I am a Senior Policy Analyst at the Maine Center for Economic Policy. I am writing in support of LD 978 “An Act to Increase General Assistance Reimbursement for Municipalities and Indian Tribes.” MECEP believes that robust state funding for municipal General Assistance (GA) programs is crucial to ensuring the program adequately serves vulnerable members.

The current system of GA funding encourages towns to pass responsibility for their vulnerable residents onto other municipalities. Small communities with limited property tax bases already feel pressure not to provide support services to their residents, and limiting GA reimbursement adds to this. On the other hand, service center communities like Portland, Bangor, and Lewiston, which are home to more of the supports that vulnerable Mainers need, find themselves welcoming Mainers from some of these same small communities, while footing the cost.

Similarly, the lack of adequate GA reimbursement discourages communities across the state from welcoming New Mainers, for fear of the costs associated with providing help to these new arrivals. This means that even parts of the state which could benefit from more residents and future workers miss out on economic growth due to short-term costs.

Furthermore, more state support for GA also makes the program more equitable for Maine taxpayers. When GA costs come from local communities, that means funding through property taxes, which hits Mainers on low incomes harder. Funding through the state, meanwhile, comes through a mix of income and sales taxes, which asks more of higher income Mainers.

MECEP does have concerns that LD 978 may not increase the reimbursement rate for GA quickly enough for some communities. By delaying the increased state reimbursement for the communities with the highest GA costs, the bill will continue some of the inequities in the current GA system, where service center communities are financially punished for their provision of services.

Nonetheless, MECEP supports the intention and direction of LD 978 in increasing state reimbursement to municipalities for GA expenses, and I urge you to vote "ought to pass."

Thank you for your attention. I can be reached at [jmyall@mecep.org](mailto:jmyall@mecep.org) with any questions.