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May 19, 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 1959 - *An Act to Prohibit the Department of Health and Human Services from Reducing General Assistance Reimbursement Maximums for Payment of Costs of Providing Emergency Shelter*

Senator Ingwersen, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services:

This letter is to convey the Department's opposition to LD 1959, *An Act to Prohibit the Department of Health and Human Services from Reducing General Assistance Reimbursement Maximums for Payment of Costs of Providing Emergency Shelter*.

This bill, retroactively to July 1, 2023, increases the level of shelter bed-night reimbursement that a shelter provider may receive through the General Assistance (GA) program by removing the aspect of financial eligibility determination based on household size, location, and bedroom size, and allowing shelters to bill at any rate the shelter provider deems necessary to maintain shelter operations.

This bill further prohibits the Department from adopting any rule that restricts maximum payments for shelter bed-nights or reduces the duration of eligibility in which a shelter provider may receive reimbursement at the rate set by the shelter provider. This bill also specifically excludes emergency shelters from the definition of a "lodging place" which otherwise is defined as a fixed structure used as a place where sleeping accommodations are furnished that offers stays that are temporary in nature and consist of fewer than 183 days in the aggregate per year.

The Department currently – and historically - reimburses municipalities for emergency shelter beds for eligible individuals at the equivalent housing maximum for a single individual, referred to as the "zero-bedroom rate." The zero-bedroom rate is the applicable fair market rental rate for a single individual and this is the maximum amount of assistance for housing that a single individual may receive in the program. These rates are adjusted annually and based on local data from United States Department of Housing and Urban Development. The Department is only aware of one municipality that has requested reimbursement for emergency shelter beds at a rate that is greater than the cost of a comparable apartment in that community. There is an ongoing

administrative hearing and lawsuit with this municipality and the Department is unable to provide more information at this time.


The Department opposes this bill primarily due to the significant fiscal impact which the bill proposes and because it would remove the connection between household composition, available resources, and locally adjusted fair market rents from the housing assistance that is provided to eligible individuals. The Department recognizes the importance of emergency shelters throughout Maine but believes that removing any ability to cap spending and reimbursement to shelter providers ultimately removes the Department and municipal administrator's ability to follow budgeted guidelines and maintain fiscal responsibility. GA is not an efficient mechanism to address the funding needs of emergency shelters compared to the immediate basic needs of individuals and families who access the program.

If enacted, the Department has additional concerns about removing overnight emergency shelters from being considered temporary lodging places. The term "temporary lodging" largely refers to short-term accommodations, where an individual resides for a limited duration. By definition, emergency shelters are designed to meet immediate, short-term needs; this aligns with both the program's intent and existing statutory framework. Creating a statutory distinction that emergency shelters are *not* considered temporary lodging risks introducing significant confusion for program administrators and applicants. GA regulations determine which municipality is financially responsible for an applicant based, in part, on the type of housing at the time of application. Changing the classification of emergency shelters to something other than temporary lodging could inadvertently alter how municipalities interpret their financial obligations, leading to inconsistency, dispute, and potential harm to applicants.

Finally, the Department is aware that some have suggested that the rule should have been major substantive. We would remind the Legislature that the determination of whether a rule is routine technical or major substantive is made in statute, set by the Legislature. The Department does not have discretion on this determination.

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 from the end.

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