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RACHEL TALBOT ROSS
SPEAKER OF THE HOUSE

Friday, May 5th, 2023

*Testimony of Speaker Rachel Talbot Ross supporting
**LD 1664, An Act to Increase Reimbursement Under the
General Assistance Program**
Before the Joint Select Committee on Health & Human Services*

Senator Baldacci, Representative Meyer and esteemed members of the Joint Standing Committee on Health and Human Services, I am Rachel Talbot Ross I represent House District 118, which is the Portland peninsula, and I also have the distinct honor of serving as the Maine Speaker of the House I am here today to offer my support to **LD 1664, An Act to Increase Reimbursement Under the General Assistance Program** by Senator Marianne Moore, , LD 1426, An Act to Secure Housing for the Most Vulnerable Maine Residents by Amending the Laws Governing Municipal General Assistance by Representative Kristi Mathieson,, LD 1675, An Act to Amend the Laws Governing the General Assistance Program Regarding Eligibility, Housing Assistance and State Reimbursement and to Establish a Working Group, by Representative ^{BRENNAN} Michele Meyer, and LD 1732, An Act to Expand the General Assistance Program, by Representative ^{MELOR} Michael Brennan

I am especially proud to join Senator Moore as lead cosponsor on LD 1664 and of the bipartisan cooperation this embodies

General assistance or GA helps individuals and families meet their basic needs For many, this is the assistance of last resort for rent, food, medication, fuel, utilities, and other essential services, and to be clear, assistance is distributed voucher form and no cash assistance is granted

Currently, the State reimburses 70% of municipal costs for General Assistance In 2019, the State of Maine provided \$12.7M in reimbursement to municipalities for GA expenses In FY2022, the cost to the state rose to \$37M What has changed? A pandemic, global disruption that led people to our door seeking a better life, a housing crisis, rising costs due to inflation, and rising

District 118: Portland neighborhoods of Parkside, Bayside, East Bayside, Oakdale and the University of Southern Maine Campus

interest rates intended to combat that inflation have all conspired to push more people further away from financial independence and closer to that last resort

The sharp increase in GA costs is a symptom of much deeper, systemic issues, including a lack of appropriate housing for so many Maine people. While meaningful steps are being taken by the Legislature at this very moment to address these issues, I believe the financial consequences of these issues, as reflected in rising GA costs, underscores the urgency with which they must be addressed. **Senator Moore's bill moves the reimbursement for municipalities to 90%.**

In the City of Portland between FY19 and FY22, GA client expenses increased by 345%. This is due primarily to the drastic increase in demand for emergency housing. In FY22, a total of \$32.56M was spent on GA client expenses in Portland, 70% of which (\$22.79M) was reimbursed. This left the city to fill a \$9.8M gap. If this legislation were enacted, that gap would be \$6.5M.

However, this is not just a Portland problem. Many of the individuals approved for GA come to Portland from other Maine municipalities, states, and countries. Last year 80% of the reimbursement went to the City of Portland. This year the City of Bangor has already seen a 75% increase in GA costs.

Ultimately, a higher reimbursement rate is required in order to allow municipalities to effectively fulfill their GA obligations and avoid cutting back on other essential programs and services. This obligation cannot be shouldered alone by property tax payers in our largest municipalities - this is a statewide issue.

Echoing what you will hear from the Maine Municipal Association, I want to underscore for you how important it is that we continue to support the state/municipal partnership by sharing the burden of providing the most basic of necessities to Maine's most vulnerable residents.

South Portland alone projects that next fiscal year, they would pay \$805,460 after 70% reimbursement, and at 90% would pay \$273,970, costing property tax payers over half a million dollars.

I thank you for your time and attention this morning and ask for your support of LD 1664. While I am happy to answer any questions you might have, you will be hearing from experts in this field as well as from persons whose lives were changed for the better through access to this vital assistance.