



CITY OF
**SOUTH
PORTLAND**
Executive Department

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May 5, 2023

Joint Standing Committee on Health & Human Services
100 State House Station
Augusta, ME 04333

Re Support of LD 1426, LD 1664, and LD 1732, Opposition of LD 1675

Dear Sen Baldacci, Rep Meyer, and HHS Committee Members

The City of South Portland urges your support of LD 1426 **An Act to Secure Housing for the Most Vulnerable Maine Residents by Amending the Laws Governing Municipal General Assistance**, LD 1664 **An Act to Increase Reimbursement Under the General Assistance Program**, and LD 1732 **An Act to Expand the General Assistance Program**; and opposition to 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**.

The General Assistance (GA) program has long had its flaws, but the pandemic and recent housing crisis have exposed even more weaknesses. The three pieces of legislation we support will strengthen GA both for those in need, as well as for the municipalities that administer the program.

LD 1426 (Support)

While we are generally opposed to adding more burdens onto the ever-growing list of tasks municipalities must perform, requiring GA training is a worthy exception and this bill provides for that. GA officials in some smaller communities do not fully understand the program and its requirements, especially when administering GA is not the primary, secondary, or even tertiary duty of the staff person to whom it is assigned. If the officials charged with administering the program do not understand its benefits, timelines, and other requirements, we cannot be sure those in need are receiving the services they may be entitled to. In addition, when officials are unaware of certain requirements such as being available to handle emergency applications and responding within 24 hours, clients will seek out other municipalities that have full-time staff, thus unfairly burdening those other communities. Unfortunately, we have experienced this in South Portland.

LD 1426 also provides needed reforms to the maximums that GA can provide for housing assistance. In this unprecedented housing market, the GA rent maximums are often insufficient, especially in Cumberland County. In South Portland, we have a hard time finding rents that fall within these guidelines. Although municipalities on their own can exceed maximums, this presents two problems – first, the State will not reimburse for that additional amount (except for in emergency situations for up to 30 days), and second, since most communities do not exceed maximums, those who do become magnets and end up bearing

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the burden of the region's unhoused and housing insecure. Basing GA rent maximums on more realistic data will lead to an increase in the amounts that Maine towns and cities can pay for rental assistance, thus opening up far more housing opportunities than currently available.

South Portland believes GA should be administered on a regional level, or ideally at the State level. This would better ensure that all municipalities have a role in funding and serving as host for those in need, rather than mainly relying on larger service centers for assistance. Homelessness truly is a statewide issue. Since a state or regional model is not currently being considered, one small way to better ensure all Mainers have a hand in assisting those in need is by increasing the State's share of General Assistance from 70% to 90%, as proposed in LD 1426. In South Portland, we anticipate a half million-dollar benefit next fiscal year at this higher reimbursement rate.

LD 1426 also requires the State to respond to municipal inquiries within a 24-hour timeframe and to maintain a client database, which is necessary to help expedite determinations of GA eligibility.

Finally, LD 1426 recognizes that GA costs are not just limited to providing rental assistance or food vouchers. Hiring and training staff and providing them with office space and other benefits is also a cost of the program. For the first time this bill would recognize that these costs also place a burden on municipalities, especially larger ones with multiple staff, and are worthy of some reimbursement. LD 1426 calls for a 5% reimbursement of GA administrative costs to Maine's towns and cities. For South Portland, this means approx. \$15,000 in savings.

LD 1664 (Support)

Similar to LD 1426, this bill would increase GA reimbursement from 70% to 90%, resulting in a savings to South Portland taxpayers of nearly half a million dollars. We support this change.

LD 1732 (Support)

This is another critical piece of legislation. Similar to LD 1426, this bill requires training for GA officials, increases the State's reimbursement to municipalities from 70% to 90%, and provides for a statewide GA database. It further expands on LD 1426 by not just requiring 24-hour technical assistance from the State, but also mandating that decisions from the State must be put in writing and cite the law or rule upon which their determination was made. This is essential as at times municipalities receive conflicting guidance from the State – often verbally – and some decisions appear to be more arbitrary than rooted in the rule of law. This can lead to situations where requirements are imposed on municipalities that are not actually legally mandated, or disallowing actions that are

This legislation also helps to diminish the perverse incentive municipalities have to place their GA clients into other communities to save money. Currently, if a municipality places a GA client into housing in another community, they only need to pay for one month of assistance, after which the new municipality becomes responsible. Or, if a community places a GA client into temporary housing such as a hotel or shelter in another town or city, they only need to pay for six months of assistance before it becomes the other community's responsibility. LD 1732 would increase those timelines from one month to six months, and six months to 12 months, respectively.

During the pandemic, hundreds if not thousands of GA clients were placed into South Portland hotels by other municipalities, thus placing a massive strain on our GA staff and budget. While other communities saved money by doing this, South Portland had to hire more GA staff and raise taxes and use ARPA funding to cover skyrocketing GA costs. In addition, the strain this influx of unhoused into our hotels placed on our public safety personnel was significant. At the height of the pandemic in 2021, calls for service to our Police and Fire/EMS Departments increased by 256% over pre-pandemic numbers, meaning we were responding to over seven calls per day on average just to our hotels. Although we have taken steps to improve this situation, calls were still up 155% last year.

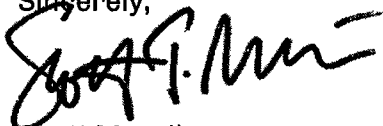
Finally, like LD 1426 this bill provides for a needed 5% reimbursement of GA administrative costs, but also reimburses 100% of the costs incurred for certain medical expenses, emergency assistance that exceeds maximums, temporary housing, and interpreter services. This is a vast improvement over LD 1664 and would yield tens of thousands of dollars more in savings annually for South Portland.

LD 1675 (Oppose)

Although we appreciate some aspects of this bill, South Portland opposes LD 1675 as it contains some undesirable elements. For starters, it limits which communities would receive a 90% reimbursement under the GA program based on a formula involving GA expenditures and the municipality's assessed valuation. Instead of relying on a mathematical formula, we believe the State should recognize its primary role in assisting unhoused and housing insecure individuals and simply cover 90% of the costs for all communities. More concerning, this bill proposes a working group be formed with the purpose of turning GA on its head from a program of last resort to a housing navigator/assistance program. This additional burden is not the role for municipalities, and we prefer the approach in other legislation such as the Speaker's Bill LD 1721 to address housing issues.

Thank you for your consideration.

Sincerely,



Scott Morelli
City Manager