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Testimony of Deborah Ibonwa, Maine Equal Justice in *support* of 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

May 5, 2023

Good morning Senator Baldacci, Representative Meyer, and members of the Committee on Health and Human Services My name is Deborah Ibonwa, I use she/her pronouns, and I am a Legal Advocate at Maine Equal Justice We are a civil legal services organization working with and for people with low income seeking solutions to poverty through legal representation, organizing, education, and policy advocacy I am testifying in support of LD 1675

What this Bill Will Do

This bill proposes the following changes

- 1 A municipality shall calculate housing assistance under this chapter equivalent to the amount of rental assistance provided for tenant-based housing choice vouchers,
- 2 A municipality is authorized to redetermine a general assistance eligibility for benefits every 6 months,
- 3 Increases to 90% the amount of state reimbursement for the costs of general assistance incurred by a municipality and each Indian tribe when a municipality incurs net general assistance costs in excess of 0 008% of that municipality's most recent state valuation,
- 4 Create a working group to conduct a study and that no later than December 6, 2023 shall make recommendations related to a uniform intake process and the conversion of the general assistance program into a housing assistance program

Maine Equal Justice supports LD 1675 because:

Many of the changes proposed by this bill have been recommended by legislatively created GA working groups that extensively reviewed the general assistance program in the past. Those

working groups always consisted of a diverse group of stakeholders, including Maine Equal Justice, Maine Municipal Association, housing developers, and others ¹

This bill will make general assistance a more reliable source of assistance for both landlords and low-income tenants

- Making the GA program to work like a voucher program would make landlords see the program as a more reliable source of income, making it easier for people to obtain housing when they apply Currently, GA primarily functions as a rental assistance program and has worked this way for a long time. This is the main source of rental assistance for most of Maine's residents with extremely low income, but for reasons such as the program looking different in every town and the short eligibility periods, landlords are more likely to rent to someone with a Section 8 voucher than a GA voucher. Section 8 vouchers cover the actual cost of rent for the tenant minus 30% of the tenant's income if GA maximums are calculated the same way, more tenants will be able to afford to be housed. Right now, the fair market value is way beyond the average income of a Mainer with low income. Maine Equal Justice's clients are people with income at or below 250% of the poverty level, meaning they would all benefit from this change.
- By increasing the eligibility period for rental assistance from 30 days to 6 months, tenants and landlords alike won't have to worry about having a place to live every month or being paid every month. This is another measure that makes the program more reliable for all parties involved even the GA officers who won't have to be overwhelmed by processing dozens of GA applications for rental assistance. This is especially true for the larger cities that have robust GA programs and offer many other necessary resources for those that need it (i.e., Portland, Bangor, etc)

Increasing the Reimbursement Rate for Municipalities will Increase the Sustainability of the Program

By increasing the rate of reimbursement to 90% for GA expenditures for municipalities that have the highest general assistance costs, more people will be able to get the amount of assistance they need, because GA overseers will know that the money will come back to the towns. If municipalities can better rely on the state to support them financially, the rental assistance will be more generous for applicants, and in turn be more reliable for landlords when considering rent applications. The impact that this change would have in terms of keeping more people sheltered is immense. A high rate of reimbursement which is guaranteed to municipalities for something such as rental assistance would make GA a more reliable source of rent in the eyes of

¹ Maine Department of Health and Human Services 2013 General Assistance Working Group Recommendation Report http://lldc.mainelegislature.org/Open/Rpts/hv98_m2m346_2013.pdf

²⁰¹⁵ report of a legislatively created working group on affordable housing (and which talks a good amount about GA) https://digitalmaine.com/cgi/viewcontent.cgi?article=1013&context=housing_docs

²⁰²⁰ report of a legislatively created working group on GA https://legislature.maine.gov/doc/3873

landlords, reducing the risk of source of income discrimination and increasing the number of people who would be able to maintain housing and shelter

Before closing, I would also like to address the proposal to have a working group examine turning GA into a housing program. We don't believe additional working groups are needed given that we have the recommendations from previous working groups to help inform the changes that can strengthen GA. However, if a working group is convened, it should not focus on limiting what basic needs GA can support. While GA has primarily been used for housing in recent years, participants still utilize it for other needs, including food and health needs. We would not want to see that flexibility lost.

CONCLUSION

LD 1675 is a common-sense proposal to streamline the delivery of assistance to people who are in need of shelter and rental assistance at this unprecedented time, help ensure that the municipalities that bear the lion's share of responsibility for providing GA to vulnerable people in the state can continue to do so in a way that is efficient, sustainable, and in accordance with the law, and overall make the program more reliable. Many of these proposals are the recommendations from GA working groups that represented the interests of all stakeholders. For these reasons, I urge you to pass LD 1675

I am happy to answer any questions