



**MAINE MUNICIPAL
ASSOCIATION SINCE 1936**

60 Community Drive | Augusta ME 04330 9486
1-800 452-8786 (in state) | (t) 207 623 8428
(f) 207 624-0129

Testimony of the Maine Municipal Association

In 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

May 5, 2023

Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee My name is Kate Dufour, and I am testifying in opposition to LD 1675 on behalf of the 70 municipal leaders elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish positions on bills of municipal interest

Calculation of Maximum. Municipal officials support the provision of the bill seeking to amend the way in which the maximum level of assistance is calculated However, simply directing municipalities to do so is not entirely helpful as it places additional burdens on the property taxpayers who are left to bear the cost of administering the program without any state reimbursement Instead, the department should be directed to calculate the maximum levels of assistance annually, and to disseminate that information to municipalities in a timely fashion

The remaining elements of LD 1675 are of greater concern

Period of Eligibility. Although the bill allows, but does not mandate, communities to provide up to six months of assistance, there is nothing in the bill to safeguard municipalities from a state level claw back of reimbursement should a recipient become ineligible for assistance during the six-month period While the ability to provide assistance over a longer period of time could serve as a tool for ensuring the acquisition of permanent housing, without provisions in statutes to protect municipalities, the investment may present too high of a risk or too large a financial burden for property taxpayers to shoulder To put that figure into context, the maximum amount of assistance that could be provided to a single applicant residing in a studio apartment ranges from a low of \$4,152 in an Aroostook County municipality to a high of \$6,432 in a York County community

State Reimbursement. The bill also complicates and limits access to enhanced state reimbursement The property taxpayers in all municipalities across the state deserve relief As proposed in the bill, the state is only obligated to increase reimbursement to 90% when a community incurs GA costs in excess of 008% of a community's state assessed value Furthermore, the enhanced reimbursement applies only to the expenditures over and above the threshold As an example, Augusta would have to spend \$173,976 before triggering any enhanced reimbursement For the city of Hallowell, the base would be \$25,936 While the funding approach envisioned in LD 1675 comes with a less hefty fiscal note for the state, municipal officials instead support increasing the rate of reimbursement from the current 70% to 90% so all municipalities benefit

Study Group. Finally, municipal officials are gravely concerned with the open-ended approach to the creation of a working group directed to convert GA into a housing program. Without any guidance, direction or parameters, municipal officials fear that the group's recommendations could shift additional costs onto property taxpayers.

Over the course of this hearing, you will be presented with many suggestions for improving the GA program, all with merit and worthy of further exploration and discussion. To that end, MMA is available and willing to work with the Committee, sponsors and interested parties to develop consensus on the best path forward.

Thank you for considering the municipal perspective on this issue. If you have any questions about the Association's position on this bill, please do not hesitate to contact me at kdufour@memun.org or 1-800-452-8786.