

Town of Winthrop

17 Highland Avenue
Winthrop, Maine 04364
winthropmaine.org
207-377-7200

Feb. 26, 2024

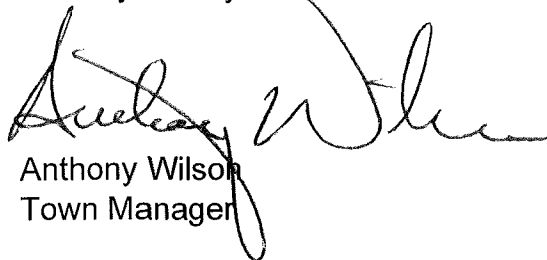
The Town of Winthrop supports increasing General Assistance reimbursement to municipalities from 70% to 90%. We have discussed this proposal with our legislators, State Rep. Tavis Hasenfus and State Sen. Craig Hickman, and they, too, support an increased reimbursement. To that end, the Town of Winthrop endorses transferring \$5 million from the General Fund's unappropriated surplus to the General Assistance program, along with passage of LD 1664 to increase reimbursement to towns. We view this as the best first step in an ongoing effort to improve the GA program, perhaps by enacting some of the proposals within LD 1732 in subsequent legislative sessions.


Winthrop's General Assistance budget has recently been impacted by the emergence of three recovery residences, including a 45-bed facility. To account for the marked increase in applications, this year's GA budget quadrupled to \$40,000 over its FY 22 levels. Even then, through 50% of the fiscal year, the Town spent 71% of that increased budget as the number of applications has tripled. That has necessitated adding a 20-hour-per-week employee to accommodate the increase. That towns receive no reimbursement for the cost of administering this state-mandated program has exacerbated the financial impact on local taxpayers.

If Winthrop's 45-bed recovery residence were full, and each resident applied monthly for GA at the maximum rate of \$819 (including \$662.50 for recovery residence rent), the annual expenditure would total \$442,260. Deducting a 70-percent reimbursement would still leave Winthrop taxpayers responsible for funding \$132,678, mostly to assist people with no ties to the community. That equates to approximately 20% of one mil in Winthrop.

In short, increasing reimbursements to 90% before mandating that towns meet additional responsibilities and obligations associated with the General Assistance program is a matter of fairness for local taxpayers. Even then, towns would need additional resources to provide the higher levels of service proposed in 1732. That is a discussion that should occur in the next legislative session.

Thank you for your consideration.


Anthony Wilson
Town Manager


Shannon McDonnell
Town Council Chair