

Mayor and Council Offices

Mark Dion

Mayor

February 21, 2025



In Opposition to Certain Proposed Portions of LD 210

An Act Making United Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026, and June 30, 2027

Good afternoon, Senator Rotundo and Representative Gattine and Members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Mark Dion, and I am the Mayor of Portland. I submit this testimony in opposition to certain proposed portions of LD 210, which would dramatically limit the state's share of General Assistance (GA) to municipalities and cut off hundreds of households dependent on this short-term emergency relief.

While the Supplemental Budget may not yet be completed, our understanding is that the proposed limit on General Assistance from no time limit (as is currently in statute)¹ to three months eligibility for housing assistance and thirty days of aid for all other non-housing related living expenses during a twelve-month period has been moved to the Biennial budget. As such, I am here to express the City of Portland's opposition to these time limits and to provide additional context for the financial pressure that is a result from the State's decisions around General Assistance.

First, regarding the proposed time limits: the time limits may increase evictions of vulnerable tenants, many of whom have jobs, children in schools, and other community connections. Pushing those households toward or into homelessness would further burden the already under-resourced statewide emergency shelter and transitional housing networks. Additionally, these new restrictions may deter landlords from renting to people receiving General Assistance, impacting future households' ability to achieve self-sufficiency. Lastly, prohibiting reimbursement for municipalities that exceed the maximum levels of assistance because of the true costs of basic living in our municipality ignores the financial reality of Portland and other service centers that are meeting this state obligation. Ultimately, such a policy decision further pushes the costs onto local taxpayers.

¹ The budget language for Part s has a "9" stricken through before the addition of the 3, which makes it appear as though the proposal is from a nine-month limit to a three-month; however, under current law there is no time period cap on housing assistance. There was a nine-month limit during the period from July 1, 2012 to June 30, 2013. 22 M.R.S. § 4308(1-A).

While it is true that there are exceptions for supporting temporary housing or emergency shelters, as well as for certain hardships, we cannot stress enough the concerns this raises for those across the state who rely on short-term GA to get through a hard patch while remaining housed, or for those working to achieve self-sufficiency in this historically difficult housing environment.

If this cap in Part S is adopted, nearly 600 Portland households may face eviction. I expect similar impacts would be felt in other municipalities across the state. Cutting support for those relying on short term General Assistance for rent would jeopardize our ability to serve Mainers who have nowhere else to turn and will push people into homelessness. This is at a time when the entire state continues to face housing shortages, rising building costs, and ongoing high costs of rent, food and other basic necessities. Our staff estimates that the proposed GA cap could shift as much as \$5 million to the City property tax levy if we continued to fund General Assistance beyond the proposed three-month cap.

Second, contextually, it is important for us to say that this is not the only proposed change to General Assistance that results in a cost shift to municipalities. Perhaps the most impactful and biggest cost shift the State is proposing is the Department of Health and Human Services proposed rule to cap the reimbursable cost of congregate shelter per bed night rates at \$44. Our actual eligible costs are frequently as high as \$87 per night at the Homeless Services Center. A recent Maine State Housing Authority study reports that the average costs statewide among twenty-seven Maine shelters is \$95 per night.² Our staff estimates that State's proposed cap on shelter bed costs will result in a \$4.4 million loss for the City of Portland.

Additionally, while the State General Assistance Reimbursement to municipalities is 70% under the law, Portland's actual reimbursement is down to approximately 50% due to certain basic costs and some shelter stayers being ineligible for State Reimbursement. Depending on which changes the State implements, this "actual reimbursement percentage" may drop to below 20% of our total costs being reimbursed next year (a loss of \$9.54M in GA reimbursement revenue is currently estimated).

The City of Portland is acutely aware of the high cost of addressing homelessness and the financial burden of Maine's General Assistance mandate on both the State and local municipalities. We appreciate the investments in short and long-term housing by this Administration in partnership with the Legislature, especially the state-municipal partnership to open the Homeless Services Center. The Homeless Services Center, together with the City's other emergency shelters, provides nearly 220,000 bed nights each year.

However, these proposals I have outlined today would undermine these and other state and municipal investments. As such, they would bring harm to our communities. For these reasons, we urge you to reject the proposed GA limit of three months eligibility for housing

² Jonathan Kurzfeld, Ph.D., and Erik Jorgensen, Maine State Housing Authority, Shelter Cost Study, Jan. 2025.

assistance and thirty days of aid for all other non-housing living expenses during a twelve-month period.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dion", with a large, sweeping flourish at the end.

Mark Dion
Mayor
City of Portland, Maine