

Health & Human Services

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In Support of LD 1029, An Act to Ensure General Assistance for Housing Does Not Reduce Assistance for Other Basic Necessities and to Increase Presumptive Eligibility and State Reimbursement for General Assistance, LD 1178, An Act to Expedite the Process Involving Municipalities That Illegally Move a Person to Avoid Responsibility for General Assistance Support, and LD 453 An Act to Require the State to Pay 90 Percent of All General Assistance Expenses of Municipalities and Indian Tribes,
and

In Opposition to LD 1046, An Act to Establish a 180-day State Residency Requirement for Receiving Municipal General Assistance.

Before the Joint Standing Committee on Health and Human Services

April 7, 2025

Senator Ingwersen, Representative Meyer and distinguished members of the Joint Standing Committee on Health and Human Services, I am Ryan Gorneau, Assistant Director of Social Services Dept., City of Portland. Thank you for this opportunity to testify on these important bills today.

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. I am here to express the City of Portland's general opposition to proposed further time limits on and restrictions to General Assistance, to express the City's support of adequate coverage of housing and basic necessities and a return to a 90% reimbursement rate to meet the statutory obligation GA puts on cities and towns, and to ask for improved accountability across General Assistance programs statewide. Finally, it is my job to provide additional context for the financial pressure that is a result from the State's decisions around General Assistance.

LD 1029 makes an important change because it would allow GA to be available for housing while also meeting other basic necessities such as food and prescriptions and it would extend presumptive eligibility, allowing a client eligible for GA to stay in an emergency shelter and have the city be reimbursed for that stay, rather than deepening operating deficits or rather than the client sleeping outside.

LD 1029 and LD 453 both propose to increase from 70% to 90% the amount of state reimbursement for the costs of general assistance incurred by each municipality and Indian tribe. While under current law, the State General Assistance Reimbursement to municipalities is 70%, 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 of the proposed 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). As such, returning the reimbursement rate to 90% is a badly needed change. However, if LD 1029 is passed without the increase of state reimbursement from 70% to 90%, then this bill could in fact have a large fiscal impact to a municipality or township, so would encourage the passage as the bill is written.

Another needed change is proposed in LD 1178. While technically prohibited by statute, our experience is that other municipalities frequently redirect individuals to Portland, regardless of their eligibility elsewhere. This is not new information. As such, LD 1178 addresses a real and urgent problem by improving accountability in meaningful ways. It shortens the Department of Health and Human Services' response window for GA appeals from 30 to 15 days, imposes interest penalties on repeat violators, and establishes a presumption of illegal displacement when a municipality provides transportation without documentation. These are practical, enforceable tools that can help prevent abuses of the system and ensure that no city or town is allowed to shift its responsibility onto others.

The City is opposed LD 1046; An Act to Establish a 180-day State Residency Requirement for Receiving Municipal General Assistance because a six month residency requirement means municipal staff will be responsible for gathering and tracking yet more information, and defining "residency" in the face of residents attempting to navigate crises level emergencies. We would suggest that improving accountability for municipalities that send their residents elsewhere is more effective than establishing a residency requirement.

Clients who are eligible for general assistance have come to their municipality because they, by statutory definition, cannot meet their basic needs: shelter, food, heat, medication.

Contextually, it is important for us to say that these are not the only proposed changes to General Assistance that others being discussed in the budget and at DHHS result 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 night¹. 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.

¹ [1] Jonathan Kurzfeld, Ph.D., and Erik Jorgensen, Maine State Housing Authority, *Shelter Cost Study*, Jan. 2025.

Portland respectfully urges the Committee to support municipalities as we work to meet our GA obligation and to ensure that GA resources are meeting the needs of struggling Mainers without overburdening local governments. LDs 1029, 1178 and LD 453 are steps in the right direction. We ask that you support them and ask that you oppose LD 1046.

Thank you for your time and your consideration.