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Testimony of the Office for Family Independence
Maine Department of Health and Human Services

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 453, *An Act to Require the State to Pay 90 Percent of All General Assistance Expenses of Municipalities and Indian Tribe;*

LD 637, *Resolve, Directing the Department of Health and Human Services to Evaluate the Municipal General Assistance Program Database;*

LD 657, *An Act to Modify the Law Governing Municipal General Assistance by Designating Broadband Internet Access Service and Wireless Access Point Technology as Basic Necessities;*

LD 1017, *An Act to Include Food Provided or Served at Emergency Shelters in General Assistance Reimbursement;*

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 1046, *An Act to Establish a 180-day State Residency Requirement for Receiving Municipal General Assistance;*

LD 1066, *An Act Regarding Limits on Municipal General Assistance Programs;*

LD 1178, *An Act to Expedite the Process Involving Municipalities That Illegally Move a Person to Avoid Responsibility for General Assistance Support;*

LD 1274, *An Act to Cap State General Assistance Reimbursement to Municipalities*

And

Neither for nor against LD 1081, *An Act to Support Access to General Assistance at Municipal General Assistance Offices and Designated Places*

Sponsors: Senator Baldacci, Senator Talbot Ross, Senator Bernard, Representative Henderson, Representative Simmons, Representative Zager, Representative Quint, Representative Sachs, Representative Salisbury, and Representative Faulkingham

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, my name is Ian Yaffe, and I serve as the Director of the Office for Family Independence (OFI) in the Maine Department of Health and Human Services. I am here today to testify in opposition to LDs 453, 637, 657, 978, 1017, 1029, 1046, 1178, and 1274, and neither for nor against LD 1081. We have also submitted letters online for each individual bill that includes further information for your consideration in addition to this testimony.

Maine's General Assistance, or GA, program was developed more than 40 years ago as a program of last resort. GA provides temporary assistance to cover basic needs when individuals are not eligible for other programs, or those programs are insufficient. Maine is one of 25 states that operate a GA Program. States vary significantly in how they structure and administer their respective programs. No other state utilizes a municipality-based matching formula and most cap GA expenditures. Over the past 30 years, eight states have eliminated their GA programs while 10 others have scaled their programs back. Maine's GA program is jointly administered by the Department, municipalities, and Tribes. Assistance is provided through vouchers for basic needs such as food, housing, and medication. Municipalities and Tribes determine eligibility based on state law and rules and pay 30% of the eligible expenditures while the State reimburses the remaining 70%.

As defined in statute, the General Assistance program "provides a specific amount and type of aid for defined needs during a limited period of time and is not intended to be a continuing "grant-in-aid" or "categorical" welfare program." (22 M.R.S. Ch 1161, §4301(5.)). The "limited period of time" provision also points towards the purpose of the program to meet immediate and short-term needs unlike an expected ongoing need to subsidize a household's internet or broadband service.

The vast majority of GA expenditures occur in "service center" communities. Based on expenditures between FY21 and FY24, the six municipalities receiving the highest amount of state reimbursement are: Portland, Bangor, Lewiston, South Portland, Westbrook, and Sanford. Combined, these municipalities represent 87% of GA expenditures during that same time period.

The baseline state budget for the program is \$10.4 million and the Department has been warning since 2023 that the growth in the GA program was not sustainable, and that reform is needed to return it to its core mission. Costs for the GA program have increased three-fold between Fiscal Year 2019 and Fiscal Year 2023, ballooning from \$13 million in FY19 to an all-time high of \$43 million in FY23, for both the State and municipal share of costs. The increase in costs during this timeframe was related to the COVID-19 pandemic, higher housing costs, and inflation for the cost of food and other necessities supported through this safety net program, as well as policy changes that expanded the definition of a "qualifying emergency" to include homelessness and allow reimbursement for costs exceeding regular program maximums.

To cover these increased costs, the Mills Administration and the Legislature have twice approved additional one-time appropriations, with the most recent being an additional one-time appropriation of \$10 million for the current Fiscal Year (2025). Absent additional reform, the GA program is expected to grow beyond \$20 million, double the current baseline, in the next fiscal year.

The Department's opposition to many of these bills is based on today's financial reality and the inability of the program's General Fund budget to support current costs, much less any expansion of eligibility, benefits, or reimbursement rates:

- LDs 453, 978, and 1029 would lower the municipal share of GA costs to 10% and would require a substantial cost increase to the GA program from the State's General Fund to cover a 90% reimbursement rate. LD 978 offers a phased-in approach for the largest municipalities, delaying the impact on General Fund for several years. If the 90% reimbursement was in effect for SFY23 and SFY24, the state would have incurred an additional \$15.8 million in costs. For the current fiscal year, the change from 70% to 90% reimbursement would cost an additional \$5 million per year beyond the \$10 million that the program is over its baseline appropriation. The current reimbursement rate has been in effect since 2015 and it ensures shared financial responsibility for GA expenses. It also reflects the significant decision-making and control that municipalities have over the operation of the program, consistent with guidance and oversight from the Department.
- In addition to increasing the State's GA reimbursement rate, LD 1029 would increase GA benefits for recipients who reach their maximum benefit on housing alone, increase the presumptive eligibility period, and increase the reimbursement rate for emergency shelters expenses to 100%. For applicants in emergency shelters, it would require a municipality to presume eligibility for six months instead of one month. Presumptive eligibility relates to the period of time where a GA applicant's resources and other eligibility factors are not verified by the municipality as long as the GA administrator reasonably believes that the person would qualify for GA. Providing eligibility for six months, without verification during that time period, goes against the last resort and time-limited nature of the program. The Department is currently studying eligibility periods and will be sending a report to this committee by January 30, 2026, as required by MRS 22, Ch. 1161, §4327. While municipalities may reimburse emergency shelters under GA rules, increasing the reimbursement rate to 100% would significantly increase costs. GA is not an efficient mechanism to address the funding needs of emergency shelters compared to the immediate basic needs of individuals and families who access the program.
- LD 657 would expand the definition of basic necessities to include broadband access. While we recognize the increasing importance of internet access, especially in education and work activities, it is essential to consider the fundamental purpose and limitations of the General Assistance program when it comes to subsidizing services like broadband access. The General Assistance program is intended to assist with immediate financial aid to eligible persons who are unable to provide the basic provisions essential to maintain themselves or their families.
- LD 1017 would provide food reimbursement to emergency shelters, which could decrease an applicant's budget for food needs while increasing reimbursements to shelters. Enactment of the bill would provide larger financial assistance to emergency shelter providers through additional spending from both municipalities and the

Department, without providing direct assistance to individuals consistent with the primary purpose of the program.

The Department is opposed to several additional bills because they may duplicate existing requirements, unfairly target service centers, or restrict access to the program in a way that establishes legal liability for the Department or municipalities:

- LD 637 would require the Department to investigate the feasibility of a statewide database and to issue a report that is duplicative of existing requirements under 22 M.R.S. §4323 and §4327. However, I did want to share an update on the Department's progress in implementing these requirements. In August 2024, the Department launched a Request for Proposals (RFP) to build a technology platform for the GA program. Evaluation of these bids began earlier this year. The bids received ranged between \$752,000 to \$5,819,329 for the Initial Period of Performance (2 years). Given the current fiscal reality and ongoing increases to costs within the GA program, the Department is not able to absorb these costs into Department resources as it had originally intended. The Department will be submitting a proposed revision to §4323 to clarify what it can accomplish within existing resources or to delay the system until funding is available, while attempting to complete as many of the reporting requirements in §4327 as possible by January 2026.
- LD 1046 would establish a 180-day State residency requirement before an individual may receive GA. There have been several court cases over the years that have defended citizens' rights to travel and relocate without forfeiting their rights to public assistance. A 1999 U.S. Supreme Court decision (*Saenz v. Roe, et. al*) struck down a California durational residency requirement, stating that it is unconstitutional to impose such a requirement for basic subsistence benefits. The State of Pennsylvania instituted a residency requirement that was successfully challenged in the District Courts in 1997 (*Warrick vs. Synder, 2 F. Supp 2d 720 (1997)*). Because of the Court's ruling, Pennsylvania was forced to remove the residency requirement from their policy. Finally, in 1969, the Supreme Court ruled in *Shapiro v. Thompson* that imposing durational residency requirements for benefits were unconstitutional denials of equal protection.
- LD 1066 would limit housing assistance to three months within a 12-month period, further restrict municipalities from exceeding maximum levels of assistance for more than 30 days, increase the disqualification period for people who voluntarily leave employment or are fired, and direct municipalities to implement workfare requirements that are optional in statute. While the housing and maximums proposals mirror the proposed reforms in the Governor's 2025 Supplemental Budget and would lead to significant cost savings, the Department is primarily opposed to this bill due to its mandate on workfare, which is utilized by fewer than 10% of municipalities today. Workfare participants must not replace the employment of regular municipal or non-profit employees and participants require supervision, which may take municipal staff away from regularly scheduled tasks. Additionally, many municipalities are advised by their legal counsel not to engage in this type of workfare due to liability concerns.

- LD 1178 makes changes to the time period that the Department has to determine whether a municipality has illegally moved an applicant in order to avoid financial responsibility and creates new penalties for municipalities that are found to have done so. Prior to the Department having the ability to conduct a thorough investigation, it would require a presumption that a municipality is automatically and immediately at fault. OFI currently tracks requests that are received about “municipality of responsibility” through the GA hotline, which is available by phone or email. Questions regarding municipality of responsibility only accounted for 132 requests, or 2% of the total GA hotline requests last year. Many of these requests were for guidance regarding municipality of responsibility, and not actual disputes between towns. Only three requests were not resolved immediately and none of these three cases required escalation to a formal review to be resolved. The number of actual complaints received by the Department is often significantly less than the public discussion around municipality of responsibility concerns in the GA program. The Department encourages municipalities to submit GA hotline requests whenever there is a municipality of responsibility concern and believes that the current process allows the Department to quickly resolve these issues in collaboration with the municipalities involved, or through existing enforcement mechanisms when necessary.
- LD 1274 would restrict a municipality from receiving GA reimbursement for any amount greater than 50% of the amount reimbursed to municipalities in a given fiscal year. Absent any significant changes to historical program utilization, this bill would directly impact the City of Portland and its residents. Portland received approximately 64% of the GA funds reimbursed to municipalities and Tribes in Fiscal Year 2024. The Department opposes this bill primarily because it would result in an unfunded mandate. Under Maine law, municipalities are required to administer the GA program without regard to the amount of reimbursement they receive. Service centers in particular rely on GA reimbursement to provide essential services and support residents from across the region, or across the state, in some cases. A decrease in reimbursement will not negate the actual need of individuals but rather shift the burden to that municipality’s local taxpayers and neighboring communities.

Finally, the Department neither supports nor opposes LD 1081 which would adjust requirements that were enacted last year for municipalities and tribes to accept GA applications during all regular business hours. In its rulemaking for these requirements, the Department received several comments from GA administrators about the difficulty of maintaining coverage under the current statute, especially in smaller municipalities having limited staff resources or private spaces where a GA interview may be conducted. The Department believes that this bill strikes the right balance between ensuring access to the GA program and alleviating the burdens of program administration, particularly among smaller municipalities, which are still required to make an eligibility decision with 24 hours and accept applications off-hours in emergency situations.

Thank you for your time and attention, I would be happy to answer any questions you may have and will make myself available for questions at the work sessions for these bills.