



Maine Municipal Association

60 COMMUNITY DRIVE
AUGUSTA, MAINE 04330-9486
(207) 623-8428
www.memun.org

Testimony of the Maine Municipal Association

In Support of
LD 910, *An Act To Amend the General Assistance Laws Governing Reimbursement*

April 1, 2021

Senator Claxton, Representative Meyer and members of the Health and Human Services Committee, my name is Kate Dufour and I am providing testimony in support of LD 910 on behalf of MMA’s Legislative Policy Committee.

Municipal officials support the enhanced reimbursement proposed in LD 910 as it recognizes the disproportionate burden the administration of the General Assistance (GA) program places on the state’s largest service center communities. From the municipal perspective, the bill simply reinstates the “circuitbreaker” into the GA program that was ultimately repealed in 2015.

Providing limited access to enhanced state reimbursement protects property taxpayers in communities that host service-based industries, such as hospitals, clinics, affordable housing programs and shelters. Since the amount of assistance that can be provided is governed by statutes and expenses reimbursed only if the Department of Health and Human Services “finds that the municipality has been in compliance with all requirements” imposed under applicable laws, the state’s interests are also protected.

The limited nature of this enhanced reimbursement model can be shown using the state’s three largest cities as an example.

| | FY 19 Total GA | State Value (in 000s) | 0.00003 Threshold | Reimbursement | | Difference in Reimbursement |
|----------|---------------------------|----------------------------------|------------------------------|----------------------|---------------|--|
| | | | | Current (70%) | LD 910 | |
| Bangor | \$ 1,690,501 | \$ 2,553,900 | \$ 766,170 | \$ 1,183,351 | \$ 1,368,217 | \$ 184,866 |
| Lewiston | 299,117 | 2,237,250 | \$ 671,175 | 209,382 | 209,382 | - |
| Portland | 7,325,941 | 8,501,550 | \$ 2,550,465 | 5,128,159 | 6,083,254 | 955,095 |

According to the data collected by the Department of Health and Human Services, in FY 2019 nearly 74% of total GA benefits were distributed to eligible applicants residing in the cities of Bangor, Lewiston and Portland. Of the \$1.7 million in GA distributed in Bangor, roughly \$1.2 million was reimbursed. If the circuitbreaker proposed in LD 910 had been in place, state reimbursement would have increased to \$1.4 million. Portland would have received \$6.1 million

in reimbursement, rather than \$5.1 million. Lewiston, however, would not have benefited from the enhanced reimbursement, because the assessment based threshold would not have been met.

Municipal officials from across the state urge the members of the Health and Human Services Committee to recognize the unique challenges facing the state's largest communities by supporting LD 910.

Thank you for your time and consideration.