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Governor

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Commissioner



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March 29, 2021

Senator Ned Claxton, Chair  
Representative Michele Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 910 – An Act To Amend the General Assistance Laws Governing Reimbursement

Senator Claxton, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services:

This letter is to provide information regarding LD 910, An Act To Amend the General Assistance Laws Governing Reimbursement. The proposed legislation seeks to increase the rate at which the Department reimburses municipalities and Indian tribes for the direct costs of assistance granted through the General Assistance program.

The municipally administered General Assistance program provides for immediate aid for basic necessities to financially eligible applicants. The Department currently reimburses municipalities and Tribes at a rate of 70 percent for the direct costs of assistance issued. This bill would maintain that 70 percent reimbursement rate for all municipalities and increase reimbursement from 70 percent to 90 percent for those municipalities which exceed the most recent state valuation by 0.0003. This bill also increases the reimbursement rate to 100 percent of direct costs of General Assistance to Tribes.

General Assistance statute allows General Assistance administrators some discretion in determining an applicant's eligibility for assistance. It also allows administrators the ability to exceed state recommended categorical and overall maximum assistance allowances when the administrator subjectively deems it necessary to do so in order to prevent or cure an applicant's emergency. We believe a uniform reimbursement rate prevents incentivized spending by maintaining that all municipalities are responsible for 30 percent of the direct costs of the benefits their municipality has issued through the General Assistance program.

The Department opposes this bill due to the significant general fund fiscal impact which the bill proposes. The Department's current reimbursement rate of 70 percent for all municipalities, without regard to the amount of assistance expended, provides an impartial and unbiased reimbursement rate across the State and produces a shared responsibility of General Assistance expenses. If passed, this bill would lower the municipal share of costs but would require a substantial cost increase to the General Assistance program from the State's General fund.

We wanted you to be aware of the above information as you consider this bill going forward.

Sincerely,

DocuSigned by:  
A blue ink signature of Anthony Pelotte.  
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Anthony Pelotte, Director  
Office for Family Independence