



Maine Municipal Association

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Testimony of the Maine Municipal Association On Seven Bills Regarding the State/Municipal General Assistance Program

April 15, 2015

Senator Brakey, Representative Gattine and members of the Health and Human Services Committee, my name is Kate Dufour and I am providing testimony on seven General Assistance program related bills on behalf of the Maine Municipal Association (MMA) and at the direction of its 70-member Legislative Policy Committee (LPC). The Association's positions on those bills are summarized in the table below with more detailed testimony provided in the accompanying pages. The comments provided this afternoon will primarily focus on LD 632, which proposes to shift all responsibility for the state/municipal GA program over to the state.

Overview of MMA Positions on Proposed GA Legislation

LD	Bill Description/MMA Position
632	Support. This bill shifts the administration, management and financing of the GA program to the state. See <u>white attachment</u> for detailed testimony.
368	Support. This bill makes a person who has exhausted the 60-month lifetime limit for TANF ineligible to receive GA. See <u>green attachment</u> for detailed testimony.
369	Opposed. This bill makes non-citizens ineligible to receive GA. See <u>gray attachment</u> for detailed testimony.
722	Support. This bill makes an individual who as a result of falsifying an application has been issued GA ineligible to receive additional aid for 120 days and until the municipality is reimbursed for the fraudulently provided aid. See <u>blue attachment</u> for detailed testimony.
1035	Opposed. This bill places a 275 day (nine month) limit over a five year period on an otherwise qualifying applicant who is both able to work and who does not have any dependents. See <u>yellow attachment</u> for detailed testimony.
1036	Support. This bill makes an applicant for GA who voluntarily abandons or refuses to use available resources or forfeits an available resource due to fraud, misrepresentation or intentional violation or refusal to comply with rules without just cause ineligible to receive GA to replace that resource for a period of 120 days. See <u>pink attachment</u> for detailed testimony.
1037	Opposed. This bill establishes a 180-day (six month) residency requirement for applicants for several federal/state and state/municipal assistance programs, including GA. See <u>purple attachment</u> for detailed testimony.

Testimony of the Maine Municipal Association

In Support of

LD 632, An Act To Require the State To Administer and Fund the General Assistance Program

April 15, 2015

In the debate over the state-municipal General Assistance (GA) program, municipal officials find themselves in a crossfire position. While municipal officials merely administer the program as dictated by law, they are often criticized by taxpayers for being too generous with the GA program and by the advocates of the poor for being too miserly. Most recently, despite passing Department of Health and Human Services (DHHS) conducted audits, the Administration publicly castigated municipal programs for providing too much aid, and in some cases have not reimbursed municipalities for aid that was provided according to law and rule since August of 2014.

For these reasons, MMA's LPC strongly supports LD 632, which proposes to shift the administration and all associated costs of the General Assistance program to the state. The testimony provided by Sen. Saviello, who graciously sponsored the bill on the Association's behalf, lays out how this proposal would benefit municipalities, the state and the participants in the program.

We have received a lot of push back on this proposal from the Administration and various legislators. The primary argument is that the municipal programs provide the most accessible, effective and cost-efficient administration of this safety net public assistance program. If for this or any other reasons the Committee is opposed to LD 632, we ask that the Committee ensures that municipalities are treated as equal partners in the management, administration and financing of the state/municipal GA program.

The Committee can achieve that goal in three important ways:

1. Challenge the claims that "some" communities improperly administer the GA program, or intentionally restrict access or deny assistance to otherwise eligible candidates. Do not, without exploration, buy into the arguments that because one community provides less aid than another similarly situated community that the community is administering the program incorrectly. Ask for the names of the municipalities in question. Ask the Department (or MMA, if you wish) to explore the issue and provide the municipal response to the claim. Inquire as to whether the municipality in question has been audited. Inquire as to whether the applicant or an

advocate, on behalf of a client, has reported the concern to the state's complaint hotline. Allow the municipal side of the anecdotal report to be heard.

2. Protect municipalities against initiatives that seek to amend the GA law in ways that reduce state funding obligations at the expense of the property taxpayers. Under existing law, the state establishes the minimum amount of aid to be provided. The most equitable way to reduce the cost of the GA program at both the state and local level is to amend the statutes establishing the maximum levels of assistance that can be provided.
3. As importantly, support initiatives that make it possible for the state to honor the financial commitments it has made to municipalities, including revenue sharing, K-12 education and local road assistance.

Testimony of the Maine Municipal Association

In Support of

LD 368, An Act To Integrate the State's General Assistance and TANF Programs

April 15, 2015

As proposed, LD 368 would make persons who have exhausted the 60-month lifetime limit on Temporary Assistance for Needy Families (TANF) benefits also ineligible to receive General Assistance (GA) program benefits.

When the state implemented the 5-year lifetime limit on the benefits families receive under the TANF program in 2012, municipal officials reacted by expressing concern over the adoption of policies that achieved state-level "savings" at the expense of the property taxpayers. Many municipal officials were concerned that as state/federal benefits provided under the TANF program were lost, impacted families would turn to the state/municipal General Assistance program to replace the assistance. The potential reliance on the GA program to replace TANF benefits was especially troubling for some of the state's largest communities where many of the affected TANF families resided.

That prediction has come to pass. Several of the state's service center communities are experiencing increases in GA costs directly attributable to the implementation of the TANF time limit. As a result, program funding burdens that were once shared between the federal and state government on a 2/3 to 1/3 matching basis, are now funded solely with state and local tax dollars.

As a result of that shift in burden, MMA's Legislative Policy Committee has departed from its historic stance in opposition to initiatives that seek to make it harder for residents in need to receive assistance in obtaining basic necessities. Times have changed. Continued legislative actions to restrict the amount assistance provided to municipalities through the revenue sharing program, and the adoption of initiatives, such as the TANF lifetime limit that have shifted additional burdens onto the property taxpayers, have left municipal officials with no other option than to support initiatives that restrict access to locally funded welfare programs. The property taxpayers have had enough and can no longer afford to pick up the pieces when the state fails to do its share to provide for the state's neediest residents.

Even a program of last resort has its limits.

Testimony of the Maine Municipal Association

In Opposition to

LD 369, An Act To Align Municipal General Assistance Programs with the Immigration Status Policies of the Department of Health and Human Services

April 15, 2015

As proposed, LD 369 would make noncitizens ineligible to receive General Assistance (GA) program benefits.

Although on its face, our Policy Committee's position to oppose LD 369 may appear to conflict with our position on LD 368 which seeks to link GA eligibility to the state's TANF eligibility limits, there is an important difference.

Under the current TANF 60-month lifetime limit (and proposal in LD 368 to extend that restriction to the GA program), all eligible applicants receive resources, for a limited 60-month period. Within that time-limited period, program enrollees are provided with the basic assistance and the tools necessary to achieve the skills to obtain long-term self-sufficiency. A so-called "hand-up" is provided.

In contrast, as provided in LD 368, municipalities would be prohibited under the GA program to provide any assistance to noncitizens. As a matter of GA law, noncitizens from day-one would be ineligible for aid in securing basic necessities, including food and shelter.

Municipal officials share the state's frustration with federal immigration policies that allow noncitizens into the county without providing timely access to vital work and residency documentation. However, municipal officials do not believe that following the federal government's lead and ignoring this vulnerable population is the right response. Instead, municipal officials believe that it is incumbent on the state and municipalities, in an admittedly forced partnership with the federal government, to provide basic necessities to noncitizens until final immigration status is determined.

Testimony of the Maine Municipal Association

In Support of

LD 722, An Act To Strengthen Penalties for Abuse of General Assistance

April 15, 2015

As proposed, LD 722 makes an individual who as a result of falsifying an application has been issued GA ineligible to receive additional aid for 120 days and until the municipality is reimbursed for the fraudulently provided aid.

The members of our Legislative Policy Committee believe it is appropriate that applicants who fraudulently receive aid be required to repay the state's income, sales and property taxpayers who are burdened with the responsibility of subsidizing the program. Municipal officials believe that LD 722 sends an appropriate message to all program participants and provides local level program administrators with the tools necessary to ensure that the state and local taxpayer investments are protected.

Testimony of the Maine Municipal Association

In Opposition to

LD 1035, *An Act To Create a 9-month Time Limit on General Assistance Benefits*

April 15, 2015

As proposed, LD 1035 would limit assistance under the GA program to 275 days in five years for applicants who are able to work and who do not have dependents.

The concerns municipal officials have with LD 1035 is that it would be broadly applied and could significantly limit access to assistance for basic necessities without consideration of local economic circumstances, housing needs and transportation barriers. Municipal officials believe that the limitations proposed in the bill would unfairly impact residents in the state's most rural communities where both employment opportunities and public transportation is unavailable.

Furthermore, municipal officials are uncertain as to how this limit would be administered. The absence of a statewide database to track the GA benefits provided to a single individual who could reside in multiple communities over a five year period would make it nearly impossible to accurately determine if and when an applicant had reached the limit. Without a centralized resource, municipal officials are concerned that an administrator's decision would be challenged by either DHHS, which could threaten reimbursement, or low-income advocates who could threaten litigation. In any case, the property taxpayers would be left holding the bag.

Testimony of the Maine Municipal Association

In Support of

LD 1036, *An Act To Prioritize Use of Available Resources in General Assistance Programs*

April 15, 2015

The proposal found in LD 1036, which is being advance on behalf of the Maine Welfare Directors' Association, has long been supported by both the municipal welfare directors and MMA.

As proposed, both initial and repeat applicants who, through *their own actions* (i.e., fraud, misrepresentation, violation of a program rule, etc.), cause the loss of an otherwise available resource (e.g., housing, supplemental food program, counseling, etc.) or who, without cause, refuse to use an available resource would become ineligible to receive GA to replace the forfeited or abandoned resource for a period 120 days. Under existing law, an applicant in this circumstance is ineligible to receive GA until that applicant seeks out the potentially available resource.

Municipal officials believe the approach in LD 1036 strengthens program credibility, participant accountability and provides municipal program administrators with the tools necessary to ensure that all program resources are effectively used.

Testimony of the Maine Municipal Association

In Opposition to

LD 1037, An Act To Establish a 180-day Residency Requirement for Welfare Benefits

April 15, 2015

As proposed, LD 1037 would, in part, require applicants to establish residency in the municipality for a period of 180-days before becoming eligible for GA in that community.

Although municipal officials from some of the state's service center communities acknowledge that the residency limit proposed in LD 1037 could possibly reduce or slow the influx (and associated cost) of residents relocating to more urban municipalities, they understand that access to better paying jobs, more affordable rents and necessary public transportation and social services helps to ensure that applicants become self-sufficient. They believe that the state reimbursement formulas, which distribute additional reimbursement to communities that provide higher than average levels of aid, are appropriately designed to address the added burdens.

Furthermore, municipal officials question how the residency requirement would be administered. What pieces of evidence would need to be presented in order to assess whether or not an individual had lived in the community for at least six months? Municipal officials are concerned that regardless of the factors used to determine resident-based eligibility an administrator's decision would be challenged by either DHHS, which could threaten reimbursement, or low-income advocates who could threaten litigation. In any case, the property taxpayers would be left holding the bag.