



Testimony of the City of Lewiston on

LDs: 389; 598; 678; 892: 1343; 1411; 1416; 1443

May 3, 2013

Senator Craven, Representative Farnsworth, members of the Health and Human Services Committee, my name is Sue Charron, I am the Social Services Director for the City of Lewiston, and I am providing testimony in <u>support of</u> LDs 598; 892; and 1343 and in opposition to LDs: 389; 678; 1416; 1411; an1443

Support, with stipulations, LD 1343, An Act to Improve Readiness for Families Facing Significant Barriers to Employment.

Improving services for ASPIRE-TANF participants by offering comprehensive screenings and referrals that will result in appropriate supports and benefits for families with disabilities and limitations is a step in the right direction. Preparing families for independence is crucial, especially because the TANF 60-month time limit is now a reality.

The language that I have difficulty with is "...whether the participant wishes to undergo a comprehensive screening..."

Hence, the stipulation is that, if the services are going to be made available and if the family is identified as being eligible for services, the family should be required to participate in order that referrals can be made for <u>appropriate</u> services, supports and programs. This requirement would be no different than the mandatory requirements that are placed on ASPIRE participants as a means to reduce their dependency on TANF.

Support LD 598, Resolve, Directing All Relevant Agencies of State Government to Work, in Concert with a Plan to End and Prevent Homelessness to Ensure that Resources Are Available to End Homelessness in the State.

I would love to be proven wrong, but the reality is that homelessness will always exist. However, a significant amount of homelessness can be prevented and that must be the collaborative focus. Instead of continuing to work backward and pour limited resources and funds into "fixing" the problem let's focus on "preventing" the problem. A dollar spent upfront on prevention will reap several dollars over the long term— folks in stable housing are less likely to have a need for expensive emergency services.

Prevention is the key, and working collaboratively, combining resources and funding to expand upon case management, supportive housing and other crucial services is the only way that this endeavor will be successful.

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Oppose LD 389, An Act to Bring Fairness to General Assistance Programs by Changing the Method of Municipal Reimbursement.

I have previously testified that the current formula for the reimbursement rate, based on property valuations, isn't particularly fair and doesn't make sense, especially when a municipality is impacted by situations beyond its control—mill closings, or the like, and a sizeable population increase causing high unemployment rates etc., but there is <u>nothing</u> fair about this proposed method.

It will have no impact on the majority of the municipalities who are currently receiving the 50% reimbursement rate for all expenditures. It will benefit a minimal number of municipalities—perhaps unfairly, and it will penalize the handful of municipalities (primarily service center communities) that are currently receiving the 85% reimbursement rate.

It must be kept in mind that the 90% reimbursement rate was recently reduced to 85% (supposed to sunset on 6/30/13, but unlikely) and reducing it even more increases the cost shift to the municipalities. The City of Lewiston would lose an additional \$86,000.00 for FY 2014. Lewiston's GA expenditures increased from \$169,441.00 in FY 2001 to an estimated \$920,358.00 for FY 2014 due to a growing refugee and asylum seeker population, service provider reductions, and state and federal cuts—most recently impacting TANF recipients and asylum seekers. Regardless of the increase in expenditures, prior to receiving the 90% reimbursement for 1 ½ months in FY 2010, the last time the city received the 90% reimbursement was in the early 90's. Since FY 2010, we have received the 90% reimbursement for 2 ½ months in FY 2011 and 2012. We started receiving the current 85% reimbursement beginning late April 2013.

We note that the proposed method does not apply to the state's recognized tribal governments. We assume that exception recognizes their high unemployment rates and limited job opportunities. At the same time, Lewiston's refugee population has an unemployment rate of at least 50% and should also be considered for such an exemption, as should any municipality that meets the criteria for the tribal exemption.

As I have suggested in prior testimony, instead of reducing the reimbursement rate we need to find a solution that is equitable to all municipalities. In light of this proposal, the suggestion now becomes a plea.

Support LD 892, An Act Regarding Municipal General Assistance

Approximately 2 weeks ago, the HHS committee voted down this same language that was included in the Governor's biennial budget. Hence, I am not optimistic that this bill will be voted on any differently.

That being said, everyone must be reminded that permitting families who have been sanctioned or who have reached the 60-month TANF time limit to receive GA is yet another cost shift to the municipalities **and** it is a disservice to the families.

Per Statute," General assistance program means a service administered by a municipality for the immediate aid of persons who are **unable** to provide the basis necessities essential to maintain themselves or their families."

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TANF sanctions are the result of choices, and in no way does a sanctioned family meet the definition of persons who are **unable** to provide for themselves or their families." GA is the last resort—the safety net, and it is not intended to assist recipients who have forfeited resources that give them the ability to provide for themselves and their families.

Having the sanction lifted is also a choice, and it is as easy as complying with the TANF/ASPIRE requirements. It has been proven that when people realize that their actions have real consequences they are more apt to be accountable.

Per Statute, "A 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."**

By default, the GA program has become a replacement benefit program for the families who have reached the 60-month TANF time limit, and in turn becomes a continuing "grant-in-aid" program in order to meet the long term needs of these families. This is not the intent of the program. The GA program does not have the resources that the ASPIRE program offers, such as job development, and child care and transportation allowances, specifically set up to assist families in achieving self-sufficiency.

Regardless of whether a family is assisted or denied, the intake is time consuming, and the additional work surrounding the eligibility or ineligibility for TANF extensions is even more time intensive. We continue to see new timed out TANF recipients each month and administrative costs are not reimbursed by the State.

As of March 27, 2013, the city of Lewiston has completed intakes on 127 families, consisting of 553 household members, who have lost their TANF benefits. We have assisted 44 households, consisting of 175 household members with \$24,000 in general assistance. That amount may appear to be relatively minimal for 44 households, especially when 25% of the households are large refugee families—55% of all household members are refugees. The \$24,000 is reflective of the fact that a high percentage of the families, especially the refugee families, live in subsidized housing. If the majority of the families were living in fair market housing our expenses would be much higher.

Other municipalities are seeing fewer families but have higher expenditures because their families are residing in fair market housing, and as we see more families each month we will probably see more families in fair market housing and that will have an impact on our expenditures.

As I stated in my previous testimony, we understand that making the timed out TANF families ineligible for GA is distasteful, and it is a difficult proposal for the municipalities to support. However, GA is not the appropriate program for these families.

DHHS has publicly stated that they could have done a better job preparing these families for self-sufficiency, and they are now using some of the TANF 60-month savings to develop an improved ASPIRE program so that the existing families will obtain independence within the 60-month time limit. While we applaud the department for not only recognizing that the program needs improvement, but also for implementing a new and improved program, the fact remains that many of the families who have timed out of TANF after 5 years, and in some cases 10 plus years, do





not have the English skills, high school diplomas or GEDs, or employment skills to obtain sustainable employment. We need to all work together to come up with appropriate and effective solutions.

Oppose LD 1416, An Act Regarding Responsibility of General Assistance for a Person Who Is Released from Prison

This would result in an incredible amount of administrative time and could result in lengthy eligibility determinations.

Oppose LD 678 An Act To Allow Random Drug Testing for Recipients of Certain Public Benefits

Assuming that the drug testing would be done at the municipalities' expense, the municipalities neither have the time or resources to randomly drug test GA recipients.

Support LD 1411 Resolve, To Require the Department of Health and Human Services To Request a Waiver To Prohibit the Use of Food Supplement Benefits for the Purchase of Taxable Food Items

Recipients of public assistance should be held to the same standards as folks who are supporting themselves. GA food vouchers have limitations and do not allow for the purchase of taxable food items. We continually hear from disgruntled citizens who witness folks purchasing expensive items, including lobsters, with their EBT cards. We recognize that some taxable items are less than some non-taxable items, but allowing for lobsters, expensive cuts of meats and other items is not cost effective or prudent.

Oppose LD 1443 An Act To Make Convicted Drug Felons Ineligible for TANF Assistance

Making drug felons ineligible for TANF would result in another cost shift to the municipalities. These families would turn to GA for their needs, just as the timed out TANF 60-month families have done.

The impact to GA needs to be taken into consideration when proposals such as this one are brought forward.

I thank you for your time and consideration.