

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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Legislative Document

No. 1861

H. P. 1437

House of Representatives, June 23, 1971

Reported by Mr. Bragdon from Committee on Appropriations and Financial Affairs, acting in accordance with Joint Order (H. P. 1369) and printed under Joint Rules No. 18.

BERTHA W. JOHNSON, Clerk

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT Appropriating Funds to the Department of Health and Welfare.**

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Be it enacted by the People of the State of Maine, as follows:

**Appropriation.** There is appropriated from the General Fund to the Department of Health and Welfare the following sums, distributed as shown, and appropriated to permit adjusting budget standards in the adult public assistance caseloads to recognize living cost increases up to an approximation of the minimum current old age and survivors benefit increase.

1971-72

HEALTH AND WELFARE, DEPARTMENT OF

All Other

\$250,000

STATEMENT OF FACT

Old age and survivors benefits have been increased by about 10% by Congress, effective in June 1971, insofar as the first increased income is actually being received. By decision of Congress, this increase is not to be passed on to old age assistance recipients, but rather is to be considered as increased income for them. This means that, as a general rule, the old age assistance payment will be decreased by an amount equal to the OASI increase, and in the case of the smaller OAA grants, there will be closings.

The effect of a "pass-on" of at least the increase in the minimum OASI Benefit could be secured by appropriately adjusting upwards one or more

budget items. This would increase need, and "make room" for a larger total income. There would still, however, be OAA decreases where benefit increases exceeded this budget adjustment. In the 60% of OAA recipients with OASI Benefits, the budget adjustment would not cost Public Assistance funds. However, in the remainder of the adult caseloads, without OASI Benefits, the budget increase, and consequent OAA - AD - AB grant increases, would need state matching funds. Increasing standards also makes an unknown added number of people eligible, some percentage of whom may choose to apply. The estimated annual cost in state funds for adjusting adult assistance standards as suggested above is \$250,000.