

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
108TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. H-393)

COMMITTEE AMENDMENT " A" to H.P. 237, L.D. 300, Bill,
"AN ACT Relating to Expenditures of Municipalities for General
Assistance."

Amend the Bill in section 1 by striking out in the 6th
line (5th line in L.D.) the underlined period and figure
".0003" and inserting in its place the following '.0004'

Further amend the Bill by striking out all of section 2
and inserting in its place the following:

'Sec. 2. Appropriation. There is appropriated from the
General Fund to the Department of Human Services the sum of
\$200,000 to carry out the purposes of this Act. The breakdown
shall be as follows:

	<u>1977-78</u>	<u>1978-79</u>
HUMAN SERVICES, DEPARTMENT OF		
General Assistance Account		
All Other	\$100,000	\$100,000'

Statement of Fact

The purpose of this amendment is to increase the threshold
factor in the general assistance funding formula from .0003 to
.0004. This change results in a decreased state reimbursement
and an increased municipal obligation in the general assistance
program, when compared to the provisions in the original bill.
However, when compared to the program under the present law,
which sets the threshold factor at .0006, the amendment results
in a slight increase in the state reimbursement and a slight

decrease in the municipal obligation.

This amendment also changes the appropriation from \$2,800,000 to \$200,000.

cost to the State by changing the threshold factor from .0003 to .0004 is estimated by the Department of Human Services to be \$1,683,554. This amount, based on 1977 property valuations, is estimated for the current fiscal year. However, this amount is also a realistic estimate for each year of the upcoming biennium, because increasing property valuations will result in a lower state share of the total costs of general assistance.

The Governor's budget request of \$3,200,000 for the biennium, which covers the costs of funding general assistance using the current funding formula, i.e., .0006 times the state valuation of the municipality, should, as a matter of course, be passed by the Legislature as part of the appropriations act. Since that Act is passed as an emergency measure and since the original bill is not an emergency measure, general assistance at the current formula will be funded for 90 days after the effective date of the Act. Provisions will have to be included in the appropriations act to ensure that after this 90-day period the amount appropriated for the .0006 formula will remain in the general assistance account to be used for funding this bill, i.e., the .0003 formula.

The following is a summary of the amount of money needed for and the sources of revenue anticipated by this amendment for both years of the biennium.

Cost of original bill, as amended, \$3,400,000

Sources of revenue for funding of bill:

Budget request in appropriation act	\$3,200,000
Appropriation in bill	<u>200,000</u>
Total amount of revenue	\$3,400,000

Reported by the Committee on Performance Audit.

Reproduced and distributed under the direction of the Clerk of the House.

5/24/77

(Filing No. H-393)