

MAINE STATE LEGISLATURE

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L.D. 1963

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HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1466, L.D. 1963, Bill, "An Act to Amend the Laws Governing Eligibility for General Assistance"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 22 MRSA §4301, sub-§7, as amended by PL 1993, c. 410, Pt. AAA, §1, is further amended to read:

7. Income. "Income" means any form of income in cash or in kind received by the household, including net remuneration for services performed, cash received on either secured or unsecured credit, any payments received as an annuity, retirement or disability benefits, veterans' pensions, workers' compensation, unemployment benefits, benefits under any state or federal categorical assistance program, supplemental security income, social security and any other payments from governmental sources, unless specifically prohibited by any law or regulation, court ordered support payments, income from pension or trust funds and household income from any other source, including relatives or unrelated household members.

The following items are not available within the meaning of this subsection and subsection 10:

A. Real or personal income-producing property, tools of trade, governmental entitlement specifically treated as exempt assets by state or federal law;

B. Actual work-related expenses, whether itemized or by standard deduction, such as taxes, retirement fund contributions, union dues, transportation costs to and from work, special equipment costs and child care expenses; or

COMMITTEE AMENDMENT

C. Earned income of children below the age of 18 years who are full-time students and who are not working full time.

In determining need, the period of time used as a basis for the calculation is the 30-day period commencing on the date of the application. This prospective calculation does not disqualify an applicant who has exhausted income to purchase basic necessities if that income does not exceed the income standards established by the municipality. Notwithstanding this prospective calculation, if any applicant or recipient receives a lump sum payment prior or subsequent to applying for assistance, that payment must be prorated over future months. The period of proration is determined by disregarding any portion of the lump sum payment that the applicant or recipient has spent to purchase basic necessities, including but not limited to: all basic necessities provided by general assistance; reasonable payment of funeral or burial expenses for a family member; reasonable travel costs related to the illness or death of a family member; repair or replacement of essentials lost due to fire, flood or other natural disaster; repair or purchase of a motor vehicle essential for employment, education, training or other day-to-day living necessities; repayments of loans or credit, the proceeds of which can be verified as having been spent on basic necessities; and payment of bills earmarked for the purpose for which the lump sum is paid. All income received by the household between the receipt of the lump sum payment and the application for assistance is added to the remainder of the lump sum. The period of proration is then determined by dividing the remainder of the lump sum payment by the ~~aggregate-maximum-level-of-assistance designated under section 4305~~ greater of the verified actual monthly amounts for all of the household's basic necessities or by 150% of the applicable federal poverty guidelines. That dividend represents the period of proration determined by the administrator to commence on the date of receipt of the lump sum payment. The prorated sum for each month must be considered available to the household for 12 months from the date of application or during the period of proration, whichever is less.'

Further amend the bill by inserting after section 1 the following:

'Sec. 3. 22 MRSA §4308, sub-§3 is enacted to read:

3. Initial applicant. Notwithstanding section 4301, subsection 7, the household of an initial applicant that is otherwise eligible for emergency assistance may not be denied emergency assistance to meet an immediate need solely on the basis of the proration of a lump sum payment. Upon subsequent applications, that household's eligibility is subject to all the standards established by this chapter.

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Sec. 4. Investigation of adequacy of maximum levels of assistance.
The Department of Human Services shall convene a group of interested parties, including a fair representation of municipalities and representatives of low-income persons, to investigate the adequacy of maximum levels of assistance and report its findings to the joint standing committee of the Legislature having jurisdiction over health and human services matters by February 1, 2003.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

The additional costs associated with amending the definition of "lump sum payment" governing eligibility for general assistance can be absorbed by the Department of Human Services utilizing existing budgeted resources.'

SUMMARY

This amendment modifies the method of prorating lump sum income when determining general assistance eligibility. It also clarifies that lump sum income is prorated even when it is received prior to the initial application and it permits initial applicants to receive general assistance in an emergency if the sole reason they were ineligible was due to the proration of a lump sum income. The amendment also directs the Department of Human Services to convene a group of interested parties to investigate the adequacy of the maximum levels of assistance in the general assistance program and report back to the joint standing committee of the Legislature having jurisdiction over health and human services matters. The amendment also adds a fiscal note to the bill.