

MAINE STATE LEGISLATURE

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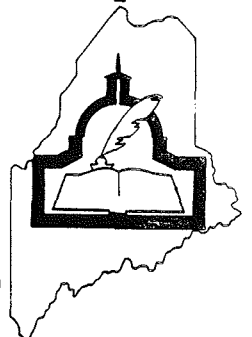


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MAINE LEGISLATURE

FINAL REPORT
OF THE SPECIAL SELECT COMMISSION
ON THE FINANCING AND ADMINISTRATION OF
GENERAL ASSISTANCE



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Representative Merle Nelson, Vice-chair

Representation from the Joint Standing Committee on Human Resources of the Maine legislature

Senator Georgette Berube
Representative Peter J. Manning
Representative Merle Nelson
Representative Priscilla Taylor

Representation from the Department of Human Resources

Patrick Conley, Assistant Deputy Commissioner

Representation from municipalities

Jody Harris, Town Manager of South Berwick
Tim Honey, City Manager of Portland (member in 1985)
William Brockman, Town Manager of Milo (member in 1986)

Representation from municipal welfare directors

Mary Anne Chalila, Welfare Director of Bangor
Donald A. Strout, Town manager & Director of Welfare of Corinth

Representation from private, non-profit charitable organizations with knowledge and experience in general assistance

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Severn Towle, Dir. of Womancare/Aegis (member in 1985-86)
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SUMMARY RECOMMENDATIONS OF THE SPECIAL SELECT COMMISSION
TO STUDY THE FINANCING AND ADMINISTRATION OF THE
GENERAL ASSISTANCE PROGRAM
MAY 1987

1. Establish a reliable referral service which would be available to municipalities, General Assistance administrators, and General Assistance applicants. (page 19*)

The referral service would identify and catalogue the available public assistance, employment, job training, and other relevant programs and keep the list up-to-date. Reinstating information and referral services would (a) increase the efficiency of the General Assistance Program by making more referral information available, and (b) potentially decrease the expense of the General Assistance program by referring potential General Assistance applicants to other more appropriate programs.

2. Expand the WEET program to cover more AFDC recipients and develop a similar program for non-AFDC individuals as well. (page 23)

This recommendation was not unanimous.

3. Encourage formation of General Assistance administrative districts as currently authorized by Maine law. (page 24)

Enactment of the Commission recommendation providing additional reimbursement to all municipalities for administrative expenses (recommendation # 19) may provide a financial incentive for communities to form General Assistance administrative districts to provide greater consistency in the administration of General Assistance. The proposed additional reimbursement from the state can be used to relieve any strain on the municipal budget for this expense.

4. Establish a voluntary certification program to provide recognition for those general assistance administrators who complete a specified minimum of training. (page 25)

Restructuring the current training program may induce administrators to participate. Incorporation of training sessions into larger programs which deal with a variety of municipal topics might provide an incentive which attracts more participants. The multi-issue agenda would operate to draw larger attendance than single issue sessions dealing solely with general assistance. A coordinated program could be established with groups such as the Department of Human Services, the Maine Municipal Association, the Maine

Welfare Directors' Association, and an advocacy group such as Pine Tree Legal Association.

Enactment of the Commission recommendation providing additional reimbursement to all municipalities for administrative expenses (recommendation # 19) may create a financial incentive for communities to promote training for their General Assistance administrators. The proposed additional reimbursement from the state can be used to relieve the strain on the municipal budget for this expense.

5. The Commission makes no recommendations for changes in the present municipal work program law and therefore, takes no position on municipal work programs. (page 26)

6. Amend the current law concerning the resolution of disputes which arise when General Assistance applicants or recipients relocate (1) to clarify the existing language wherever possible without changing the meaning and (2) to provide a procedure to resolve disputes between municipalities concerning which municipality is responsible. (page 27)

The Commission's proposal contains the following specific changes to current law:

- a. Amends the definition of resident to conform more closely to the traditional use and understanding of the word resident. The amendment retains the two traditional elements of residency: (1) physical presence and (2) intention to remain. In addition, the language further defines resident as someone who has no other residence. The amended language makes it clear that if a person is not a resident elsewhere, the municipality where the person first applied is responsible until a new residence is established.
- b. Provides a more detailed definition of responsibility for assistance given to an applicant or recipient who is in a group home, shelter, or similar institution. In addition, hotels, motels and other similar institutions should be included in this category.
- c. Creates a dispute resolution mechanism whereby a municipality may petition the Department of Human Services to determine responsibility under the law. Until that determination is made, the municipality where the applicant first applied will be responsible for providing assistance. The decision of the department may be appealed.

7. Eliminate the deliberate attempts to dissuade or otherwise complicate applications for SSI and SSDI benefits. (page 31)

The Commission recommends that the Maine Congressional delegation actively seek to correct this unjust and deplorable situation.

8. Increase the utilization of the Advocates for the Developmentally Disabled (ADD) in assisting General Assistance applicants who may be eligible for SSI or SSDI benefits. (page 31)

The Commission encourages General Assistance administrators to consult the ADD on behalf of their clients who may be eligible for SSI or SSDI benefits and are having difficulty applying for those benefits or appealing a denial of benefits.

9. Adopt a policy for hospitals which addresses the needs of the medically needy patient. (page 32)

This Commission recommends the following policy be adopted to address the needs of the medically needy. Upon admission (or in cases of emergency admission, upon discharge) of a patient without medical insurance, hospitals shall determine the eligibility of the patient for any Federal or state programs of medical assistance. If the patient is not eligible for such programs but meets the financial requirements of the medically needy program, the hospital's care will be provided as charitable care pursuant to regulations of the Health Care Finance Commission. In no event, may the hospital care of a person who meets the financial requirements of the medically needy program be billed to the individual or to a municipality.

10. Authorize General Assistance benefits only in the form of vendor payments. (page 33)

This recommendation was not unanimous.

11. Provide property tax relief by relieving the municipalities of some of the financial burden of the General Assistance Program. (page 35)

The Commission believes that this burden can be relieved (a) by ensuring that all eligible people are receiving the benefits available to them from current programs other than General Assistance and are not subject to unwarranted denial of those benefits and (b) by ensuring that the level of benefits of those programs is adequate. This report proposes specific recommendations to relieve the property tax burden from General Assistance.

12. Increase the Aid to Families with Dependent Children (AFDC) standard of need by 10% per year, until the 1986 poverty level standard is met. (page 35)

While the Commission strongly endorses increasing the AFDC base up to the 1986 poverty level as a necessary step in providing realistic measures of support through the existing AFDC program, the Commission is not including this proposal in its legislative recommendations. The Commission feels that if this measure were included in the proposed legislation, the combined impact would detract considerably from the other proposals and decrease the opportunity for any property tax relief for General Assistance. The Commission maintains its strong support for the concept expressed by this proposal and endorses other legislation which may be introduced.

13. Index the Aid to Families with Dependent Children (AFDC) Standard of Need to keep pace with inflation. (page 36)

This recommendation was not unanimous.

14. Provide an AFDC Special Needs Supplement to meet the cost of:

- (1) Excessive shelter expense
 - (2) Training and education related expenses
- (page 37)

In addition to an overall increase in AFDC, states may authorize particular payments to AFDC families for "special needs". These supplemental AFDC programs can be used to address part of the deficiency in AFDC without the significant costs of the two previous recommendations (##'s 12 and 13). If AFDC subsequently increases to meet the basic needs more realistically, these special supplements can be phased out.

This recommendation was not unanimous.

15. Provide AFDC coverage for first-time pregnant women. (page 42)

The Commission is deeply concerned about prenatal and postnatal health care for babies and feels that this proposal may decrease the health risk for those babies. The Commission, however, is concerned that this program actually result in better prenatal health care and that this program not serve as a disincentive to maintaining, where appropriate, the family structure.

This recommendation was not unanimous.

16. Provide an additional 6 months of Medicaid to families losing AFDC because of return to work (page 42)

This recommendation was not unanimous.

17. Expand the AFDC Family Crisis Assistance program to include:

a. Payment of first months rent at new location in eviction situations (in addition to payment of security deposits authorized by current Department rule).

b. Expansion of the maximum payment in utility terminations to \$500. (Present program provides \$300 for one utility and \$500 for more than one.)

c. Expansion of the maximum payment for repair or replacement of heating systems, wells, and sewage systems to \$1,000 and include original purchase of those items. (Presently \$500 is authorized for such emergencies).
(page 43)

This recommendation was not unanimous.

18. Establish a state supported categorical benefit program for persons without other means of support. (page 45)

The Commission ensorses the concept of a state supported categorical benefit program, but did not include it in its legislative proposals.

This recommendation was not unanimous.

19. Provide additional state reimbursement to municipalities.
(page 46)

Each municipality would choose one of the following options for additional reimbursement:

a. State funding of 50% of all municipal General Assistance expenditures below the current threshold. (Continue reimbursement at 90% above that obligation threshold); or

b. State Reimbursement for the reasonable administrative costs of the General Assistance Program, calculated as 10% of the General Assistance cost for that municipality.

TABLE OF CONTENTS

I. INTRODUCTION

II. THE GENERAL ASSISTANCE PROGRAM

- A. Historical development and objectives
- B. Characteristics of the General Assistance Program

III. ADMINISTRATION

- A. Referral
- B. Employment programs and job-training programs
- C. State vs. local administration
- D. The application process
- E. Multi-community district offices for the administration of General Assistance
- F. Training of administrators
- G. Municipal work program
- H. Residency
- I. SSI/SSDI application assistance
- J. Health care
- K. Types of payment authorized

IV. FUNDING

- A. Adequacy of funding
- B. Relieving the Financial Burden of the Municipalities

V. Closing Statement

I. INTRODUCTION

General Assistance seems to be a topic which is constantly before the Legislature. During the 111th Legislature, several major revisions to the General Assistance law were enacted. The Department of Human Services reported on the effects of those changes to the First Regular Session of the 112th Legislature. During the First Regular Session of the 112th Legislature, many bills amending the General Assistance laws were introduced and presented to the Joint Standing Committee on Human Resources.

Several bills raised questions about the funding and administration of the General Assistance program. One bill, L.D. 1309 AN ACT to Improve the Administration of General Assistance, proposed several legislative changes to the General Assistance laws and sought to establish a Commission to study the administration and financing of General Assistance. The specific statutory changes were not enacted; however, the Committee reported out the portion of the bill which created the Commission. That bill was enacted as Private and Special Law 1985, Chapter 79 and created this Commission. See Appendix A for a complete text of the P & S Law.) The Commission is composed of Legislators and representatives of municipalities, welfare departments, private non-profit charitable organizations with experience in General Assistance, and low-income recipients.

This Commission has been charged with the following duties:

1. Inquire into the experience and adequacy of the present methods of administration and financing of the General Assistance program and the extent to which low-income citizens currently receive the benefits required by law to provide the basic necessities essential to maintain themselves and their families.
2. Investigate alternative methods of administration of the financing of the General Assistance program to more completely, efficiently or equitably meet the program's objectives.
3. Inquire whether the state should assume more responsibility for financing and administering General Assistance.

The Commission was to make its recommendations to the Second Regular Session of the 112th Legislature, including any recommended changes in the law, the administration, and appropriations.

The task which this commission was given required a careful and comprehensive analysis of the current law and its

implementation as well as proposals to improve the system. In 1986, the law establishing this commission was amended to extend the deadline for the report for an additional year. This report is to the First Regular Session of the 113th Legislature. (Private and Special Law 1985, Chapter 131. See Appendix B for the complete text of the P & S Law.)

The Commission reviewed the relevant laws and regulations. The Commission held a public hearing to receive testimony from town managers, selectmen, General Assistance administrators, and recipients of General Assistance. The committee met with representatives from the employment training programs and the job search programs. In addition, the committee prepared and conducted a survey of General Assistance administrators and General Assistance recipients and conducted an analysis of the General Assistance caseload in a representative municipality to investigate frequency of utilization.

This report contains the findings and recommendations of the Special Select Commission on the Financing and Administration of General Assistance, including implementing legislation. (See Appendices C and D for the majority and minority legislative proposals.)

II. THE GENERAL ASSISTANCE PROGRAM

A. Historical development and objectives of the General Assistance program:

The General Assistance program has its historical basis in English law. The early colonial cities appointed an overseer of the poor who carried out his duties in accordance with the Elizabethan Poor Law of 1601. When Maine became a state on March 15, 1820, it continued that legal obligation in its new laws by stating that "each municipality shall have the responsibility of caring for those who are in distress."

The Maine Statutes provide the basic objectives of the General Assistance Program. As defined in Title 22, Maine Revised Statutes Annotated, section 4301, sub-§ 5, the General Assistance Program is:

"a service administered by a municipality for the immediate aid of persons who are unable to provide the basic necessities essential to maintain themselves or their families. 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. This definition shall not in any way lessen the responsibility of each municipality to provide general assistance to a person each time that the person has need and is found to be otherwise eligible to receive general assistance."

The basic necessities referred to are also defined by state law. They include: "food, clothing shelter, fuel, electricity, nonelective medical services as recommended by a physician, telephone where it is necessary for medical reasons and any other commodity or service determined essential by the overseer in accordance with the municipality's ordinance and this chapter." (22 MRSA §4301, sub-§1.)

The Department of Human Services discusses the role of the General Assistance program in relation to the other assistance programs in its publication, General Assistance Policy and Standards for Unorganized Townships with State Agents:

"The overall goals of the General Assistance Program are the same as the overall goals of the other Public Assistance Programs; mainly, to provide assistance for persons in need. Need is a condition resulting from lack of income or other resources sufficient to maintain a content of living compatible with health and decency.

"The combining of the General Assistance Program with the other Public Assistance Programs, insurance, health and rehabilitation programs, and educational services, implies an integrated use of all agencies and resources to provide for the total needs of the individual.

"The concept of the total well-being of the individual includes consideration of his economic, physical, intellectual, emotional, and social self. General Assistance is part of the combined efforts of Federal, State, and Local Governments and private agencies to provide financial assistance and other social and rehabilitative services to families and individuals who are unable to provide for their own needs." (p.1)

Historically the General Assistance program is designed to provide assistance to those in need. As society grew more complex the reasons for people's inability to provide for their own needs grew more complex. Federal and state governments developed more sophisticated programs to deal with these needs. Categorical aid programs, such as Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Social Security Disability Insurance (SSDI), developed to provide a continuing form of assistance to individuals who need continuing aid. General Assistance was no longer the only assistance program. It is now considered the source of last resort for assistance.

Now that General Assistance shares its role with other categorical and special assistance programs, the role of General Assistance is not as clear as it once was. People's needs have been dichotomized. Now a person is perceived to have on-going needs and short-term needs. An on-going need occurs when an individual's regular income is insufficient to meet that person's regular needs or an individual's income is virtually nonexistent. An on-going need is characterized by its long-term, continuing nature. The individual's circumstances are not expected to change, if at all, for an extended period of time. When circumstances do change, that change is often precipitated by a major event such as recovery from illness, acquisition of basic job skills, or availability of employment in an economically depressed area. Usually a short-term need occurs as a result of a catastrophic event, such as a major house fire; a robbery; the loss of a major appliance; or a temporary, disabling illness or injury. A short-term need is characterized by the short-term nature of the need. The need is for a defined, and not lengthy, period of time.

The growth of this dichotomy-of-need theory has created a perception that assistance must be divided into two categories also: programs that provide categorical (on-going) assistance

and programs that provide emergency (short-term) assistance. But, the General Assistance program defies classification. The law clearly states that the 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. Does this mean that General Assistance is only a short term program? The very next sentence in the law states that "This definition shall not in any way lessen the responsibility of each municipality to provide general assistance to a person each time that the person has need and is found to be otherwise eligible to receive general assistance." At what point does a short-term program that provides assistance each and every time an eligible person has a need become a long-term program?

Previous studies have attempted to solve that riddle; however, this commission does not feel that that is an appropriate or useful question to ask. General Assistance does not fit neatly into the newly created classification system for assistance programs which forces programs to be identified as short-term or on-going. General Assistance is still best characterized as the resource of last resort. As currently defined, General Assistance is designed to provide the basic necessities for individuals who are unable to provide them for themselves each time the person has a need and is found eligible. General Assistance is the only program a person has available after exhausting all the other on-going and short-term programs and still lacks adequate basic necessities. The statutory language which states that General Assistance is not a categorical welfare program and provides aid only for a limited period of time seems to imply, as one welfare administrator so aptly suggested, procedural and eligibility limitations, i.e. the recipient must requalify for General Assistance frequently (usually monthly) and that all other means of providing assistance should be exhausted prior to granting eligibility for General Assistance. It is not a limitation on the number of times an applicant can receive assistance.

If we examine the role of General Assistance from this perspective, we find three reasons a person who is unable to provide basic necessities for themselves or their family would need General Assistance:

1. Insufficient assistance from other programs. The level of need which is met by the other programs is insufficient to provide all the basic necessities.

2. Lack of eligibility for other programs. The other public assistance programs do not reach everyone in need.

3. Inability to obtain assistance from a program. There is evidence that some individuals who are eligible for SSI and SSDI are being improperly denied assistance or are experiencing exhaustive delays in obtaining that assistance.

General Assistance, then, is the source of last resort. It is designed to fill in the gaps where there are no other programs or the other programs are insufficient.

This analysis of the purpose of the General Assistance program provides several alternate methods of relieving the financial burden on the General Assistance program:

1. Increasing the assistance from the other programs until it is equal to the level of assistance recognized by municipalities as necessary for health and decency.
2. Establishing a new on-going or short-term program to be utilized by those not currently eligible for existing programs.
3. Increasing the opportunities for individuals on General Assistance to gain independence and self-sufficiency.

These issues, as well as who should be responsible for funding the General Assistance program, will be explored in this report.

B. Characteristics of the General Assistance Program in Maine.

In the Commission discussions, it was generally accepted that the role of the General Assistance program is to be the source of last resort. The major complaint voiced at the municipal level concerned cases of long-term support. Information on the characteristics of General Assistance recipients, however, is sketchy. The Department of Human Services requires reports on the number receiving assistance each month. These records of monthly-case-events are necessary for budgetary purposes but provide little descriptive information on the characteristics of recipients.

In addition to reviewing the monthly reports, the Commission conducted a survey of the perceptions of a sample of welfare recipients and a sample of welfare administrators. It also requested an assessment of the recipients in one municipality to estimate the number receiving long term and short term support.

1. Department Monthly Reports

The Department of Human Services requires municipalities to submit information on the cases receiving assistance monthly, if the municipality receives reimbursement from the state, and annually, if the municipality does not receive state reimbursement. These reports include the number of individuals or families receiving assistance in a given month, the number of those cases involving AFDC recipients, and the total number of dollars provided. The consistency of these records is limited. Towns vary as to whether they submit records monthly or yearly. Some towns are several months behind in filing and a few do not submit reports.

The information is based on monthly-case-events. A recipient who receives aid more than once in a month is counted as only one monthly-case-event. Recipients who receive aid several months out of a year are counted for each month they receive aid. A recipient who receives aid one or more times during a year will be referred to as a case. Since the towns provide only summary statistics, there is no possibility of separating cases according to the number of months they received aid during a year.

The following table displays Department of Human Services data on General Assistance in the state. The numbers labelled "cases" do not refer to recipients. Each "case" represents a monthly-case-event. A recipient could be counted anywhere between 1 and 12 times each year.

Table 1 shows a yearly caseload of nearly 75,000 monthly-case-events and annual expenditures of \$10.7 million. About 62% of this amount, or \$6.6 million is reimbursed to municipalities by the state. The average benefit for a monthly-case-event amount was \$145.

TABLE 1
GENERAL ASSISTANCE PROGRAM - RECIPIENTS BY COUNTY

<u>County</u>	<u>Monthly Case Events</u>				<u>Expenditures</u>	
	<u>All Cases</u>		<u>Estimated AFDC Cases</u>		\$	% of Total
	#	% of State Total	#	% of AFDC Total		
Androscoggin	585	9.4%	93	4.7%	\$ 840,187	7.8%
Aroostook	527	8.4	194	9.9	806,983	7.5
Cumberland	1797	28.8	618	31.5	4,478,506	41.8
Franklin	44	.71	18	.92	17,126	.16
Hancock	98	1.6	36	1.8	108,735	1.0
Kennebec	512	8.2	160	8.2	890,183	8.3
Knox	86	1.4	25	1.3	116,576	1.1
Lincoln	53	.85	9	.46	48,225	.45
Oxford	307	4.9	96	4.9	250,848	2.3
Penobscot	850	13.6	292	14.9	1,205,780	11.3
Piscataquis	62	1.0	16	.82	50,156	.47
Sagadahoc	72	1.2	19	.97	82,454	.78
Somerset	194	3.1	66	3.4	271,931	2.5
Waldo	105	1.7	30	1.5	70,807	.66
Washington	457	7.3	133	6.8	844,669	7.9
York	490	7.9	156	8.0	630,776	5.9
State Totals	6239	100%	1961	100%	\$10,713,940	100%

General Assistance case events and AFDC recipients are not evenly distributed across the state but tend to be concentrated in larger municipalities. Ten towns account for 66% of the General Assistance cases. Portland accounts for 38%, Lewiston and Bangor (combined) make up another 11%.

2. Commission Survey of Perceptions

The commission's approach was to survey applicants and general assistance administrators. The administrator survey was sent to each of the 497 local government units in the state representing a total survey of all municipalities. This gave the smaller municipalities the same voice as larger ones. The response rate was 56.6%.

The applicant sample was comprised of all the cases in the Department of Human Services' field reviews of the General Assistance Program. Field staff review the program in each local unit by examining a sample of the applicants served by a unit in the month prior to review. In the larger units, the field staff select a sample from a list supplied by the welfare administrator. The procedure of selection used is an ad hoc rather than a systematic random method. In the small units, where there are few applicants, they may have reviewed the total number of applicants seeking assistance that month. This method resulted in less than the 500 the commission requested be surveyed. The additional applicant cases were obtained by going back to the larger municipalities and selecting additional cases. The resulting sample is, therefore, not a strict random sample of all applicants in the state. It also over represents applicant cases from small units compared to larger units. The response rate was 36.4%.

Analysis of the responses of the administrator and applicant samples gives a picture of how the individuals responding perceived various issues concerning the general assistance system. Caution should be exercised, however, in using the opinions expressed by the respondents to make statements about how the total population of general assistance workers or applicants perceive the system. A cautious methodological interpretation would be that the information collected only represents the opinion of those responding.

Questions of particular interest to the present study of General Assistance related to the administrators' and applicants' perception of the application process and the frequency with which applicants were referred to other services.

a. Application process and support received

(1) Amount of need met

Both samples were asked a question concerning the extent to which the assistance offered met the applicants needs. The administrators responding were much more likely than the applicants responding to feel that the assistance provided met the "entire need" -- 72% of the 227 administrators and only 34% of the 150 applicants responding to the question. 26% of the administrators and 52% of the applicants felt that half or less than half of the need was met.

(2) Where applicant applied

The vast majority of the 164 applicants responding to the question on "where did you apply for help" indicated the town or city office -- 95%. Fewer than 1% of those responding to the question indicated that they applied for help in the administrator's home. Fewer than 3% indicated that the administrator came to their home. The administrators were asked the question in a slightly different fashion. They were allowed to give multiple responses and the question implied whether applicants ever sought assistance in various locations. 77% of the 283 administrators responding to the survey indicated assistance was given in the municipal office, 31% indicated the administrator's home and 14% indicated the applicant's home. Because of the multiple responses, the percentages add up to over 100%.

(3) Attitudes

Another series of questions related to how the applicants felt about seeking assistance or how they were received by general assistance workers.

Seeking welfare is not an easy thing to do. Only 14% (23) of the 161 applicant respondents felt good about it and 21% (34 of the respondents) felt OK. 53% (85) felt embarrassed, 24% (39) ashamed, 20% (33) upset and 12% (20) felt angry. (Since the total is well over 234, there are duplicate responses here. How many non-responses is not known from the marginal totals.) On another question, 43% (70) indicated that they knew of other people who needed assistance but did not ask for it. Also, 43% (70) of the applicant respondents had needed help themselves at one time or another but had not asked.

The attitude that they met when they asked for help was most often friendly and helpful, 50% (80) and 55% (88) respondents respectively. Seldom were attitudes unhelpful 5% (8 respondents) or unfriendly 12% (20 respondents). Fewer respondents indicated that the general assistance administrators were sympathetic 20% (33 respondents), patient 26% (42 respondents), or caring 32% (52 respondents). The number indicating they thought the administrators were unsympathetic, impatient or uncaring, however, were much less.

(4) Clarity of explanation and process

While the reception the respondents met was largely positive, there is some indication that the public officials providing help did not consistently explain things fully or make the recipient aware of their rights. As indicated in chart 1 below, a majority reported they were provided the proper information while a minority were not. It is a matter of judgement whether this minority is larger than desired.

Chart 1. When you applied for help:

	<u>YES</u>	<u>NO</u>	<u>DON'T KNOW</u>
A. Were the welfare rules and eligibility standards available where you could read them?	37%(60)	29%(47)	32%(51)
B. Did the worker explain to you the total amount of assistance for which you were eligible?	61%(99)	34%(55)	2%(4)
C. Did the worker volunteer information about other help from the town you could receive in addition to what you specifically asked for?	26%(42)	65%(105)	6%(9)
D. If you were helped, were you given a decision in writing?	66%(107)	26%(42)	2%(3)
E. If you were denied help, were you told why in writing?	25%(41)	29%(47)	7%(11)
F. Did the worker inform you of your right to a fair hearing?	47%(75)	36%(58)	7%(12)
G. Did the worker inform you of the state's toll-free general assistance complaint phone?	12%(20)	75%(121)	7%(12)
H. Was your interview setting private?	72%(116)	23%(37)	2%(4)
I. Do you think your request was kept confidential?	45%(72)	22%(35)	31%(50)

On the other side of this question of proper information, only a very small number ever asked to see the assistance rules or requested a fair hearing. Virtually none of the recipients were refused the right to see the rules or felt they were denied a fair hearing. Very few had contacted Pine Tree Legal Services or used the toll free complaint phone.

(5) Access to assistance

The major sources of difficulty in applying for assistance was that they did not have a phone (19% or 30 applicant respondents) or they did not have transportation (20% or 33 applicant respondents). Very few were not sure of who to ask or had difficulty in asking the right person.

Most of the respondents received aid promptly. Over two-thirds got in touch with a worker with one or two phone calls the last time they sought assistance. Only 4% (6) had to call six or more times. 81% (131) had their application taken in one or two days and only 4% (7) indicated it took more than three days. After the application was taken, 65% (105) received help the same day. In only 4% of the cases did it take more than a week.

b. Referral to other services

Both samples were asked questions about referrals to other services. The administrators were asked in terms of whether they ever referred applicants to other services. The applicants were asked in terms of whether they in particular were referred or received help from any other source. The responses are presented in chart 2. below. Keep in mind, that many communities may not have available services to which referrals can be made.

Chart 2. REFERRALS TO OR ASSISTANCE FROM OTHER SERVICES

	Administrators' Refer clients to	Applicants Been Referred to	Received Assist. from
None	2% (7)	29% (47)	2% (4)
AFDC	46% (213)	12% (20)	49% (79)
WIC	51% (142)	4% (7)	21% (34)
Food Stamps	86% (242)	29% (47)	91% (147)
Fuel Assistance	88% (248)	35% (57)	71% (115)
Public Housing	26% (74)	4% (7)	5% (8)
Social Security	46% (128)	3% (5)	6% (9)
SSI	49% (138)	2% (4)	4% (6)
Family Crisis Assist.	46% (129)	11% (18)	11% (18)
Medical Assistance	39% (110)	10% (16)	36% (58)
Food Pantry	5% (15)	10% (16)	11% (17)
Soup Kitchen	21% (60)	0	1% (2)
Thrift Shop	13% (36)	2% (4)	5% (8)
Day Care	33% (93)	1% (1)	1% (2)
Church	17% (49)	6% (10)	12% (19)
Emergency Shelter	21% (58)	0	0
Child Support	47% (132)	0	7% (11)
Family and Friends	12% (34)	6% (10)	18% (29)
Private Agency	41% (115)	0	1% (1)
Veterans Benefits	6% (18)	1% (2)	6% (9)
Other	22% (61)	9% (15)	12% (20)

While not a great deal of information can be drawn from the chart because the questions asked administrators and applicants were phrased in slightly different manners and because the

samples do not reflect a random representation of their respective groups, there are some interesting general patterns which may have larger significance. Applicants appear to receive assistance more often from these other sources than they indicate that General Assistance workers have referred them to these sources. This indicates a great deal of self referral and less use of the General Assistance office as a source of information about services. The only areas where a large number of administrators indicated they referred applicants and a high number of applicants indicated use of the services were Aid to Families with Dependent Children (AFDC), the Women Infants and Children program (WIC), food stamps, fuel assistance, and medical assistance. In contrast Social Security, Supplemental Security Income (SSI), family crisis assistance, day care, child support and private agencies were programs to which many general assistance administrators indicated they referred clients, but few clients indicated they received services. It could be that once referred the additional service meant that the clients did not seek general assistance again or it could mean that these sources rarely provided help.

In terms of helping people find jobs, the town assistance workers did not appear to be perceived as an active source of help or encouragement. Only 7% of the applicant respondents (11) indicated they were referred to job training. Four applicant respondents (2%) indicated the assistance worker did not seem to care whether they worked or not. The moderate effort made by assistance workers may reflect the poor economic condition in the area, the special life circumstance of the respondents (elderly or mothers with young children), or lack of transportation. Helping people re-enter the workforce is a desirable goal for those who can work. In some areas, where appropriate, the town assistance workers could be given a more active role. In other areas, jobs don't exist and town assistance workers have little time available to assist employment searches.

3. Bangor Study

The Commission discussed the merits and shortcomings of the current General Assistance program from a variety of perspectives and considered a number of options for improving the system. Long term vs. short term dependence proved to be a major focal point of discussion among Commission members and other participants. Much anecdotal information, but little hard data, was available to analyze the extent of long term dependence on General Assistance. The following sample was designed to provide a more factual basis for further discussion.

One proposal for providing municipalities with relief from the cost of general assistance was to shift the cost of long term general assistance cases to the state. In order to evaluate if the State should assume additional responsibility for long term General Assistance recipients, there is a need to be able to classify the monthly-case-events by the number of

months an individual had received assistance in the course of a year.

The municipal reports submitted to the Department do not allow for this type of analysis. The next best approach would have been a random sample of General Assistance recipients across the state over the past year. This was impractical in the time frame and budget of the Commission. A compromise solution was to examine the case records of one city. The information sought included the duration of assistance, family size, whether the recipient also received AFDC, shelter costs, other income data, and the amount of assistance granted. This sample could be expanded to other cities if time allowed to provide a better cross section of General Assistance users.

Bangor was selected because it had a substantial number of General Assistance recipients. It had good case records and was up to date on its reports to the Department. The Director of General Assistance was also willing to cooperate with the survey and assist in the data collection.

a. The sample

Bangor had approximately 10,000 cases in its filing system. Only a minority of these, however, were active cases which had received aid during the past year. While the Bangor Office had a computer print-out of those cases which receive aid each month, they did not compile a composite list of users over the past year. The initial intent was to take a random sample of case records. However, because this would have entailed examining two or three inactive files for every one current user, and because many of the records of the current users would be withdrawn from the files for the processing of current claims and therefor unavailable, this idea was impractical. As a compromise the list of recipients in the month of November was used as a sample. This assumes that those receiving aid in November had the same number of long and short term users and received the same average benefit as recipients of other months. The Director of the Bangor Office did not feel this was an unwarranted assumption, and further statistical analysis (discussed later) supported the adequacy of the sample.

b. Data collected

A one page form was developed to record information on each case for each month that they received aid from December 1985 through November 1986 (see Appendix E). The information collected included the number in the family, whether or not the family received AFDC, income, rent and utility costs, and how much assistance was granted. It was determined under way that the information in the records on income other than AFDC was not consistent or too time consuming to locate to be collectable.

c. Analysis

The data collected from the Bangor sample represents all recipients receiving assistance in the specified month. As presented in the sample data side of Tables 2 & 3, these included 161 AFDC recipients and 186 other cases. The tables classify recipients according to the number of months that they received assistance over the past year. Some notable characteristics of the sample include:

- o AFDC recipients appear to be more evenly distributed according to the number of months they received aid, with the median at six months.

- o The non-AFDC group tended to have more short term users with the median at three months.

- o The average amount of aid for AFDC recipients ranged from a low of \$87 per month for those that only used General Assistance one month to a high of \$148 per month for those that had received aid 11 months out of the past year. There did not appear to be an overall trend toward increasing aid by the number of months a recipient had received assistance.

- o The range for those who were not receiving AFDC was from \$95 per month for those who received aid only one month to \$213 per month for those who had received aid 10 months out of the last 12. Though not entirely uniform, there appeared to be a tendency for the long time users to have a higher monthly level of need, on average, than short term users.

The above figures represent the distribution of usage for cases receiving assistance in the month of November. The projected yearly data side of the two tables uses the monthly rate to estimate the number of cases per year who received aid for one month up to 12 months in the preceding year. All those who received aid each of the past 12 months were automatically in our sample. Only an average of one in twelve of those who received aid for only one month would have been included. Therefore the number of cases aided only once was multiplied by 12 to bring it up to an estimate of the yearly total. Similar adjustments were made for the other intervening categories. Based on these calculations, 561 AFDC recipients in Bangor received General Assistance at least once in the past year. Slightly under 40% of the cases received aid once and 20% received aid for 6 months or more. Among the non-AFDC recipients, there was an estimated total of 1126 cases of which over 65% received aid only once. Only 6% received aid for 6 months or more.

To test the validity of these adjustments, the estimates of Bangor's yearly caseload were compared with the Department's figures on the number of monthly-case-events and expenditures. This comparison demonstrated the sample described, with relative accuracy, Bangor's General Assistance population. If the Bangor data can be applied with the same relative degree of accuracy to the rest of the state, the Bangor project seems to dispel some misperceptions about Maine's General Assistance population. Although in a monthly sample there appears to be a relatively high number of long term cases, when viewed over the course of a year, the number becomes proportionately much smaller.

TABLE 2 - GENERAL ASSISTANCE RECIPIENTS IN BANGOR
AFDC Recipients

DATA FROM SAMPLE							PROJECTED YEARLY DATA		
<u># mo.</u> <u>assisted</u>	<u># of</u> <u>cases</u>	<u>% of</u> <u>AFDC</u>	<u>Average Mo.</u> <u>payment</u>	<u>Total \$</u>	<u>% of</u> <u>Total \$</u>	<u>% of total</u> <u>case events</u>	<u># cases</u> <u>yearly</u>	<u>% of AFDC</u> <u>cases</u>	<u>Total</u> <u>\$</u>
1	18	11.2/100%	\$ 87	\$ 1,566	0.7%/50.6	5.2%/46.3	216	38.5/100%	\$ 18,792
2	16	10.0/88.8	144	4,630/ 6,199	1.9 /49.9	4.6 /41.2	96	17.1/61.2	27,648
3	16	10.0/78.8	107	5,163/ 11,362	2.2 /48.0	4.6 /36.6	64	11.4/44.1	20,544
4	15	9.3/68.8	120	7,197/ 18,559	3.0 /45.8	4.3 /32.0	45	8.0/32.7	21,600
5	13	8.1/59.5	118	7,651/ 26,210	3.2 /42.8	3.7 /27.7	31	5.5/24.7	18,290
6	6	3.7/51.4	102	3,693/ 29,903	1.5 /39.6	1.7 /24.0	12	2.1/19.2	7,344
7	8	5.0/47.7	104	5,849/ 35,752	2.4 /38.1	2.4 /22.3	14	2.5/17.1	10,192
8	11	6.8/42.7	88	7,799/ 43,551	3.3 /35.7	3.2 /19.9	17	2.9/14.6	11,968
9	11	6.8/35.9	102	10,144/ 53,695	4.2 /32.4	3.2 /16.7	15	2.7/11.7	13,770
10	10	6.2/29.1	117	11,689/ 65,384	4.9 /28.2	2.9 /13.5	14	2.5/9.5	16,380
11	16	9.9/22.9	148	26,120/ 91,504	10.9 /23.3	4.6 /10.6	18	3.2/7.0	29,304
12	21	13.0	117	29,569/121,073	12.4	6.0%	21	3.7	29,484
TOTALS	161			\$121,073	50.6%	46.3%	561		\$225,316

N = 347

KVN/j1b/8050

TABLE 3 - GENERAL ASSISTANCE RECIPIENTS IN BANGOR
NON-AFDC Recipients

DATA FROM SAMPLE							PROJECTED YEARLY DATA		
<u># mo.</u> <u>assisted</u>	<u># of</u> <u>cases</u>	<u>% of</u> <u>NON-AFDC</u>	<u>Average Mo.</u> <u>payment</u>	<u>Total \$</u>	<u>% of</u> <u>Total \$</u>	<u>% of total</u> <u>case events</u>	<u># cases</u> <u>yearly</u>	<u>% of NON-</u> <u>AFDC cases</u>	<u>Total</u> <u>\$</u>
1	63	33.9/100%	\$95 (89)	\$ 5,985	2.5%/49.4	18.1%/53.7	756	67.1/100%	71,820
2	25	13.4/66.1	107 (100)	5,361	2.2 /46.9	7.2 /35.5	150	13.3/32.8	32,100
3	20	10.8/52.7	113 (106)	6,788	2.8 /44.7	5.7 /28.2	80	7.1/19.4	27,120
4	18	9.7/41.9	132 (123)	9,548	4.0 /41.9	5.2 /22.5	54	4.8/12.3	28,512
5	7	3.8/32.2	120 (112)	4,229	1.8 /37.9	2.0 /17.3	17	1.5/ 7.5	10,200
6	4	2.1/28.4	171 (160)	4,105	1.7 /36.1	1.2 /15.3	8	.7/ 6.0	8,208
7	9	4.8/26.3	137 (128)	8,665	3.6 /34.4	2.5 /14.1	15	1.3/ 5.3	14,796
8	4	2.1/21.5	124 (116)	3,981	1.7 /30.8	1.2 /11.6	6	.5/ 4.0	5,952
9	7	3.8/19.4	196 (183)	12,322	5.1 /29.1	2.0 /10.4	9	.8/ 3.5	16,464
10	5	2.7/15.6	213 (199)	10,654	4.5 /24.0	1.4 / 8.4	6	.5/ 2.7	12,780
11	6	3.2/12.9	136 (127)	8,996	3.8 /19.5	1.8 / 7.0	7	.6/ 2.2	9,792
12	18	9.7	174 (163)	37,660	15.7	5.2	18	1.6	37,584
TOTALS	186	100%		\$118,298	49.4%	53.7%	1126		\$275,328

N = 347

KVN/j1b/8050

III. ADMINISTRATION

A. Referral

Municipal General Assistance programs, established to "care for those in distress", have existed since Colonial times. For many years it was the only government sponsored assistance program available. Later, states and eventually the federal government established assistance programs. The role of the general assistance program is still to care for those in distress; but, now, that generally means after all other means of assistance have been exhausted or found to be non-existent.

The Department of Human Services, in its publication General Assistance Policy and Standards for Unorganized Townships with State Agents, discusses the integrated role of all the public assistance programs. In that document, the Department describes the effect of viewing all the assistance programs as an integrated combination of assistance programs, not as separate, unrelated entities:

"The combining of the General Assistance Program with the other Public Assistance Programs, insurance, health and rehabilitation programs, and educational services, implies an integrated use of all agencies and resources to provide for the total needs of the individual.

"The concept of the total well-being of the individual includes consideration of his economic, physical, intellectual, emotional, and social self. General Assistance is part of the combined efforts of Federal, State, and Local Governments and private agencies to provide financial assistance and other social and rehabilitative services to families and individuals who are unable to provide for their own needs." (p.1)

All public assistance programs except General Assistance are specifically designed for a discrete population. Only General Assistance is designed to address the entire population that is "in distress". It is important to the efficient administration of the General Assistance Program to coordinate the assistance offered by General Assistance with the other forms of public assistance that are available.

General Assistance applicants are not always aware of other assistance programs for which they may be eligible. Referral to these other programs, then, becomes a significant part of the General Assistance administrators' responsibility. Referral may provide other assistance to individuals in distress which would reduce the amount of assistance they would need from the General Assistance program. It makes fiscal sense to provide referral services as part of the General Assistance Program.

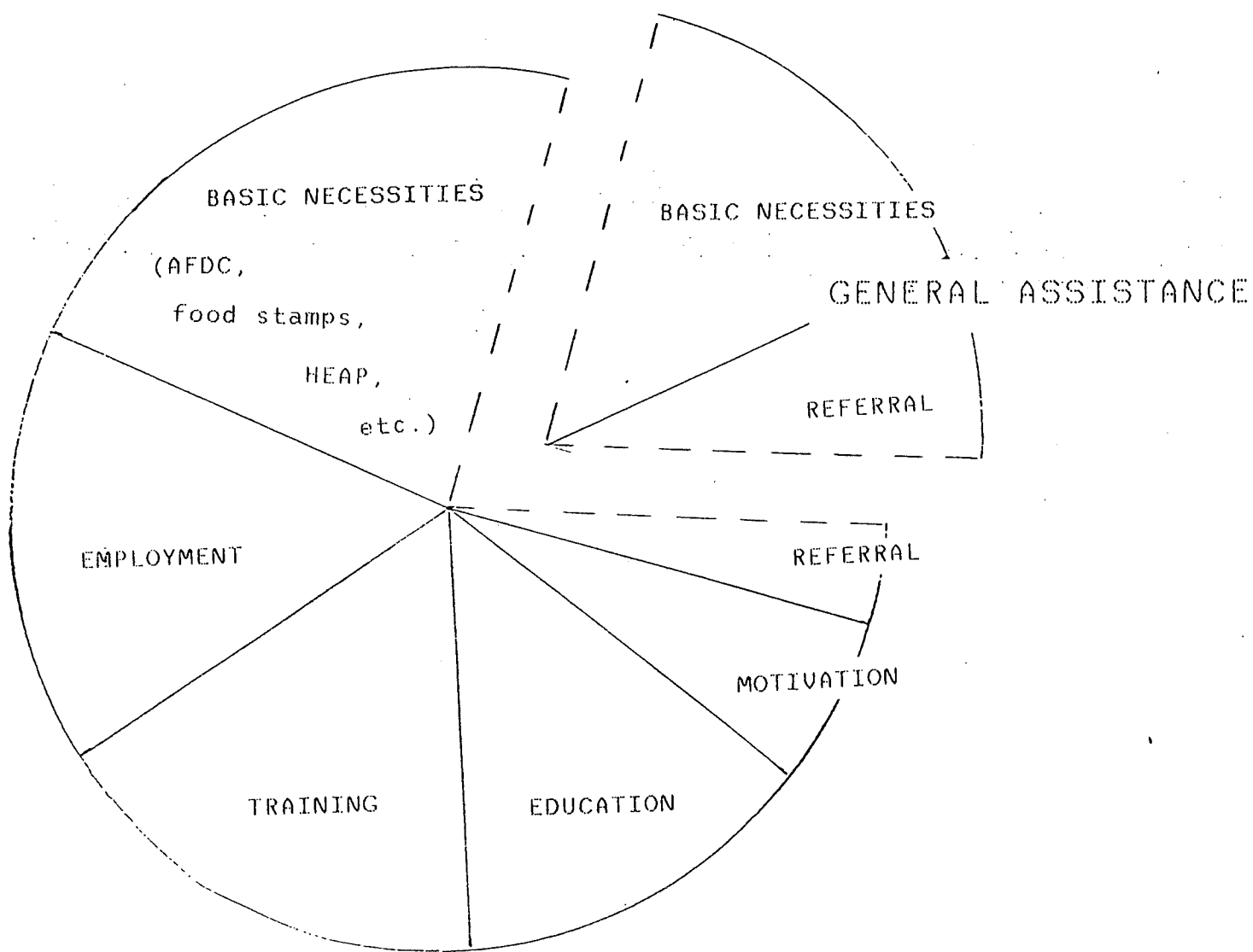
General Assistance referrals are not limited to direct assistance programs which provide the basic necessities such as food, shelter, clothing and medical assistance. Referrals are also made to employment, educational, and job-training programs. General Assistance administrators are in a unique position to address the causes and the symptoms of poverty. The General Assistance program can act as a referral point for programs providing the basic necessities (such as AFDC and Food Stamps) and programs providing opportunities to break the cycle of poverty (such as employment and education). No other public assistance program can provide such a broad range of referral services.

The General Assistance survey asked the welfare administrators where else they referred applicants for help. Those who responded to the questionnaire most frequently referred applicants to fuel assistance, food stamps, AFDC, WIC, SSI, family crisis assistance, social security, private social agencies, medical assistance programs, and day care. Recipients who responded to the questionnaire indicated the programs other than General Assistance which they used most include food stamps, fuel assistance, AFDC and medical assistance. Most of the applicants who were receiving help from sources other than General Assistance were not referred by the "town worker".

In addition, the survey sought to ascertain the frequency with which applicants were referred to other sources of assistance. Although the results of the survey are not statistically precise enough to make generalizations about the entire General Assistance population, 2/3rds of the applicants who responded to the specific question indicated that the welfare worker did not volunteer information about other help from the town. It cannot be determined if other referrals were appropriate. It must be kept in mind that not all towns have resources to which people may be referred.

Chart 4 represents the broad range of services available to individuals in need and shows the functions of General Assistance in terms of providing direct services and in terms of referring applicants to other, more appropriate, assistance programs that are available.

Chart 4. SERVICES FOR PEOPLE IN NEED



*Basic Necessities includes food, shelter, utilities, medical care, clothing, etc.

Providing accurate and up-to-date referral services is not an easy task. The programs and agencies that provide other forms of assistance are legion. The nature of each program, the appropriate agencies and people to contact, and kinds of assistance available all require a network of interrelated information that reaches extraordinary proportions. Add to this the need to constantly update each piece of that information and you have a referral service that requires a level of knowledge not always available to the municipalities.

Very few municipalities have the financial resources or the volume of applications to warrant hiring a full-time administrator. More frequently, a town selectman or the town manager serves as administrator of the General Assistance Program, in addition to handling a multitude of other responsibilities. They do not have access to the information necessary to make the appropriate referrals. They often are not aware of all the assistance programs available.

The Commission considered whether it was practical and efficient to make each administrator, whether selectman, town manager, or professional, the expert referral service for that municipality. This possibility was rejected by the Commission because of the difficulty in providing that information to each municipality and the near impossible task of updating it at almost 500 locations throughout the state .

The Commission recommends that a reliable referral service should be made available to municipalities, General Assistance administrators, and General Assistance applicants. It would identify and catalogue the available public assistance, employment, job training, and other relevant programs and keep the list up-to-date.

An information and referral service was once provided by the Department of Human Services. It provided accurate information and was up-dated continuously. The program was highly regarded for its accuracy and efficiency and for its ability to up-date its sources frequently. Unfortunately, it was not a mandated program and was phased-out approximately 10 years ago in order to divert those funds to other important issues.

This Commission recommends that such a service be made available again. Reinstating information and referral services would (1) increase the efficiency of the General Assistance Program by making more referral information available, and (2) potentially decrease the expense of the General Assistance program by referring potential General Assistance applicants to other more appropriate programs..

B. Employment programs and job-training programs

During the course of its deliberations, the Commission heard testimony outlining the various employment and job-training programs available throughout the state. The Commission was impressed with the multitude of programs available, the lack of coordination of those programs, and the dearth of resources available to the average General Assistance recipient.

The Commission notes the recent report, Governor's Coordination and Special Services Plan: July 1, 1986 - June 30, 1988, prepared by the Maine Job Training Council. That report notes the lack of coordination among the various employment and job-training programs throughout the state and outlines a procedure to increase that coordination. This Commission applauds and supports their efforts in reaching that goal.

This Commission believes that any plan developed to provide employment and job-training in Maine must make a special effort to understand the needs of all General Assistance recipients (not just those who are also AFDC recipients) and to address those needs. Testimony before this Commission indicated that a large number of General Assistance recipients were not "job ready" and that most of the employment and job training programs did not or would not deal with these kinds of problems. Often, employment and job training programs were under intense pressure to produce a significant number of statistical successes quickly to justify their programs. This emphasis on large numbers of quick successes requires those programs to concentrate on individuals who are job ready and are likely to place in jobs quickly. This practice is called "creaming" and leaves the typical General Assistance recipient out in the cold. In addition, the General Assistance recipient is often unable to take advantage of the few programs relevant to their needs because they were unable to pay for child care during classes or transportation to classes.

A notable exception to this trend is the Welfare Employment Education & Training (WEET) program which makes a special effort to address those specific needs of AFDC recipients, i.e. job readiness, child care, and transportation. 50% of the participants of the WEET program are totally voluntary. There are 350 people waiting for an opportunity to participate in the program. The WEET program only serves the AFDC population. There is a need for an expansion of the WEET program to cover more AFDC recipients and a need for a similar program to be available for non-AFDC individuals as well.

C. State vs. local administration

The day to day administration of the General Assistance program has always been conducted at the local level by local officials who are familiar with their local economic conditions.

State government, which provides the bulk of the funding for General Assistance programs provides technical assistance and exercises general oversight of the municipalities' programs. It monitors the local administration of General Assistance to ensure conformity with statutory requirements. It may intervene on behalf of clients and may sanction municipalities whose programs are not in compliance with the statutes.

The statutes present a division and balance of duties and responsibilities that the Commission feels is both logical and appropriate.

D. The application process

Applying for general assistance is not an easy thing to do. The General assistance survey conducted as part of this study attempted to find out how the applicants felt about the application process. Of those who responded to the questionnaire, many felt embarrassed, ashamed, or upset. Very few respondents felt comfortable applying for general assistance.

The attitude that applicants met when they asked for help was most often friendly and helpful. The next most frequent responses were caring, patient, and sympathetic. Only a few of the applicants who responded to this question felt that the attitude of the person they spoke with in the General Assistance office was unhelpful or unfriendly.

While the reception the respondents met was largely positive, there is some indication that at least some of the public officials providing help did not consistently make complete explanations or make the applicant fully aware of his or her rights. On the other hand, only a very small number of respondents asked to see the assistance rules or requested a fair hearing.

Of those responding to the survey, the major source of difficulty in applying for assistance appeared to be lack of a phone or lack of transportation. Very few were unsure of who to contact or had difficulty in asking the right person.

E. Multi-community district offices for the administration of General Assistance.

Enabling legislation enacted in 1983 allowed two or more municipalities to establish a district office for the administration of general assistance and to share administrative expenses. Municipalities which establish this type of administration over their general assistance programs

are required to maintain accessibility by providing a minimum of 35 hours of availability per week by the district administrator for taking applications, establishing a toll-free telephone line, and providing designated personnel to be available 24 hours a day for emergency relief.

While the intent of this law was to provide more flexibility for municipalities in operating their General Assistance Program, this commission could find no instance where any municipality has established such a district office.

The advantages of this type of arrangement would be to provide a more efficient and effective General Assistance Program by utilizing a professional administrator and to share administrative expenses between municipalities. The disadvantages appear to be a feared loss of local control and greater expenses. Loss of local control is not a real issue since forming a district is purely voluntary.

Greater expenses are anticipated for two reasons. Currently, many General Assistance Programs are administered in the smaller municipalities by local selectmen as a part of their many other duties. They have little time and little training to devote to administration of the General Assistance Program. Often the junior selectman is delegated the General Assistance responsibilities. In many instances, the person who was elected to that position probably had no idea that General Assistance was a part of his or her job. Greater costs would be incurred under a district administered situation because (1) each municipality would have to pay their share of the administrator's salary. If the selectman administers the program, as is currently a common practice, there is no additional expense. (2) With more professional administration, it is assumed that the program would be better administered. Better administration would possibly result in more general assistance benefits being distributed.

This Commission, in another section of this report, is recommending that the state provide some form of reimbursement to all municipalities for administrative expenses. This Commission hopes that that will provide an incentive for communities to seriously consider forming a general assistance district. The administrative expense reimbursement from the state can relieve the strain on the municipal budget for this expense.

F. Training of administrators.

Less than 50 municipalities employ professional general assistance administrators. The remainder of the general assistance programs are administered by town selectman or town managers. General Assistance administration comprises only a small part of their responsibilities. There is no official training and certification program. Non-certification training

programs are offered by both the Department of Human Services and the Maine Municipal Association (MMA). Those responsible for general assistance administration are often eager to learn more about general assistance, but have little time or energy to go to training sessions.

Department of Human Services training sessions are offered throughout the state and are generally located so that no one has to travel more than 20 or 30 miles, but they are not well attended. Those that do attend are generally the same few individuals. MMA training sessions are better attended, but are conducted as part of a larger workshop on a multitude of municipal issues. (49% of the administrators who responded to the general assistance survey indicated that they had been to a training session conducted by the Department. 54% of the respondents had attended an MMA training session.)

The Commission recommends that a voluntary certification program be instituted to provide recognition for those administrators who complete a minimum of training. The Commission believes that there are ways to structure the training program to induce people to participate. Incorporation of training sessions into larger programs which deal with a variety of municipal topics might provide an incentive which attracts more participants. The multi-issue agenda would operate to draw larger attendance than single issue sessions dealing solely with general assistance. A coordinated program could be established with groups such as the Department of Human Services, the Maine Municipal Association, the Maine Welfare Directors' Association, and an advocacy group such as Pine Tree Legal Association.

This Commission, in another section of this report, is recommending that the state provide some form of reimbursement to all municipalities for administrative expenses. This commission hopes that that will create a financial incentive for communities to promote training for their General Assistance administrators. The administrative expense reimbursement from the state can be used to relieve the strain on the municipal budget for this expense.

G. Municipal work program

Under the current provisions of the General Assistance law, a municipality may require an otherwise eligible person who is capable of working to work for the municipality or for a nonprofit organization in order to receive general assistance benefits. (22 MRSA §4316-A) The statute provides a set of guidelines to govern the use of the work program. Any applicant willfully failing to perform a job assigned under this section, without just cause, becomes ineligible for assistance.

Present law permits municipalities to choose to have municipal work programs. Many of the larger municipalities have work programs with which they are satisfied. Smaller communities have more difficulty with work programs because they lack employees to supervise work program clients and have fewer appropriate work program assignments than the larger municipalities. National studies of municipal work programs have arrived at widely divergent assessments.

The Commission has not had the opportunity to review these national studies. Some members of the commission believe the municipal work program is extremely valuable while others see it as a potential distraction from meaningful job placement and training. All of the members of the commission believe that a municipal work program is a complex issue to evaluate.

The Commission makes no recommendations for changes in the present municipal work program law and therefore, takes no position on municipal work programs.

H. Residency

1. Durational residency requirements.

Periodically the suggestion is made to enact a durational residency requirement for General Assistance eligibility. The most compelling argument in favor of this proposal is to prevent "benefit shopping" where potential General Assistance recipients move to a jurisdiction which has better benefits merely to procure those better benefits.

The courts have declared that enactment of a durational residency requirement for that purpose is clearly unconstitutional. To prevent General Assistance applicants from moving from one community to another (or to create a system which denies assistance to applicants who are relocating) is not a legitimate interest of government.

The U.S. Supreme Court and other Federal appellate courts have considered and rejected a multitude of rationales for a durational residency requirement. A complete discussion of the constitutionality of durational residency requirements is contained in the Legal Issue Summary: "Constitutionality of Durational Residency Requirements for General Assistance Applicants" in Appendix F. Based on that analysis this Commission finds that a durational residency requirement would be unconstitutional regardless of the duration of the residency required.

This conclusion, however, still leaves two valid residency questions:

- Responsibility for clients who have moved or are moving from one municipality to another; and,
- Responsibility for General Assistance for migrant workers.

2. Responsibility for clients who have moved or are moving from one municipality to another.

A determination of which municipality is responsible for the General Assistance needs of an applicant or recipient when that person moves or intends to move from one municipality to another has been the subject of much controversy. Current disputes arising between municipalities are resolved by the municipalities themselves, or not resolved at all. Under the present statutory language, it is not always easy to determine which municipality is ultimately responsible.

The Commission recognizes the difficulty in interpreting the current law and in resolving disputes which arise when General Assistance applicants or recipients relocate. To address this situation, the Commission recommends that current law be amended to (1) clarify the existing language wherever possible without changing the meaning and (2) provide a procedure to resolve disputes between municipalities concerning which municipality is responsible.

The Commission's proposal contains the following specific changes to current law:

- a. Amends the definition of resident to conform more closely to the traditional use and understanding of the word resident. The amendment will retain the two traditional elements of residency: (1) physical presence and (2) intention to remain. In addition, the language further defines resident as someone "who has no other residence."

COMMENT: There has been some confusion about a person's intention to remain. The lack of intent to remain in a community is clear when that person is merely visiting or passing through and has another residence established in another community. What is not so clear is the situation when a person is currently living in a community but has plans to move in two weeks. In that situation, one must keep in mind that the person still "intends" to reside in the community he is currently living in for those remaining two weeks. He is still a resident of that community even though he plans to move out in two weeks. He intends to make that community his home, and thus his residence, for another two weeks and that community, where he is physically located, is responsible for him for those two

weeks. The Commission encourages the department to elaborate by rule, including appropriate examples, on a person's "intent to remain" to avoid further confusion among the municipalities which are responsible for administering the General Assistance program.

The amended language would also make it clear that if a person is not a resident elsewhere, the municipality where the person first applied is responsible until a new residence is established.

b. Provides a more detailed definition of responsibility for assistance given to an applicant or recipient who is in a group home, shelter, or similar institution. In addition, hotels, motels and other similar institutions should be included in this category.

COMMENT: In the past there has been some confusion concerning what constitutes assistance to relocate. The Commission amendment prohibits relocation for purposes of avoiding responsibility to General Assistance applicants. It also defines financial assistance in regard to relocation to include moving expenses, rental deposits, rental payments or promises to pay, and any other related expenses normally associated with relocation. The Commission hopes that the department will promulgate rules to specify what constitutes financial assistance in this context should there be some doubt as to the meaning.

c. Creates a dispute resolution mechanism whereby a municipality may petition the department to determine responsibility under the law. Until that determination is made, the municipality where the applicant first applied should be responsible for providing assistance. The decision of the department may be appealed. Since the dispute resolution mechanism may require the state to make adjustments to a municipalities reimbursement to assure the proper municipality assumes ultimate financial responsibility, the General Assistance account should be a non-lapsing account.

COMMENT: In disputes concerning residency of responsibility and potential reimbursement between towns once final responsibility has been determined, the commission presumes that the cost to the municipality of responsibility will be determined by the relevant standards of that municipality.

Although the Commission has attempted to clarify the determination of responsibility among municipalities, we recognize the complex nature of this subject area. As we have tried to indicate in the previous discussion, the departmental rules should provide valuable assistance in clarifying the statutory language for specific instances. We also hope that

municipal officials and welfare administrators will carefully review the proposed changes to the current law. While we have attempted to take into account as many different situations as possible, there may be some areas of concern which were not known to the Commission.

3. Who is responsible for General Assistance for migrant workers?

Migrant workers present a unique situation for general assistance when they arrive in a municipality to harvest fruit or produce. They represent a sudden, large influx of people to an often small community. They become the responsibility of the municipality for General Assistance purposes because they qualify as a resident based on their intent to remain in the community, at least for the duration of the harvest, or because they have no other residence. They are, however, temporary residents. The influx into a small community of so large a number of people who may need General Assistance to supplement subsistence income often strains the financial resources of that municipality.

A multitude of factors combine to create a situation which breeds the necessity for General Assistance relief. Migrant workers are paid weekly. But the starting date for any particular crop will vary with the weather. Often the workers will arrive in an area too early for the crops. Too many workers will come. Employers like the oversupply of workers. They hire everyone because the crop will be harvested faster. The workers, however, only work 1/2 the time they expected to work and subsequently only receive half the money they expected to receive. One half of a subsistence income almost begs for relief from the General Assistance program.

Thus a municipality subject to the immigration of migrant workers will have a rapid influx of large numbers of inadequately paid new residents and, more likely than not, a small property tax base to absorb the large fluctuation in General Assistance responsibility.

Currently, blueberry land owners and municipal officials have begun discussions concerning this issue. The Commission encourages these dialogues in all areas that have a large influx of migrant workers. If a reasonable solution cannot be reached by these discussions, it may be necessary to reexamine this problem.

I. SSI and SSDI Application Assistance

Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) benefits are part of the federally funded benefits from the Social Security Act. The Commission heard repeated testimony that individuals who are eligible for these benefits are being summarily denied the benefits. Only through sophisticated appeals, involving lengthy delays, are they able to finally obtain the benefits for which they are entitled.

The denial of SSI and SSDI benefits to qualified applicants appears to be a deliberate concerted effort to discourage applicants from pursuing SSI and SSDI and consequently to save program costs. One case presented to the Commission involved a 60 year old illiterate applicant in Bangor who had never held a job. The applicant was told to go to Waterville for a physical exam when it would have been much more reasonable to find transportation to get to one of the excellent Bangor hospitals. It was a major obstacle to find transportation to Waterville.

One advocacy group testified that because of severe cutbacks in their funding, they only become involved in appealing these cases after they have been denied eligibility and they do not have any resources available to transport people for medical exams.

The Commission finds this situation deplorable. Portland has one social worker devoted entirely to helping people pursue their SSI and SSDI applications. The Commission recommends that the Maine Congressional delegation actively seek to correct the inequities and deliberate attempts to dissuade or otherwise complicate applications for SSI and SSDI benefits. (See Appendix G. for letter to Congressional delegation.)

The commission notes that an increase in the number of people successfully being granted SSI and SSDI will decrease the burden that General Assistance is expected to bear.

One state agency, the Advocates for the Developmentally Disabled (ADD), has taken an active role in advocating for this group. State law mandates that the ADD provide direct assistance to people with developmental disabilities (in resolving violations of their rights.) ADD is assisting SSI and SSDI applicants through two of its existing programs: its advocacy program and the Client Assistance Program.

The Commission encourages General Assistance administrators to consult the ADD on behalf of their clients who may be eligible for SSI or SSDI benefits and are having difficulty applying for those benefits or appealing a denial of benefits.

The Commission is aware that if there is a significant increase in SSI and SSDI clients for the ADD, there may be a need to appropriate additional revenues for that agency. This Commission feels that the magnitude of the need may warrant future increases in the ADD funding because of the increased workload.

J. Recognize health care as a problem.

Health care for those people who are impoverished is a necessity. The Commission discussed two major problems in regard to health care for the General Assistance population:

1. The availability of health care.

The General Assistance recipient does not have the financial resources to pay for adequate health care. Other methods of funding must be provided if the recipient is to have adequate access to health care. Some recipients are eligible for Medicaid. Many recipients must rely on General Assistance or charitable care from hospitals.

The Commission believes that this is a nationwide problem which can be best resolved at the federal level. In the meantime, Maine must look to its own health care system for some relief.

Recently, some hospitals have felt obligated to request payment of charitable care from the General Assistance program. This Commission believes that medical care is a necessary expense for the General Assistance recipient but believes that the role of the General Assistance program is to provide that assistance after all other means have been exhausted. Accordingly, the Commission does not feel it is appropriate for a hospital to request reimbursement for medical expenses from the municipality. The municipality is already providing a tax free environment for the hospital.

This Commission recommends the following policy be adopted by hospitals. Upon admission (or in cases of emergency admission, upon discharge) of a patient without medical insurance, hospitals shall determine the eligibility of the patient for any Federal or state programs of medical assistance. If the patient is not eligible for such programs but meets the financial requirements of the medically needy program, the hospital's care will be provided as charitable care pursuant to regulations of the Health Care Finance Commission. In no event should the hospital care of a person who meets the financial requirements of the medically needy program be billed to the individual or to a municipality.

2. The loss of Medicaid by individuals who work.

In many cases, individuals who leave AFDC or SSI to go to work either earn enough money to pay for health insurance or receive health insurance as a part of their employment. However, in some cases, those individuals earn so little that the loss of health benefits acts as a disincentive to continuing employment. Part IV, item B, section 1-e of this report proposes a solution to this problem.

K. Types of payment authorized

Current General Assistance statutes do not specify what type of payments may be authorized when General Assistance is granted. All General Assistance programs except one provide assistance in the form of vendor payments. That one program provides cash payments for items such as food, laundry, clothing, and transportation. It uses vendor payments for items such as rent, fuel, and electricity. Cash payments amount to approximately one-half of the total expenditures for General Assistance in that community.

The benefits of cash payments to that community include: (1) allowing the recipient some responsibility for their spending decisions, (2) fostering a sense of self-respect, (3) assisting in reducing dependency by encouraging responsibility and self-respect, and (4) avoiding the harsh dehumanizing effect on the elderly that an all-voucher system promotes. In addition, that community feels that vouchers are less practical in a rural area where stores are not common or easily accessible and mandating vouchers takes away a choice which belongs to the local municipality.

Some members of the commission feel that cash payments are extremely difficult to monitor in a cost efficient manner and may promote a higher per capita General Assistance expense. Accordingly, those members of the Commission recommend that all payments for General Assistance be made in the form of vendor payments.

IV. FUNDING

A. Adequacy of Funding

1. The main issue in determining how much assistance is adequate under the statute is a determination of what the recipient "needs". Need is defined by state law and by the municipal ordinance. The state law states that need is "the condition whereby a person's income, money, property, credit, assets or other resources available to provide basic necessities for the individual and the individual's family are less than the maximum levels of assistance established by the municipality." (22 MRSA § 4301, sub-§ 10.) The maximum levels of assistance must be "reasonable and adequate standards sufficient to maintain health and decency." (22 MRSA, § 4305, sub-§ 3-A.)

The level of income necessary to maintain health and decency, i.e. the recipient's need, is subject to varying interpretations. The municipality sets the maximum level of assistance at the level of income they feel is appropriate to maintain health and decency in their community. The Department of Human Services has the authority to evaluate that maximum level of assistance to ensure that it is reasonable and adequate and that it is sufficient to maintain health and decency.

The actual standard that is appropriate for each municipality may be difficult to ascertain. There are varying standards in existence now which often conflict with one another. No one believes that the official Federal Poverty Guideline is adequate. The food component of that guideline is based on the U.S. Department of Agriculture's Thrifty Food Plan. The U.S. Department of Agriculture (USDA) has acknowledged that plan to be nutritionally inadequate. The USDA Low-Cost Food Plan is recognized as a more realistic estimate. Market basket surveys can provide an even more accurate estimate of the standards necessary to maintain health and decency, but these surveys can be expensive to conduct.

John Romanyshyn, in his paper which outlined the various methods of calculating standards of health and decency concludes that reasonable and adequate standards sufficient to maintain health and decency is presumed to mean:

"...an ability to purchase or otherwise acquire at least a minimum amount and quality of goods and services necessary to maintain health, live in a safe and habitable dwelling, facilitate school attendance and employment, or the pursuit thereof, and enable individuals and families to participate in community activities as normal citizens." (Outline: General Assistance Standard of Health and Decency; John Romanyshyn, September 1985, p. 3.)

The complete text of his analysis is available in Appendix H.

This Commission unequivocally believes that the standard of living for all Maine citizens should be sufficient to allow them to "live with dignity." Any less is intolerable in a civilized society. The level of support through current categorical assistance programs for all of Maine's impoverished, whether the marginally impoverished "working poor" or those with no income at all, should be sufficient to allow them this dignity.

Most people and communities in Maine want to help those who are in need; but, the question must be asked as to whether the needs of these people can be adequately met by the property tax. This Commission believes that the burden on the property tax is too great. We believe that this burden can be relieved (a) by ensuring that all eligible people are receiving the benefits available to them from current programs other than General Assistance and are not subject to unwarranted denial of those benefits and (b) by ensuring that the level of benefits is adequate. In addition, the Commission is proposing specific recommendations to relieve the property tax burden for General Assistance.

B. Relieving the financial burden of the municipalities

There are two strategies for relieving the financial burden of General Assistance from the municipalities. The first is to design programs that increase Federal participation in providing assistance to the needy, and the second is to shift more of the financial burden borne by the municipalities to the state. The Commission has been presented with a series of proposals, some of which fall under each category. A brief description and cost estimate for these proposals follow.

1. Programs designed to increase federal participation

a. Increasing the AFDC base.

The Commission endorses the concept of increasing the Aid to Families with Dependent Children (AFDC) standard of need by 10% per year, until the 1986 poverty level standard is met. Poverty level for a family of 3 is presently \$760 per month, compared with the current AFDC grant of \$405. The first year cost for this would be:

<u>Budget Item</u>	<u>FY '88</u>
State AFDC Cost	\$3,190,400
Additional State Medicaid Cost	76,000
TOTAL *****	3,266,400
Federal AFDC Match	7,444,266
Federal Medicaid Match	177,333

It is estimated that the cumulative additional cost of this increase over 10 years, including the addition of new cases* becoming eligible, would be:

	<u>State</u>	<u>Federal</u>
AFDC	\$45,000,000	\$97,547,000
Medicaid	4,200,000	8,726,000

*New cases are estimated using a formula of 200 additional cases for every 5% increase in the need standard, or about 400 new cases per year under this proposal. The 10% increase was compounded cumulatively over a ten year period.

While the Commission strongly endorses increasing the AFDC base up to the 1986 poverty level as a necessary step in providing realistic measures of support through the existing AFDC program, the Commission is not including this proposal in its legislative recommendations. The Commission feels that if this measure were included in the proposed legislation, the combined impact would detract considerably from the other proposals and decrease the opportunity for any property tax relief for General Assistance. The Commission maintains its strong support for the concept expressed by this proposal and endorses other legislation which may be introduced.

b. Index AFDC standard of need

The Commission recommends that the AFDC Standard of Need be indexed to keep pace with inflation. Currently the legislature votes an increase in the AFDC standard each year. There have been increases the last 8 years but they have not kept pace with inflation. If more of the added need caused by inflation is met by AFDC, the increase in General Assistance will be slowed. Since AFDC has failed to keep pace with inflation, reliance on General Assistance has increased. If AFDC kept pace with inflation, fewer would turn to General Assistance.

These cost estimates assume a 1.6% increase in FY '88 (based on the inflationary increase in FY '87) and 3% increase in FY '89.

<u>Budget Item</u>	<u>FY '88</u>	<u>FY '89</u>
State Cost AFDC Increase	\$458,744	\$932,956
Additional Medicaid Cost		63,703
TOTAL	\$458,744	\$995,659
<hr/>		
Federal AFDC Match	\$953,645	\$1,837,104
Federal Medicaid Match		194,697
TOTAL	\$953,645	\$2,031,801



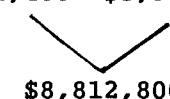
c. Additional AFDC Special Needs Supplements

The Commission endorses AFDC Special Needs Supplements to meet the costs of:

- (1) Excessive shelter expense
- (2) Winter clothing
- (3) Training and education related expenses

In addition to an overall increase in AFDC, states may authorize particular payments to AFDC families for "special needs". (45 CFR 233.20 (a)(2)(v)). The states which choose to provide for special needs must describe the circumstances under which it will be granted and make it available to all applicants or recipients who qualify for it. These supplemental AFDC programs can be used to address part of the deficiency in AFDC without the significant costs of the two previous proposals (section 1-a and 1-b). If the AFDC benefit level subsequently increases to meet the basic needs more realistically, these special supplements can be phased out.

Table 5 - Cost Estimates for AFDC Special Needs Supplement for Shelter

% of Income Spent on Shelter	% of AFDC Households Eligible	# of Households Eligible	Average Mo. pmt. w/ Cap	Cost of Program with Cap		Average Mo. Pmt. w/o CAP	Cost of Program without Cap	
				State,	Federal match		State,	Federal Match
> 80%	41%	7,380	\$78	\$2,232,515	\$4,640,985	\$133	\$3,825,650	\$7,952,830
				 \$6,873,500			\$11,778,480	
> 75%	45%	8,100	\$80	\$2,525,645	\$5,250,355	\$138	\$4,356,740	\$9,056,860
				 \$7,776,000			\$13,413,600	
> 70%	51%	9,180	\$80	\$2,862,400	\$5,950,400	\$143	\$5,116,535	\$10,636,345
				 \$8,812,800			\$15,752,880	

(1) Excessive shelter expense

The Commission recommends an excess shelter program to provide a supplement to a recipients income if their shelter cost exceeded a certain percentage of their total income. The Commission has included legislation to implement this recommendation. A maximum supplement (benefit cap) could also be placed on the total amount of the supplement. Table 5 shows various options under this proposal with and without a maximum on the total supplement which would be granted.

Shelter costs which exceed 75% of a family's income make it difficult for that family to purchase other basic necessities. This program will generate Federal funds through the Federal match, will benefit the families involved, and will benefit the economy.

The various cost estimates for the program shown on Table 5 were derived using data from a quality control sample of food stamp recipients. The federal government requires the Department to perform a monthly random sample of 1000 cases. Income and shelter cost information is collected during the sampling process. AFDC recipient data (371 cases) was extracted from one of these samples. Income and shelter cost figures were used to determine the percentages of AFDC recipients who spent more than a given percentage of their income on shelter costs. A summary of that data appears below.

% of income spent on shelter	# of families	% of sample AFDC families
more than 70%	189	51%
more than 75%	167	45%
more than 80%	150	41%
more than 85%	138	37%
more than 90%	119	32%

The percentages here were applied to a statewide AFDC population of 18,000 (which excludes those 2,000 AFDC families currently living in subsidized housing), to determine how many would be eligible for a housing supplement at each of the chosen ratios (see Table 5).

The recommended program (highlighted on Table 5) includes a \$100-mo. maximum supplement. The supplement would be available for all AFDC households whose shelter cost exceeds 75% of their income. Under this plan, it is estimated that an average benefit of \$80.00 will be paid to 8,100 families, or 45% of the State's AFDC cases.

The average monthly payment was calculated by finding the difference between the shelter costs and the applicable percentage of income, and then applying the \$100 cap. The sum of the supplements divided by the number of eligible families gave us the average monthly payment. Estimates were projected both with and without the cap. The average payment required to supplement families to the full 75% of income level would be \$138 without a cap and \$80 with the cap. It should be noted that the additional amount would only supplement their existing housing costs. Placing a cap on the supplement would prevent any tendency to move to more expensive housing and using the state supplement to cover the additional cost.

A determination was needed of how many of the additional state dollars necessary to fund the shelter supplement (using the 75% option) would be offset by savings to the General Assistance budget. For a program supplementing those AFDC families that spend over 75% of their income on shelter, and including a \$100 maximum supplement, savings to General Assistance is computed as follows:

21,450	- 33% of the annual GA caseload
x \$ 80	- average monthly supplement
\$ 1,716,000	- overall savings to GA

This estimate assumes that all AFDC families currently receiving General Assistance would receive the supplement. The risk in this assumption -- that some of these families would not be eligible for the supplement which would therefore not constitute a savings to General Assistance -- is outweighed by the strong likelihood that most of these families would receive the \$100 maximum supplement, rather than the \$80 average which was used to compute the savings.

Determination of state and local savings was computed by taking the reported caseload in each locality with General Assistance expenditures in excess of \$12,000 (representing 92% of General Assistance expenditures statewide). Except where more precise percentages were known, 33% of the caseload was assumed to be AFDC families. This number was then multiplied by the \$80 average monthly supplement and again by 12 to determine the annual savings. For example, Augusta has an average monthly caseload of 198, therefore, the computation will be:

$198 \times .33 = 65$ (AFDC cases) $\times \$80 \times 12 = \$62,726$ annual savings

Since Augusta was reimbursed \$263,303 last year, 90% of the savings (\$56,454) would be realized by the state and 10% (\$6,273) by the city. In a non-reimbursed locality (i.e. South Portland) all savings would be realized by the municipal General Assistance budget. Calculated statewide, state General Assistance savings of just over \$1.3 million and municipal savings of approximately \$375,000 are indicated.

As Table 5 indicates, the total cost of the program is \$7.8 million. The state share would be \$2.5 million. Subtracting the \$1.3 million projected savings in General Assistance leaves a balance of about \$1.2 million new state dollars required to access an additional \$5.3 million in matching federal funds.

<u>Budget Item</u>	<u>FY '88</u>	<u>FY '89</u>
State Cost Shelter Special Need	\$2,525,645	\$2,618,957
Federal Match	5,250,355	5,157,043
TOTAL STATE AND FEDERAL ****	\$7,776,000	\$7,776,000

(2) Winter clothing

The Commission endorses a winter clothing program to provide a supplement to recipients in September to purchase winter and school clothing for their children. The Commission endorses this proposal, but is not including it in its legislative recommendations. The cost estimate assumes the payment of \$75.00 per child in the month of September for all AFDC children (35,154).

<u>Budget Item</u>	<u>FY '88</u>
State Cost	\$856,351
Federal Match	1,789,199

(3) Training and education related expenses

The present state budget appropriates \$521,890 for training related expenses (e.g., child care and transportation) for AFDC recipients on the WEET program. Training programs such as these are designed to lead to employment and can serve to eliminate the participating families' needs for General Assistance in the future. This money is presently completely unmatched by federal dollars. If some of these expenses were paid through the AFDC account, they could be matched with new federal dollars. A maximum of \$100,000 could be matched with federal money in this manner. Money which is routed through the federal AFDC account will, however, contain more restrictions than the money routed solely through the state.

The Commission recommends shifting \$100,000 from sole state funding to AFDC funding, with the resulting federal match. We have been advised by the Department of Human Services that they are currently working on this funding shift. The funds will be used for the same purpose as in the

former account; however, once the funds are distributed through the AFDC account, they will generate matching federal money and increase the amount of benefits available. These additional benefits may provide some relief to the municipalities and the state in their General Assistance expenditures.

d. Provide AFDC coverage to first-time pregnant women

While Maine does provide Medicaid benefits to first-time pregnant women who would be eligible for AFDC if their child were born, no monthly payments are made to these individuals. Federal law allows states the option to make AFDC grants available to first-time pregnant women in the third month prior to the expected date of delivery (generally the 5th month of pregnancy.) (42 USC 606(g)).

The Commission recommends AFDC coverage for first-time pregnant women and has included it in its legislative recommendations. The Commission is deeply concerned about prenatal and postnatal health care for babies and feels that this proposal may decrease the health risk for those babies. The Commission, however, is concerned that this program actually result in better prenatal health care and that this program not serve as a disincentive to maintaining, where appropriate, the family structure.

This estimate assumes coverage of 700 individuals annually at an average payment of \$191 per month for 3 months. (\$191 is the maximum AFDC benefit for this coverage and has been used here as the average under the presumption that the vast majority of the recipients covered by this program would be eligible for the maximum benefit.) The estimate for Fiscal Year 1989 does not presume an increase in the number of eligible individuals or an increase in the maximum AFDC benefit level.

<u>Budget Item</u>	<u>FY '88</u>	<u>FY '89</u>
State AFDC Cost	\$128,000	\$135,000
Federal Match	\$273,000	\$266,000

e. Provide additional 6 months of Medicaid to families losing AFDC because of return to work

Presently in Maine, AFDC families who lose their benefits when they begin work may have their Medicaid benefits continued for up to 9 months. Federal law permits states to offer another 6-month Medicaid extension to persons who would continue to be eligible for AFDC if certain work incentives were applied to their budget. This generally means those who

go to work for minimum wage or slightly above. (42 U.S.C. 602(A)(37)). The commission recommends that the state extend medicaid coverage an additional 6 months. This estimate assumes 104 recipients monthly at an average Medicaid cost of \$154.00.

<u>Budget Item</u>	<u>FY '88</u>	<u>FY '89</u>
State Medicaid Cost	\$56,302	\$58,382
Federal Match	\$117,179	\$115,099

f. Expand situations and increase maximum benefit amounts for certain types of emergencies in the family crisis assistance program.

State statute presently authorizes the use of \$750,000 of the State General Assistance Appropriation to assist families with children in emergency situations. This amount can be matched with 50% federal dollars, or an additional \$750,000.

This budget authority was underspent in this account in FY '86 by \$250,432, not because there was insufficient need, but because the need existed in categories and amounts not covered by Department rule. The Commission is aware that this money did not lapse, but was disbursed to the municipalities as part of the reimbursement for their General Assistance expenditures.

The Commission recommends restructuring the family crisis program, as described, to utilize it more fully and believes the General Assistance reimbursement account should be fully funded for its anticipated need. The emergency fund account should be retained for emergency purposes. The commission recommends that the Department amend its rules to allow utilization of those funds as indicated below.

The following specific programs were considered by the Commission:

	<u>FY '88</u>	<u>FY '89</u>
(1) Provide funds for payment of first months rent at new location in eviction situations (in addition to payment of security deposits authorized by current Department rule).		
State Funds	\$151,961	\$151,961
(2) Expand the maximum payment in utility termination to \$500. (Present program provides \$300 for one utility and \$500 for more than one.)		
State Funds	\$100,000	100,000

(3) Expand the maximum payment for repair or replacement of heating systems, wells, and sewage systems to \$1,000 and include original purchase. (Presently \$500 is authorized for such emergencies).

State Funds	\$50,000	\$50,000
TOTAL STATE DOLLARS	301,961	301,961

The total cost in new state dollars, based on the above projections, will only be \$51, 529.

	<u>FY '88</u>	<u>FY '89</u>
TOTAL STATE DOLLARS, unadjusted	301,961	301,961
less present unexpended authority -	<u>250,432</u>	<u>250,432</u>
TOTAL <u>ADDITIONAL</u> STATE DOLLARS REQUIRED	\$ 51,529	\$ 51,529
Federal Match for Total (matching both new amount and current unexpended balance)	<u>\$301,961</u>	<u>\$301,961</u>

2. Cost Shifting from Municipalities to State

a. State supported categorical benefit program.

The Commission endorses the concept of a state supported categorical benefit program but has not included it in the current legislative recommendations of the Commission. This program would provide a state administered categorical benefit for persons without other means of support. The proposals considered by the commission would require the state to absorb 100% of the direct cost of a General Assistance recipient if that recipient remained on General Assistance for a specified number of months. Cost estimates for a state funded categorical program for persons without other means of support were arrived at using the following formula:

75,000	- estimated yearly general assistance monthly case events.
x .65	- statewide percentage of non-AFDC GA case events
<u>48,750</u>	
- 2,450	- 5% for those on other categorical programs (SSI, VA, WC, unemployment)
<u>46,300</u>	- potential yearly caseload

Using the distribution of cases from the Bangor study to estimate statewide usage rates:

66%	assisted more than 1 month or 30,560 case months
42%	assisted more than 3 month or 19,450 case months
26%	assisted more than 6 month or 12,040 case months
and 10%	assisted more than 12 month or 4,500 case months

A "monthly case event" or "case month" is one client (or family) receiving assistance in one month, regardless of the number of times in that month that assistance was given. For the purpose of a categorical grant that would be administered monthly, these are appropriate figures to use to estimate the cost of such a program.

Duration Assisted	# of month case events	Average Mo. Benefit*	Total Cost
more than 1 mo.	30,560	\$138	4,217,280
more than 3 mo.	19,450	154	2,995,300
more than 6 mo.	12,040	166	1,998,640
more than 12 mo.	4,500	174	783,000

*The monthly benefit amount used for the estimates represents the weighted averages of the average payments in the category concerned. Since the longer term recipients also tended to require slightly greater assistance, this was reflected in the payment schedule.

Three factors make these estimates tentative. First, they are not based on consecutive months usage. If 3, 6, or 12 consecutive months were used as the criteria, costs may be less. Second, there is no way to estimate the potential increase in assistance sought due to the existence of a new program. Cost estimates are based on present use. Third, to the extent that the General Assistance clientele in other areas differs from that of Bangor, especially regarding durational characteristics and level of benefits, actual costs of this program will vary.

A related idea was also considered by the Commission, i.e. the state assume total financial responsibility for all General Assistance recipients during the first 30 days of their eligibility. The Commission does not endorse that proposal at the present time.

b. Additional state reimbursement to municipalities

Two proposals were considered by the Commission. The Commission recommends a combined proposal which would allow each municipality to choose one of the two options.

- (1) State funding of 50% of all municipal expenditures below threshold. Continue reimbursement at 90% above that obligation threshold.

<u>Budget Item</u>	<u>FY '88</u>
State Cost of 50% Reimbursement of all General Assistance provided below .0003	\$1,662,572

- (2) State Reimbursement of reasonable administrative cost (e.g. 10% of the General Assistance cost or reasonable percentage of administrators salaries and salaries of case workers.)

This estimate assumes payment of 10% of General Assistance cost as reasonable cost of administration.

<u>Budget Item</u>	<u>FY '88</u>
State Cost of General Assistance administration	\$1,071,394

The Commission endorsed the concepts of each of the proposals, but did not wish to recommend both measures legislatively. Although identified as addressing separate

issues, in one sense they both accomplished the same purpose, that is to increase state reimbursement to municipalities for their General Assistance expenditures, be they direct service costs or administrative costs. Complicating this matter is the fact that each of the above two proposals has different fiscal impacts on different municipalities.

The Commission endorses and recommends legislation for a combined proposal which would allow each municipality to choose one of the two options.

In order to determine the cost of the 50/10 option, the Department used the actual figures from the municipalities for Fiscal Year 1986 to determine which of the options each municipality was likely to choose. The assumption was that the municipality would choose whichever option gave them the greater reimbursement. These figures, the highest option for each municipality, were added together and adjusted for a constant 7% increase in spending. An appropriation will be necessary to fund the cost of this proposal as follows:

Fiscal Year 88-----\$ 1,730,092

Fiscal Year 89-----\$ 1,851,200

In addition 3 new field examiner positions may be needed. This could cost up to \$90,000 each fiscal year. The Department of Human Services feels that if all municipalities are to be reimbursed, then the Department will have to conduct a fiscal audit as well as a program review to ensure accountability. This will require examination of town vouchers, warrants, and other documents and relating the case records to the expenses. The current Department staff administering the state's involvement in the General Assistance program of 3 field personnel and one hot-line specialist is inadequate for the more detailed program and audit review.

V. Closing Statement.

The Special Select Commission on the Administration and Financing of General Assistance was established to investigate the adequacy of the present methods of administering and financing the General Assistance program, the adequacy of the program in meeting the needs of recipients, and whether the State should play an expanded role in the program.

The Commission reviewed relevant laws and regulations; held hearings with town manager, selectmen, welfare directors, recipients, and community action program representatives; carried out a mailed survey seeking additional data from managers and recipients. Its work has resulted in a series of recommendations that will more adequately meet the needs of many persons eligible for general assistance while slowing the increase of pressure on the property tax bases of local communities throughout Maine.

The AFDC-related proposals recommended by the Commission are an important step in helping Maine's low-income families and relieving the financial burden on the municipalities. The recommendations that the State reimburse all municipalities for a portion of their General Assistance is also important. It recognizes the State's obligation to help municipalities fulfill a State mandate and places costs on a more appropriate funding course.

These proposals, however, do not address fully some of the basic problems which led to the formation of the Commission. The time available for the Commission's work did not permit a detailed revision of the General Assistance statute. Many municipal officials perceive contradictions in the GA statute which have led them to complain that the program is out of control.

Historically, the General Assistance program had been subject to pressure from 2 opposite poles simultaneously. On the one hand, human needs that are not met elsewhere attempt to expand the General Assistance program to be more inclusive. On the other hand, municipal and state budgetary constraints try to restrict the General Assistance program.

The Legislature has attempted to address these competing concerns in amendments to the statute -- in 1973, 1975, 1977, 1979, 1983, and 1985. While these successive amendments have added specificity to the statute, they have inevitably failed to resolve the inherent tension in the program.

The current General Assistance statute has also been affected by three important Maine Supreme Court cases which ruled that "need is the exclusive criterion for eligibility" and that criteria previously contained in local General Assistance ordinances -- including requirements that applicants look for, accept, and not quit work; spend their income on basic necessities; and do everything possible to reduce their need for assistance; and a requirement prohibiting fraud -- could not be considered (*Beaulieu v. Lewiston* (Me. 1982), 440 A.2d 334; *Page v. Auburn* (Me. 1982), 440 A.2d 363; *Blouin v. Rockland* (Me. 1982), 441 A.2d 1008). These concerns were incorporated into the GA statute in 1983 in amendments which clarified what municipalities could and could not do regarding General Assistance eligibility requirements.

The legislative compromise of 1983 provided a foundation upon which to administer the GA program but failed to satisfy completely either the Maine Municipal Association, representing the interests of the municipalities, or Pine Tree Legal Assistance, representing the interests of low income citizens. The law which resulted includes a comprehensive litany of strong eligibility requirements that are modified and even contradicted within the same sections. This has led to confusion on the part of municipal officials about their obligations and to conflicting interpretations by applicants and recipients which have had to be resolved in the courts.

Municipalities continue to feel the ambiguities in the statute need to be clarified and the State's supervisory role needs to be more limited. Recipients feel that while great improvements have been made, far fewer people receive GA than need it. Both feel that the State's supervisory role needs to be more consistently applied.

It is in everyone's best interest, when low income people, and their advocates have long held that it would be in everyone's best interest in the long run if General Assistance Administrators were themselves advocates for their clients.

Finding jobs for the unemployed that provide wages and benefits sufficient to eliminate their need for public assistance, helping clients take advantage of existing services, and reaching out to provide General assistance benefits to individuals and families at risk before they sink irreversibly into financial despair, would, for many, be the best way to avoid welfare dependency. The commission encourages these steps when the services are available.

There are several reasons why the General Assistance program has become ambiguous and contradictory. During the first hundred years or so after Maine became a state, General Assistance was the major program available to help people who had no income or family. That changed starting with the New Deal in the 1930s and the war on poverty in the 1960s. During the 1970s General Assistance played a relatively minor role in

meeting human need in Maine. In the 1980s, however, as a result of a combination of factors including a stagnant economy, greater long term employment, changing social roles, and a decrease in federal responsibility, General Assistance is once again being called upon to assume a greater role in assisting low-income people.

In FY 1979/80 statewide General Assistance costs were barely \$3 million. By FY 1985/86 General Assistance expenditures had risen to \$10.6 million. General Assistance is a state-mandated program but, because State reimbursement is currently provided only after a municipality has exceeded its local obligation of .003 percent of its property tax base, only about 100 of Maine's 496 municipalities currently receive any reimbursement from the state for General Assistance. In addition, under current law the municipalities are responsible for the total costs of administering General Assistance in the localities. Our Commission feels strongly that this must be changed and had recommended legislation to redress this grievance. Because we believe that Maine cannot afford to fund solutions to these problems simultaneously, we are recommending that municipalities be given a choice of partial reimbursement or payment for administrative costs.

General Assistance, as it was restructured in the 1970s, was considered by many to be a temporary aid program intended to fill the cracks in the federal-state social service "safety-net" and to help people who had nowhere else to turn. It was intended to be the program of last resort. At least from the perspective of many municipalities, it was not intended to be an income maintenance program--certainly not a long term income maintenance program. Individuals with need were to be helped but had to re-apply periodically. Yet to a considerable extent General Assistance has become an all encompassing program that compensates for the shortcomings and inadequacies of other programs such as AFDC. As a result, the General Assistance program is extremely broad, taking into consideration every possible situation and consequently leaving municipalities responsible for a program that some managers perceive as nearly impossible to administer.

The following are examples of inconsistencies from the perspective of local administrators which have been brought to the attention of the Commission. Recipients are required to spend their income on basic necessities but if they don't, they are still eligible for General Assistance. Able-bodied people are expected to work but if they don't, they must, under some circumstances, be granted General Assistance if they express an intent to comply with the work requirement. People who are disqualified from receiving General Assistance in one town can move to a neighboring town and be found eligible; people are expected to be responsible for themselves and their families to the greatest extent possible but if they are not, they can still receive General Assistance. The municipalities are responsible for administering the General Assistance program

but conflicting interpretations of the law have led the Department of Human Services to overturn or to attempt to overturn local decisions and ordinances. Few municipalities which have been found out of compliance with the law have exercised their right to appeal to the courts.

The problems in the law that were referred to the Commission almost two years ago by the Legislature have not gone away and will not be eliminated by the commission's report. Representatives of both recipients and municipalities are willing to attempt further clarification of the statute in the future. Recipients are less confident that statutory changes will redress the problems they experience and feel that stronger more consistent administration is necessary. Municipalities feel strongly that further clarification of the statute is necessary to make their job of administering the program feasible, believe that eligibility decisions should continue to be made at the local level, and have indicated willingness to live up to their responsibility to administer General Assistance rationally and compassionately.

The Commission realizes there are unresolved issues affecting General Assistance about which disagreement exists between advocates of the municipalities and advocates of the poor which may require the attention of the legislature in the near future. The Commission recommends that the municipal advocates, the advocates of the poor, and the Department of Human Services continue their dialogue to address these issues.

APPENDICES

- A. Private & Special Law 1985, Chapter 79
- B. Private & Special Law 1985, Chapter 131
- C. Proposed Legislation - Majority Report
- D. Proposed Legislation - Minority Report
- E. Bangor project survey form
- F. "Constitutionality of Durational Residency Requirements for General Assistance Applicants", Legal Issue Summary, Office of Policy and Legal Analysis
- G. Commission letter to Congressional delegation concerning SSI and SSDI benefits.
- H. "Outline: General Assistance Standard of Health and Decency"; John Romanyszyn

JUN 28 '85

79

BY GOVERNOR

E & S LAW

STATE OF MAINE

APPENDIX A

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FIVE

H.P. 916 - L.D. 1309

AN ACT to Improve the Administration of
General Assistance.

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

Sec. 1. Commission established. There is established a Special Select Commission on the Administration and Financing of General Assistance, which shall investigate present and alternative methods of administering and financing the general assistance program within the State.

1. Membership. The commission shall consist of 13 members as follows: Three representatives from the Joint Standing Committee on Human Resources, appointed by the Speaker of the House; one Senator from the Joint Standing Committee on Human Resources, appointed by the President of the Senate; one representative of the Department of Human Services, appointed by the Commissioner of Human Services; and 2 representatives of municipalities, not from the same municipality, one appointed by the Speaker of the House and one appointed by the President of the Senate, in consultation with the Maine Municipal Association; 2 municipal welfare directors or assessors, one appointed by the Speaker of the House, one appointed by the President of the Senate, in consultation with the Welfare Director Association; 2 representatives of private nonprofit charitable organizations with knowledge and experience in general assistance, one appointed by the Speaker of the House and one by the President of the Senate; and 2 representatives of low-income recipients of general assistance; one ap-

pointed by the Speaker of the House and one by the President of the Senate.

2. Duties. The commission shall inquire into the experience and adequacy of the present methods of administration and financing of the general assistance program and the extent to which low-income citizens currently receive the benefits provided by law and required to provide the basic necessities essential to maintain themselves and their families. The commission shall investigate alternative methods of administration of the financing of the general assistance program to more completely, efficiently or more equitably meet the program's objectives. The commission's inquiry shall include, but not be limited to, whether the State should assume more complete responsibility for financing and administering general assistance. The commission shall make recommendations to the Second Regular Session of the 112th Legislature, including recommended changes in the laws, administration and appropriations.

3. Staff assistance. The Department of Human Services and the Division of Community Services shall provide research, clerical and computer assistance to the commission and give unrestricted access to their records, rules, policies and data, except for those items which they are legally obligated to keep confidential.

4. Procedure of per diem. The commission shall hold an organizational meeting, called by the Chairman of the Legislative Council, within 30 days of the effective date of this Act and shall elect a chairman and a vice-chairman at that meeting from any of the members.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1985-86

LEGISLATURE

Special Select Commission on the
Administration and Financing
of General Assistance

All Other

\$5,000

In House of Representatives, 1985

Read twice and passed to be enacted.

..... Speaker

In Senate, 1985

Read twice and passed to be enacted.

..... President

Approved 1985

..... Governor

APPROVED

APR 25 '86

BY GOVERNOR

CHAPTER

131

E & S LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SIX

H.P. 1635 - L.D. 2308

AN ACT to Extend the Deadline and Increase
the Appropriation for the Special
Select Commission on the
Administration and Financing of
General Assistance.

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

Sec. 1. P&SL 1985, c. 79, §1, sub-§2, last sentence is amended to read:

The commission shall make recommendations to the Second Regular Session of the 125th Legislature by January 31, 1987, including recommended changes in the laws, administration and appropriations.

Sec. 2. P&SL 1985, c. 79, §1, sub-§4 is amended by adding at the end a new sentence to read:

Members of the Legislature serving on the commission shall receive per diem compensation. Other members of the commission shall be compensated for expenses only.

Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1986-87

LEGISLATURE

Special Select Commission on the Administration and Financing of General Assistance

All Other

\$3,000

In House of Representatives, 1986

Read twice and passed to be enacted.

..... Speaker

In Senate, 1986

Read twice and passed to be enacted.

..... President

Approved 1986

..... Governor

MAJORITY REPORT

FIRST REGULAR SESSION
-----ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.
-----STATE OF MAINE
-----IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN
-----AN ACT to Revise the General Assistance Laws

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

PART ASec. 1. 22 MRSA §3106 is enacted to read:§3106. Social Services Information and Referral Services.

The department shall establish and maintain a toll-free information and referral service that will catalog and provide current information about all available forms of public assistance, including job training and employment programs. The service will be adequately publicized and universally available to the general public, with special encouragement given to General Assistance administrators and applicants to utilize the service.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1987-88	1988-89
HUMAN SERVICES, DEPARTMENT OF		
All Other	\$165,337	\$171,936

PART B

Sec. 1. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1987-88	1988-89
(a) Total number of persons employed in the following occupations:		
(i) Agriculture, animal husbandry and allied activities	60	60
(ii) Manufacturing industries and construction	10	10
(iii) Transport, communication and other services	10	10
(iv) Government service	10	10
(v) Unemployed	10	10
(vi) Others	10	10
Total	110	110

HUMAN SERVICES, DEPARTMENT
OF

Aid to Families with Dependent Children

All Other	\$250,000	\$300,000
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Provides funds to provide direct "special needs" payments to welfare, employment, education and training clients.

Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

1987-88	
	1988-89

HUMAN SERVICES, DEPARTMENT
OF

Aid to Families with dependent Children

All Other	\$531,250	\$637,500
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PART C

Sec. 1. 22 MRSA §4307 is repealed and the following enacted in its place:

§4307. Municipality of Responsibility; residency

1. General Assistance Required. Municipalities shall provide general assistance to all eligible persons and shall cause them to be relieved at the expense of that municipality except as provided in section 4311.

A municipality shall not move or transport a person into another municipality in order to avoid responsibility for General Assistance support for that person. Any municipality which illegally moves or transports a person, or which illegally denies assistance to a person which results in the relocation of that person shall, in addition to the other penalties provided in this chapter, reimburse to the municipality which provided assistance to that person twice the amount of assistance that was provided. That reimbursement shall be made in accordance with the provisions of sub-section 5.

2. Municipality of responsibility. Except as provided in subsection 4, a municipality is responsible for the general assistance support of the following individuals:

A. residents of that municipality. For the purpose of this section, a "resident" is defined as a person who is physically present in a municipality with the intention of remaining in that municipality to maintain or to establish a home and who has no other residence; and

B. eligible persons who apply to the municipality for assistance and who are neither residents of that municipality nor of any other municipality. In the case of a person who is not a resident of any municipality, the municipality where that person first applies shall be responsible for support until a new residence is established.

3. Durational residency requirement prohibited. No municipality may establish a durational residency requirement for general assistance.

4. Special circumstances. Overseers of a municipality shall not move or transport an applicant or recipient into another municipality in order to relieve their municipality of responsibility for that applicant's or recipient's support. The municipality of responsibility for relocations and institutional settings shall be as follows:

A. When an applicant or recipient requests relocation to another municipality and the overseers of a municipality assist that person to relocate to another municipality, the municipality from which that person is moving shall continue to be responsible for the support of the recipient for 30 days after relocation. As used in this paragraph, assist includes:

- (1) granting financial assistance to relocate; and
- (2) making arrangements for a person to relocate.

B. In the case of an applicant who is in a group home, shelter, rehabilitation center, nursing home, hospital or other institution at the time of application and who has either been in that institution for 6 months or less or had a residence immediately prior to entering the institution which he had maintained and to which he intends to return, the municipality of responsibility shall be the municipality where the applicant was a resident immediately prior to entering the institution. For the purpose of this paragraph a hotel, motel or similar place of temporary lodging, is considered an institution when a municipality:

(1) grants financial assistance to move to or stay in temporary lodging,

(2) makes arrangements for a person to stay in temporary lodging,

(3) advises or encourages a person to stay in temporary lodging, or

(4) illegally denies housing assistance and as a result of that denial the person stays in temporary lodging.

5. Disputes between municipalities. Nothing contained in this section may permit a municipality to deny assistance to an otherwise eligible applicant when there is any dispute regarding residency. In cases of dispute regarding which municipality is the municipality of responsibility, the municipality where the application has been filed shall provide support until responsibility has been determined by the department. The department shall make a written determination with 10 working days of a complaint or notification of a dispute. The department's decision shall include the sources of information relied upon, findings of fact, and conclusions of law regarding which municipality is responsible and the reimbursement due, if any, from the responsible municipality to the municipality providing assistance. If after 30 days the reimbursement has not been paid, the municipality to whom reimbursement is due shall notify the department. The department shall credit the municipality owed the reimbursement and either deduct that amount from the debtor municipality or refer the bill to the Treasurer of State for payment from any taxes, revenue, fines or fees due from the State to the municipality.

7. Appeals. Any municipality or person who is aggrieved by any decision or action made by the department pursuant to this section shall have the right to appeal pursuant to the Maine Administrative Procedures Act, Title 5, chapter 375, subchapter IV. A request for that appeal shall be in writing and shall be made within 30 days of the written department decision. The appeal shall be held within 30 days of receipt

of that request and shall be conducted by one or more fair hearing officers. In no event may an appeal be held before a person or body responsible for the decision or action. Review of any decision under this subsection shall be pursuant to the Maine Rules of Civil Procedure, Rule 80 C.

Sec. 2. 22 MRSA §4311, sub-§4 is enacted to read:

4. Funds. Funds made available to the Department of Human Services for the General Assistance program shall not lapse, but shall be carried forward to the next fiscal year to be expended for the same purposes.

PART D

Sec. 1. 22 MRSA §1714 is enacted to read:

§1714. Charitable care.

Upon admission (or in cases of emergency admission, upon discharge) of a patient without medical insurance, hospitals shall determine the eligibility of the patient for any Federal or state programs of medical assistance. If the patient is not eligible for such programs but meets the financial requirements of the medically needy program, the hospital's care will be provided as charitable care pursuant to regulations of the Health Care Finance Commission (22 MRSA §396). In no event may the hospital care of a person who meets the financial requirements of the medically needy program be billed to the individual or to a municipality.

PART E

22 MRSA §4301, sub-§5, as enacted by PL 1983, c. 577, §1 is amended to read:

5. General assistance program. "General Assistance program" means a service administered by a municipality for the immediate aid of persons who are unable to provide the basic necessities essential to maintain themselves or their families. A general assistance program provides a specific amount and type of aid, cash excluded, for defined needs during a limited period of time and is not intended to be a continuing "grant-in-aid" or "categorical" welfare program. This definition shall not in any way lessen the responsibility of each municipality to provide general assistance to a person each time that the person had need and is found to be otherwise eligible to receive general assistance.

PART F

Sec. 1. 22 MRSA §3759, as enacted by PL 1983, c. 477, Pt. E, subpart 8, is repealed.

Sec. 2. 22 MRSA §3759-A is enacted to read:

§3759-A. Increase in standard of need

1. Report of the commissioner. The commissioner shall report annually by October 1st:

A. The percentage increase in the National Consumer Price Index for all urban consumers, the United States city average is the 12 months preceding June 30th of that year and the projected amount of funds required to provide the same percentage increase in the Aid to Families with Dependent Children Standard of Need effective July 1st of the following year;

B. The difference between the standard of need as compared with a full contemporary and adequate standard of living as measured by the United States Department of Labor, Bureau of Labor Statistics lower living standard; and

C. The amount of additional increase that would be required to meet the contemporary standard of living within 10 years.

2. Increase in standard of need. On July 1, 1988, and each year thereafter, the Aid to Families with Dependent Children Standard of Need shall be increased by the percentage increase in the National Consumer Price Index in the 12 months preceding June 30th of the previous year.

Sec. 3. Transitional provisions. On January 1, 1987, the Aid to Families with Dependent Children Standard of Need shall be increased by 1.6%.

Sec. 4. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
<u>HUMAN SERVICES, DEPARTMENT OF</u>		
Aid to Families with Dependent Children		
All Other	\$229,372	\$932,956
Provides funds for annual increases in the Aid to Families with Dependent Children Standard of Need reflecting the rate of inflation.		
Medical Care - payment to providers		
All Other		62,703
Provides funds for increased medical payments resulting from increase in Aid to Families with Dependent Children Standard of Need.		
Total	\$229,372	\$995,659

Sec. 5. Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
<u>HUMAN SERVICES, DEPARTMENT OF</u>		
Aid to Families with Dependent Children		
All Other	\$476,823	\$1,837,104
Medical Care - payment providers		
All Other		194,697
Total	476,823	2,031,801

PART G

Sec. 1. 22 MRSA §3760-A is enacted to read:

\$3760-A. Special needs payment for recipients of Aid to Families with Dependent Children with excess shelter costs

The department shall provide a special needs payment to all recipients of Aid to Families with Dependent Children whose shelter costs are excessive as determined in accordance with rules of the department.

Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1987-88	1988-89
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HUMAN SERVICES, DEPARTMENT OF

Bureau of Income Maintenance

All Other	\$2,525,645	\$2,618,957
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Funds to go to Aid to Families with Dependent Children Program. Provides funds for special needs payments of up to \$100 each month to AFDC families whose shelter cost exceeds 75% of their income.

Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

	1987-88	1988-89
(a) Total number of persons employed in the following occupations:		
(i) Agriculture, animal husbandry and allied activities	60	60
(ii) Manufacturing industries and construction	10	10
(iii) Commerce and services	10	10
(iv) Government service	10	10
(v) Unemployed	10	10
(vi) Others	10	10
(b) Total number of persons engaged in the following occupations:		
(i) Agriculture, animal husbandry and allied activities	60	60
(ii) Manufacturing industries and construction	10	10
(iii) Commerce and services	10	10
(iv) Government service	10	10
(v) Unemployed	10	10
(vi) Others	10	10

HUMAN SERVICES, DEPARTMENT OF

Bureau of Income Maintenance

All Other	\$5,250,355	\$5,157,043
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Allocates funds for special needs payments of up to \$100 each month to AFDC families whose shelter cost exceeds 75% of their income.

PART H

Sec. 1. 22 MRSA §3760-B is enacted to read:

§3760-B. Assistance to first-time pregnant women.

1. Definition. For the purposes of this section "first-time pregnant woman" means a woman with no dependents who are under the age of 18, who otherwise meets the eligibility requirements of the AFDC program.

2. Eligibility. Any first-time pregnant woman who meets the other eligibility requirements of the Aid to Families with Dependent Children program is eligible for the monthly benefit for one eligible person if the medically substantiated expected date of the birth of her child is not more than 90 days following the date the benefit is received.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
<u>HUMAN SERVICES, DEPARTMENT OF</u>		
<u>Bureau of Income Maintenance</u>		
<u>All Other</u>	<u>\$128,000</u>	<u>\$135,000</u>
<u>Funds to go to Aid to Families with Dependent Children program. Provides \$191 maximum monthly benefit amount to first-time pregnant women their last trimester of pregnancy.</u>		

Sec. 3. Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
<u>HUMAN SERVICES, DEPARTMENT OF</u>		
<u>Bureau of Income Maintenance</u>		
<u>All Other</u>	<u>\$273,000</u>	<u>\$266,000</u>
<u>Allocated funds for monthly benefit payments for first-time pregnant women in their last trimester of pregnancy.</u>		

PART I

Sec. 1. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1987-88 1988-89

HUMAN SERVICES, DEPARTMENT OF

Bureau of Income Maintenance

All Other	\$56,302	\$58,382
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Funds to go to the Medicaid program for the purpose of extending coverage to AFDC families losing coverage due to return to work pursuant to 42 U.S.C. 602(A) (37).

Sec. 2. Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

1987-88 1988-89

HUMAN SERVICES. DEPARTMENT OF

Bureau of Income Maintenance

All Other	\$117,179	\$115,099
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Allocates funds for an extension of Medicaid coverage to AFDC families losing Medicaid due to return to work, pursuant to 42 U.S.C. 602(A)(37)

PART J

Sec. 1. 22 MRSA §4311, sub-§1, be amended to read:

1. Departmental reimbursement. When a municipality incurs net general assistance costs in any fiscal year in excess of .0003 of that municipality's 1981 state valuation as determined by the State Tax Assessor in the statement filed by him as provided in Title 36, section 381, the Department of Human Services shall reimburse the municipality for 90% of the amount in excess of these expenditures when the department finds that

the municipality had been in compliance with all requirements of this chapter. If a municipality elects to determine need without consideration of funds distributed from any municipality-controlled trust fund which must otherwise be considered for purposes of this chapter, the department shall reimburse the municipality for 66 2/3% of the amount on excess of such expenditures when the department finds that the municipality had otherwise been in compliance with all requirements of this chapter.

In addition to the above reimbursment, the Department of Human Services shall reimburse each municipality an amount equal to either:

A. 50% of all General Assistance granted below the .0003% of state valuation amount; or

B. Reasonable administrative cost of their General Assistance program, defined as 10% of net General Assistance costs.

Each municipality shall elect additional reimbursement under paragraph A or paragraph B at the close of the fiscal year. The department shall reimburse the municipality the additional reimbursement when the department finds that the municipality had been in compliance with all requirements of this chapter.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1987-88	1988-89
HUMAN SERVICES, DEPARTMENT OF		
Bureau of Income Maintenance		
All Other	\$1,730,092	\$1,851,200
Funds to go to the General Assistance program to provide for increased state reimbursement to municipalities for general assistance.		

STATEMENT OF FACT

This bill represents the legislation proposed by the Majority Report of the Special Select Commission on the Administration and Financing of General Assistance.

PART A establishes a comprehensive information and referral service for social services. Social services exist to provide assistance to those in need. If those in need do not know about available services, they can not access them. This part provides for a focused vehicle for transferring complete, current information between those in need and those able to provide assistance. The appropriation includes funds for 5 staff people: a supervisor, a research technician, a clerical worker and 2 intake workers (to staff the phones); 2 WATTS lines; space; computer time; and capital investment (desk, phones, typewriter, etc.).

Part B Expands the Welfare, Employment, Education and Training Program (WEET) to increase the job training assistance to AFDC recipients. Maine's WEET program, established in 1982, has consistently been one of the most productive programs in helping AFDC recipients become self-sufficient. The program has attracted national attention for its ability to help AFDC recipients become employable and employed. The WEET program has a waiting list of over 350 applicants.

Part C amends the residency requirements in regard to determining which municipality is responsible for General Assistance applicants. In the past there has been some confusion among municipalities regarding residency and assistance to relocate as relates to the General Assistance program. This part amends that law (1) to clarify the existing language wherever possible without changing the meaning and (2) to provide a procedure to resolve disputes between municipalities concerning which municipality is responsible.

Specifically, Part C contains the following specific changes to current law:

a. Amends the definition of resident to conform more closely to the traditional use and understanding of the word resident. The amendment retains the two traditional elements of residency: (1) physical presence and (2) intention to remain. In addition, the language further defines resident as someone who has no other residence. The amended language makes it clear that if a person is not a resident elsewhere, the municipality where the person first applied is responsible until a new residence is established.

b. Provides a more detailed definition of responsibility for assistance given to an applicant or recipient who is in a group home, shelter, or similar institution. In addition, hotels, motels and other similar institutions should be included in this category.

c. Creates a dispute resolution mechanism whereby a municipality may petition the Department of Human Services to determine responsibility under the law. Until that determination is made, the municipality where the applicant

first applied will be responsible for providing assistance. The decision of the department may be appealed.

Part D prohibits hospital expenses from being billed to a municipality's General Assistance program.

Part E prohibits general assistance disbursements in the form of cash. This recommendation of the Commission was not a unanimous recommendation of the majority report.

Part F indexes the AFDC standard of need in order to keep pace with inflation. The standard of need will be increased each year by the rate of inflation during the previous fiscal year.

Part G provides an AFDC special needs supplement to help AFDC recipients meet the cost of shelter. Up to \$100 a month would be available for an AFDC family whose shelter costs exceeded 75% of their total income.

Part H provides AFDC benefits to first-time pregnant women in their third trimester of pregnancy. Proper prenatal care is an important factor in determining the health of a child after it is born. This bill provides a benefit for women in their third trimester of pregnancy who would otherwise be eligible for AFDC upon the birth of their child. It is believed that this earlier assistance will help promote the future health and well-being of the affected children and their families.

Part I provides the funds to allow the Department of Human Services to provide an additional 6 months of Medicaid coverage permitted under Federal law, to qualified AFDC families who lose Medicaid benefits due to return to work.

Part J provides for additional reimbursement by the State to the municipalities for expenses incurred through the General Assistance program. Each municipality would choose one of the following options for additional reimbursement:

- a. State funding of 50% of all municipal General Assistance expenditures below the current threshold. (Continue reimbursement at 90% above that obligation threshold); or
- b. State Reimbursement for the reasonable administrative costs of the General Assistance Program, calculated as 10% of the General Assistance cost for that municipality.

0275m

MINORITY REPORT

FIRST REGULAR SESSION
-----ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No.
-----STATE OF MAINE
-----IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY SEVEN
-----AN ACT to Amend the General Assistance Laws

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

PART ASec. 1. 22 MRSA §3106 is enacted to read:§3106. Social Services Information and Referral Services.The department shall establish and maintain a toll-free information and referral service that will catalog and provide current information about all available forms of public assistance, including job training and employment programs. The service will be adequately publicized and universally available to the general public, with special encouragement given to General Assistance administrators and applicants to utilize the service.Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1987-88	1988-89
HUMAN SERVICES, DEPARTMENT OF		
All Other	\$165,337	\$171,936

PART B

Sec. 1. 22 MRSA §4307 is repealed and the following enacted in its place:

§4307. Municipality of Responsibility; residency

1. General Assistance Required. Municipalities shall provide general assistance to all eligible persons and shall cause them to be relieved at the expense of that municipality except as provided in section 4311.

A municipality shall not move or transport a person into another municipality in order to avoid responsibility for General Assistance support for that person. Any municipality which illegally moves or transports a person, or which illegally denies assistance to a person which results in the relocation of that person shall, in addition to the other penalties provided in this chapter, reimburse to the municipality which provided assistance to that person twice the amount of assistance that was provided. That reimbursement shall be made in accordance with the provisions of sub-section 5.

2. Municipality of responsibility. Except as provided in subsection 4, a municipality is responsible for the general assistance support of the following individuals:

A. residents of that municipality. For the purpose of this section, a "resident" is defined as a person who is physically present in a municipality with the intention of remaining in that municipality to maintain or to establish a home and who has no other residence; and

B. eligible persons who apply to the municipality for assistance and who are neither residents of that municipality nor of any other municipality. In the case of a person who is not a resident of any municipality, the municipality where that person first applies shall be responsible for support until a new residence is established.

3. Durational residency requirement prohibited. No municipality may establish a durational residency requirement for general assistance.

4. Special circumstances. Overseers of a municipality shall not move or transport an applicant or recipient into another municipality in order to relieve their municipality of responsibility for that applicant's or recipient's support. The municipality of responsibility for relocations and institutional settings shall be as follows:

A. When an applicant or recipient requests relocation to another municipality and the overseers of a municipality assist that person to relocate to another municipality, the municipality from which that person is moving shall continue to be responsible for the support of the recipient for 30 days after relocation. As used in this paragraph, assist includes:

- (1) granting financial assistance to relocate; and
- (2) making arrangements for a person to relocate.

B. In the case of an applicant who is in a group home, shelter, rehabilitation center, nursing home, hospital or other institution at the time of application and who has either been in that institution for 6 months or less or had a residence immediately prior to entering the institution which he had maintained and to which he intends to return, the municipality of responsibility shall be the municipality where the applicant was a resident immediately prior to entering the institution. For the purpose of this paragraph a hotel, motel or similar place of temporary lodging, is considered an institution when a municipality:

- (1) grants financial assistance to move to or stay in temporary lodging,
- (2) makes arrangements for a person to stay in temporary lodging,
- (3) advises or encourages a person to stay in temporary lodging, or
- (4) illegally denies housing assistance and as a result of that denial the person stays in temporary lodging.

5. Disputes between municipalities. Nothing contained in this section may permit a municipality to deny assistance to an otherwise eligible applicant when there is any dispute regarding residency. In cases of dispute regarding which municipality is the municipality of responsibility, the municipality where the application has been filed shall provide support until responsibility has been determined by the department. The department shall make a written determination within 10 working days of a complaint or notification of a dispute. The department's decision shall include the sources of information relied upon, findings of fact, and conclusions of law regarding which municipality is responsible and the reimbursement due, if any, from the responsible municipality to the municipality providing assistance. If after 30 days the reimbursement has not been paid, the municipality to whom reimbursement is due shall notify the department. The department shall credit the

municipality owed the reimbursement and either deduct that amount from the debtor municipality or refer the bill to the Treasurer of State for payment from any taxes, revenue, fines or fees due from the State to the municipality.

7. Appeals. Any municipality or person who is aggrieved by any decision or action made by the department pursuant to this section shall have the right to appeal pursuant to the Maine Administrative Procedures Act, Title 5, chapter 375, subchapter IV. A request for that appeal shall be in writing and shall be made within 30 days of the written department decision. The appeal shall be held within 30 days of receipt of that request and shall be conducted by one or more fair hearing officers. In no event may an appeal be held before a person or body responsible for the decision or action. Review of any decision under this subsection shall be pursuant to the Maine Rules of Civil Procedure, Rule 80 C.

Sec. 2. 22 MRSA §4311, sub-§4 is enacted to read:

4. Funds. Funds made available to the Department of Human Services for the General Assistance program shall not lapse, but shall be carried forward to the next fiscal year to be expended for the same purposes.

PART C

Sec. 1. 22 MRSA §1714 is enacted to read:

§1714. Charitable care.

Upon admission (or in cases of emergency admission, upon discharge) of a patient without medical insurance, hospitals shall determine the eligibility of the patient for any Federal or state programs of medical assistance. If the patient is not eligible for such programs but meets the financial requirements of the medically needy program, the hospital's care will be provided as charitable care pursuant to regulations of the Health Care Finance Commission (22 MRSA §396). In no event may the hospital care of a person who meets the financial requirements of the medically needy program be billed to the individual or to a municipality.

PART D

22 MRSA §4301, sub-§5, as enacted by PL 1983, c. 577, §1 is amended to read:

5. General assistance program. "General Assistance program" means a service administered by a municipality for the immediate aid of persons who are unable to provide the basic

necessities essential to maintain themselves or their families. A general assistance program provides a specific amount and type of aid, cash excluded, for defined needs during a limited period of time and is not intended to be a continuing "grant-in-aid" or "categorical" welfare program. This definition shall not in any way lessen the responsibility of each municipality to provide general assistance to a person each time that the person had need and is found to be otherwise eligible to receive general assistance.

PART E

Sec. 1. 22 MRSA §4311, sub-§1, be amended to read:

1. Departmental reimbursement. When a municipality incurs net general assistance costs in any fiscal year in excess of .0003 of that municipality's 1981 state valuation as determined by the State Tax Assessor in the statement filed by him as provided in Title 36, section 381, the Department of Human Services shall reimburse the municipality for 90% of the amount in excess of these expenditures when the department finds that the municipality had been in compliance with all requirements of this chapter. If a municipality elects to determine need without consideration of funds distributed from any municipality-controlled trust fund which must otherwise be considered for purposes of this chapter, the department shall reimburse the municipality for 66 2/3% of the amount on excess of such expenditures when the department finds that the municipality had otherwise been in compliance with all requirements of this chapter.

In addition to the above reimbursement, the Department of Human Services shall reimburse each municipality an amount equal to either:

A. 50% of all General Assistance granted below the .0003% of state valuation amount; or

B. Reasonable administrative cost of their General Assistance program, defined as 10% of net General Assistance costs.

Each municipality shall elect additional reimbursement under paragraph A or paragraph B at the close of the fiscal year. The department shall reimburse the municipality the additional reimbursement when the department finds that the municipality had been in compliance with all requirements of this chapter.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1987-88 1988-89

HUMAN SERVICES, DEPARTMENT OF

Bureau of Income Maintenance

All Other \$1,730,092 \$1,851,200

Funds to go to the
General Assistance program
to provide for increased
state reimbursement to
municipalities for general
assistance.

STATEMENT OF FACT

This bill represents the legislation proposed by the Minority Report of the Special Select Commission on the Administration and Financing of General Assistance.

PART A establishes a comprehensive information and referral service for social services. Social services exist to provide assistance to those in need. If those in need do not know about available services, they can not access them. This part provides for a focused vehicle for transferring complete, current information between those in need and those able to provide assistance. The appropriation includes funds for 5 staff people: a supervisor, a research technician, a clerical worker and 2 intake workers (to staff the phones); 2 WATTS lines; space; computer time; and capital investment (desk, phones, typewriter, etc.).

Part B amends the residency requirements in regard to determining which municipality is responsible for General Assistance applicants. In the past there has been some confusion among municipalities regarding residency and assistance to relocate as relates to the General Assistance program. This part amends that law (1) to clarify the existing language wherever possible without changing the meaning and (2) to provide a procedure to resolve disputes between municipalities concerning which municipality is responsible.

Specifically, Part B contains the following specific changes to current law:

a. Amends the definition of resident to conform more closely to the traditional use and understanding of the word resident. The amendment retains the two traditional elements of residency: (1) physical presence and (2) intention to remain. In addition, the language further defines resident as someone who has no other residence. The amended language makes it clear that if a person is not a resident elsewhere, the municipality where the person first applied is responsible until a new residence is established.

b. Provides a more detailed definition of responsibility for assistance given to an applicant or recipient who is in a group home, shelter, or similar institution. In addition, hotels, motels and other similar institutions should be included in this category.

c. Creates a dispute resolution mechanism whereby a municipality may petition the Department of Human Services to determine responsibility under the law. Until that determination is made, the municipality where the applicant first applied will be responsible for providing assistance. The decision of the department may be appealed.

Part C prohibits hospital expenses from being billed to a municipality's General Assistance program.

Part D prohibits general assistance disbursements in the form of cash.

Part E provides for additional reimbursement by the State to the municipalities for expenses incurred through the General Assistance program. Each municipality would choose one of the following options for additional reimbursement:

a. State funding of 50% of all municipal General Assistance expenditures below the current threshold. (Continue reimbursement at 90% above that obligation threshold); or

b. State Reimbursement for the reasonable administrative costs of the General Assistance Program, calculated as 10% of the General Assistance cost for that municipality.

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APPENDIX E

GENL ASSISTANCE
RENT ALL OTHER

NUMBER
IN FAM.

AFDC

BUDGET
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DEC 1985							
JAN 1986							
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MAR							
APR							
MAY							
JUNE							
JULY							
AUG							
SEPT							
OCT							
NOV 1986							

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LEGAL ANALYST

MEMORANDUM

* * * * *

* THE CONSTITUTIONALITY OF *

* DURATIONAL RESIDENCY REQUIREMENTS *

* FOR GENERAL ASSISTANCE APPLICANTS *

* * * * *

Author: John R. Selser
 Legal Analyst

Date: January, 1987

RESIDENCY REQUIREMENTS FOR GENERAL ASSISTANCE

A. A Historical Perspective

Historically, public assistance for the indigent was a local problem. The Elizabethan Poor Laws of 1601 and the English Law of Settlement and Removal of 1662 formed the basis of the public assistance laws in the American Colonies. The Colonial laws required a community to support only those poor who properly belonged there. Those not belonging in the community were "warned out" or "passed on" to their own community in what appears to be an early form of Greyhound welfare. The preamble to the 1662 settlement laws expressed concern that large numbers of the poor were moving to parishes where more liberal relief policies were in effect." (Shapiro v. Thompson, 394 U.S. 618, 628, footnote 7 citing Coll, Perspectives in Public Welfare: The English Heritage, 4 Welfare in Review, No. 3, p. 1, 1966.).

Public assistance was originally funded solely by local communities. The focus was on which locality was responsible for the indigent. With state funding, the focus expanded to the states. The Great Depression of the 1930's brought a national crisis of poverty which transcended the boundaries of local communities and even state boundaries. With increasing federal grants, the responsibility took on an interstate perspective. Poverty and public assistance were no longer considered "local problems."

In the early 1930's, many states had durational residency requirements of one, two, or more years for the AFDC program. Congress amended AFDC's parent law, the Social Security Act of 1935, by disapproving any state AFDC plan which had a residency requirement in excess of one year. Both the Senate and the House Committee Reports on this amendment stated that the objective was to compel "liberality of residency requirements." (H.R. Rep. No. 615, 74th Cong., 1st Sess., 24; S. Rep. No. 628, 74th Cong., 1st Sess., 35.)

In 1941, the Supreme Court invalidated a California law which penalized anyone who assisted a person who was unemployed and came from another state. California could not zone out the poor or zone in its wealth (Edwards v. California, 314 U.S. 160).

In the 1969 case of Shapiro v. Thompson, the Supreme Court struck down the one year durational residency requirements for AFDC benefits established by Connecticut, Pennsylvania, and the District of Columbia (Shapiro v. Thompson, 394 U.S. 618). The rationale of the court in Shapiro has been applied to

state-established general assistance programs and is the basis for virtually every subsequent decision concerning durational residency requirements for public assistance programs.

B. The Shapiro Decision

The Shapiro case was initiated by residents who were otherwise eligible for AFDC assistance except that they had not resided within their respective states for at least a year immediately preceding their applications for assistance. The Court held that the one year residency requirements were clearly unconstitutional.

The Court determined that the fixed durational residency requirements created two classes of needy residents, "indistinguishable from each other except that one is composed of residents who have resided a year or more, and the second of residents who have resided less than a year, in the jurisdiction. On the basis of this sole difference the first class (was) granted and the second class (was) denied welfare aid upon which may depend the ability . . . to obtain the very means to subsist - food, shelter, and other necessities of life." (349 U.S. at 627).

The 14th Amendment to the U.S. Constitution guarantees equal protection under the law for all citizens. Problems occur when a law creates a classification scheme which divides "all citizens" into different classes and affords them different treatment under the law. In some cases the court will find a rational relation between the classification and a legitimate governmental objective. In such cases, the court may find that the classification is constitutional. However, if the classification infringes upon a fundamental constitutional right, the court must find a compelling state interest, as opposed to the less strict legitimate governmental objective, in order to find the classification constitutional.

In the Shapiro case, involving a durational residency requirement, the state laws established a classification which, in the words of the court, created "an invidious discrimination". This classification infringed upon the constitutionally guaranteed right to travel and the court required the state law to promote a "compelling" state interest in order to be found constitutional. The court found no such compelling state interest and declared the durational residency requirements unconstitutional. Indeed, the court declared that the interests which the state asserted were to be promoted by the classification may not be constitutionally promoted by government.

The court considered and rejected all of the following rationale for a durational residency requirement:

1. It serves as a protective device to preserve the fiscal integrity of state public assistance programs by deterring

newcomers from entering the jurisdiction. (This violates the right to travel.)

2. It serves to discourage in-migration of indigents who are entering the state solely to obtain larger benefits. (A durational residency requirement is not an effective or appropriate means to accomplish that goal. A durational residency requirement presumes that all indigents are entering the state solely to obtain larger benefits. No factual basis for that presumption exists. A previous court case had cited studies to show that people who move are more motivated by employment, better opportunities, better living conditions, and presence of family and friends. In addition, a state "may no more try to fence out those indigents who seek higher welfare benefits than it may try to fence out indigents generally". Shapiro at 631. This is a violation of the equal protection clause.)

3. It distinguishes between old and new residents on the basis of the contributions they have made to the community through payment of taxes. (Many new applicants were prior residents. The same logic would prohibit new residents from using schools, parks, libraries, police and fire protection. This is another equal protection violation.)

4. It saves state money for benefits. (The saving of welfare costs cannot justify an otherwise invidious classification.)

5. It facilitates planning of the welfare budget. (No basis exists for this claim. The evidence is actually against this assertion.)

6. It provides an objective test of residency. (Residency and a one year waiting requirement are distinct and independent. Other factors such as employment, housing, entry into school by children, etc. are relevant to residency, not duration.)

7. It minimizes the chance that recipients will obtain benefits from more than one jurisdiction. (Less drastic means are available to guard against this, e.g. a letter or phone call.)

8. It encourages early entry of new residents into the labor market. (The same logic would require a similar waiting period for long term residents of the state.)

None of these reasons are valid reasons for imposing a durational residency requirement of any length.

C. Post-Shapiro Comments

Although the U.S. Supreme Court has not recognized any compelling state interest that would justify a durational residency requirement, the U.S. District Court in South Dakota postulated three narrowly defined reasons a state may constitutionally impose a "reasonable waiting period."

In Hawk v. Fenner (396 F.Supp. 1, 1975), the court rejected a one year state wide residency requirement and a ninety day county residency requirement for county poor relief based on the Shapiro decision. The court went on to say, however, that:

"...the State of South Dakota may constitutionally impose upon applicants for County Poor Relief a reasonable waiting period or residency requirement in order to conduct investigations based upon its compelling state interests of: (1) a legitimate need to establish bona fide good faith residence of the applicant in the state and in the county, (2) a valid interest in preventing fraud by the applicant, whether a newcomer or a long time resident, and (3) an effective safeguard against the hazard of double payments by two jurisdictions." (396 F.Supp. 1, at 6)

The court went on to establish procedural requirements for applying such a waiting period:

"The reasonableness of the period of time taken to complete the investigation of each application must be determined on a case by case basis and can only be justified by a diligent, continuous, ongoing and good faith effort by the welfare authorities to complete the investigation. Unreasonable delay in pursuing the inquiry and arriving at a decision cannot be justified or tolerated because protected constitutional rights of the applicant are at stake." (396 F.Supp. 1, at 8)

The waiting period envisioned by this court is clearly distinguishable from a durational residency requirement. The waiting period must apply equally to all applicants, whether newcomers or long time residents. The waiting period cannot be a fixed amount of time, but only so much time as is reasonably necessary to accomplish the above goals. In view of the limitations placed on these compelling interests by the South Dakota court it is questionable if a waiting period which would comply with these requirements would be of any practical use.

South Dakota repealed its residency requirements and did not enact a "waiting period". It did not appeal the case. The U.S. Supreme Court has not ruled on these compelling interests.



STATE OF MAINE
HOUSE OF REPRESENTATIVES
AUGUSTA, MAINE 04333

(Each Member of the Maine Congressional Delegation)
Washington, D.C.

Honorable (Congressional delegate):

The 112th Maine Legislature created a Special Select Commission to Study the Financing and Administration of the General Assistance Program. That study concluded that the General Assistance Program was designed to be utilized as a resource of last resort to provide basic necessities to individuals in need after the other assistance programs had been exhausted.

The Commission discovered, during the course of the two year study, that current categorical programs, such as the Supplemental Security Income program and the Social Security Disability program, which were designed to provide basic necessities to the needy were inadequate to meet the need. This, of course, puts tremendous pressure on Maine's General Assistance programs and, consequently, on the municipal property taxes which fund that program.

Even more alarming than the inadequacy of benefit levels of other state and federal programs was the finding by the study Commission that the Supplemental Security Income (SSI) program and Social Security Disability Insurance (SSDI) program are actively minimizing the awarding of benefits by denying or delaying benefits to eligible individuals.

The Commission heard repeated testimony that individuals who are eligible for these benefits are being summarily denied the benefits. Only through sophisticated appeals, involving lengthy delays, are they able to finally obtain the benefits for which they are entitled.

The denial of SSI and SSDI benefits to qualified applicants appears to be a deliberate concerted effort to discourage applicants from pursuing SSI and SSDI and consequently to save program costs. It appears to be a trend nationwide.

One case presented to the Commission involved a 60 year old illiterate applicant in Bangor who had never held a job. The applicant was told to go to Waterville for a physical exam when it would have been much more reasonable to find transportation to get to one of the excellent Bangor hospitals. Trying to find transportation to Waterville became a major obstacle in obtaining the benefits for which the applicant eventually proved eligible.

The Commission found this situation deplorable. Portland bears the expense of funding one social worker devoted entirely to helping people pursue their SSI and SSDI applications.

We strongly urge you to join the other members of the Maine Congressional delegation and actively seek to correct the inequities and deliberate attempts to dissuade or otherwise complicate applications for SSI and SSDI benefits.

Sincerely,

Peter J. Manning, Chair
Special Select Commission

0237m

OUTLINE: GENERAL ASSISTANCE STANDARD OF
HEALTH AND DECENCY

BY: John Romanyshyn

September, 1985

OUTLINE: GENERAL ASSISTANCE STANDARD
OF HEALTH AND DECENCY

I. OBJECTIVES

- 1.1 To identify alternate ways to determine a General Assistance Standard that will meet the following legislative mandate:

"The maximum levels of assistance shall be reasonable and adequate standards sufficient to maintain health and decency."

- 1.2 To identify advantages and disadvantages of each approach.
- 1.3 To recommend the most adequate standard consistent with economic and political reality.

II. BASIC ASSUMPTIONS

- 2.1 Setting a standard of health and decency is a matter of social policy involving: value judgments about acceptable levels of living; use of empirical data to identify consumption standards that meet generally accepted notions of adequacy in nutrition, safety in housing, etc.; and judgments with respect to politically acceptable costs.
- 2.2 The very nature of such judgments precludes consensus. Thus reasonable people disagree about how to define ". . . adequate standards sufficient to maintain health and decency."
- 2.3 The fact that conflicting views are inevitable does not mean, however, that any definition is reasonable and acceptable.
- 2.3-a The wording of the legislative mandate clearly states that the level of living provided through General Assistance cannot pose a threat to "health and decency." While "health and decency" are subject to wide interpretation, for at least two of the major components of a low-income budget (food and shelter) generally accepted standards are available which provide norms for adequate nutrition and safe and habitable shelter.

Thus, it can be reasonably argued that a low-income budget that fails to provide income sufficient to purchase the nutritional equivalent of the USDA "Low-Income Food Plan" and standard housing equivalent to HUD Fair Market Rents

does pose a threat to health and decency.^{1/}

Moreover, considerable empirical evidence exists of the harmful effects of inadequate nutrition and inadequate housing (See, e.g. The Cost of an Adequate Living Standard in New Jersey, National Social Science and Law Center, Inc., Washington, D.C. 1980, Appendix E, "Malnutrition and Substandard Housing." Children Deaths in Maine, 1976-1980, Maine Department of Human Services, April, 1983).

Since studies exist which demonstrate that the actual cost of assuring access to decent food and housing comprise approximately three-fourths of a minimally adequate low-income budget, this provides a benchmark for determining whether a given general assistance standard approximates the level of adequacy suggested in the legislative mandate. (The Cost of an Adequate Living Standard in New Jersey, op cit. p. 14 and Public Assistance Benefits and the Cost of Living in Carroll County, New Hampshire, National Social Science and Law Center, Inc., Washington, D.C. p. 32).

- 2.3-b Government standards also exist that define levels of income required to assure an acceptable standard of living. These include the official Federal Poverty Guideline, and the Bureau of Labor Statistics estimate of the cost of a "Lower-Level of Living." While both standards are subject to criticism, they can serve with some modification as useful instruments for measuring the adequacy of a General Assistance Standard.
- 2.3-c Standards of health and decency are matters of social definition. They reflect what the public generally regards to be minimally acceptable levels of living. An individual or a family with an income too far below a community standard cannot be said to have a "decent" level of living if the level of income precludes normal access to goods and services that are taken for granted as essential and if income is too low to permit normal participation in community life.

Surveys of public perceptions of minimally acceptable levels of living are available and can be used to judge the adequacy of General Assistance Standards. (See, Danziger, Van der Gaag, Taussig, and Smolensky, "The Direct Measurement of Welfare Levels: How Much Does It Cost To Make Ends Meet", The Review of Economics and Statistics, Vol. 66 No. 3 (August, 1984) pp. 500-505.). For example, for many years the Gallup Poll has asked a representative sample of people the following question:

^{1/} For example, the Department's proposed standard that "Food allowances shall be no less than the maximum in the Food Stamp Program" can be said to violate the norm of "health and decency." The Food Stamp allotment is based on the "Thrifty Food Plan" which the USDA acknowledges is nutritionally inadequate. (See, p. 4 infra).

"What is the smallest amount of money a family of four needs to get along in your community?"

In 1982 when the official Poverty Line was \$9,862, the public perception of income essential to make ends meet for an urban family of four was \$15,400.

A similar study that asked respondents what they regarded as a minimally acceptable income for their own needs also produced a result considerably above the official poverty line.

"Living where you do now and meeting the expenses you consider necessary, what would be the very smallest income you (and your family) would need to make ends meet?"

In 1979 when the official poverty cut off point for an urban family of four was \$7,355 the response from this survey of public perception of income essential just to make ends meet was over twice that amount, i.e. \$15,132.

- 2.4 Given these assumptions, the wording of the legislative mandate -- "REASONABLE AND ADEQUATE STANDARDS SUFFICIENT TO MAINTAIN HEALTH AND DECENCY" is presumed to mean:

. . . an ability to purchase or otherwise acquire at least a minimum amount and quality of goods and services necessary to maintain health, live in a safe and habitable dwelling, facilitate school attendance and employment, or the pursuit thereof, and enable individuals and families to participate in community activities as normal citizens.

III. ALTERNATIVE APPROACHES TO ESTABLISHING A STANDARD OF HEALTH AND DECENCY

3.1 Alternative Approaches: Summary

- 3.1-a Market Basket Survey of a Minimally Adequate Budget;
- 3.1-b Federal Poverty Guideline or some Multiple Thereof;
- 3.1-c Standard Based on the Known Cost of the Low-Cost Food Plan and HUD Fair Market Rents With an Additional Sum for Other Basic Essentials;
- 3.1-d Some Fraction of Median Family Income That Reflects Public Perception of a Minimally Adequate Income to Make Ends Meet.

3.2 The Federal Poverty Guideline

3.2-a Advantages

- (1) Legitimacy as a widely accepted government standard
- (2) Readily available, adjusted for families of different

(4)

size and composition, and periodically revised to take into account changes in the cost of living.

(3) Though easily attacked for its inadequacy, it may be regarded as the most conservative definition of "health and decency."^{2/}

(4) Given the generally modest income that characterize Maine communities, it may be the most politically acceptable standard. (= to 1/2 Maine Median family income)

3.2-b Disadvantages

(1) Does not meet acceptable nutritional standards;

(2) Based on "Thrifty Food Plan" which even the U.S. Department of Agriculture acknowledges is inadequate since it was designed for temporary and emergency conditions.

The nutritional inadequacy of the Thrifty Food Plan has been recognized by nutrition experts ^{3/} as well as the USDA itself. In an April 2, 1980 rule making published in the Federal Register, USDA stated that:

"The Department recognizes that a number of factors make it difficult for many families to obtain an adequate diet on the amount of money which represents the cost of the Thrifty Food Plan. In fact, data on food consumption among low-income households indicates that fewer than one in ten families spending an amount of money equivalent to the cost of the Thrifty Food Plan received 100% of the Recommended Daily Allowances. Less than half received even two-thirds of the Daily Allowances. The average food purchases, without specific nutritional skills and training, would find it difficult to make the food choices, which provide an adequate diet on the amount of money which represents the cost of the plan." 45 Federal Register, 22001 (April 2, 1980) quoted in Public Assistance Benefits and the Cost of Living in Carroll County, New Hampshire, National Social Science & Law Center (October, 1983), p. 21.

(3) Considerable support exists for substituting the USDA "Low-Cost Food Plan" for the "Thrifty Plan";

(4) Moreover the Poverty Standard is based on the premise that low-income families spend one-third of their income on food. More recent surveys of expenditures indicate that low-income families spend about one-fifth of total expenditures on food. (The cost of Low-Cost food plan for January 1983 multiplied by

^{2/} There are problems with this, since the Poverty Standard clearly cannot provide sufficient income to meet the basic essentials of life in contemporary United States.

five would produce a poverty cut off point of \$20,580, twice the current poverty standard.);

(5) The cost of adequate nutrition (Low-Cost Food Plan) and for decent shelter (HUD/Fair Market Rent) according to a study in Carroll County, New Hampshire would alone absorb almost all of the income suggested by the official poverty line for 1982. (1982 Poverty Standard = \$9,862. Cost of Low-Cost Food Plan-\$4,116 plus Shelter-\$4,908 = \$9,024. See, Public Assistance Benefits and the Cost of Living in Carroll County, New Hampshire, Table 11, p. 14). Thus, it can be readily demonstrated that the official poverty standard ". . . will not purchase those goods and services which the federal government defines as essential to the maintenance of adequate nutrition, housing, safety and health." NSS&LC . . . New Jersey, p. 14).

Moreover, the cost of a Minimally Adequate Budget (MAB) for Carroll County, New Hampshire, a region that probably approximates living costs throughout much of Maine, reveals that the 1982 cost of a MAB was \$11,460 at a time when the poverty cut off point was \$9,862. (Table 11, p. 33).

(6) Finally, as already indicated, studies of public perception of the amount of income necessary "just to make ends meet" suggest that the public standard of a minimally adequate income is considerably above the poverty cut off point. (\$15,133 in 1979 compared to \$7,355 poverty standard -- Sheldon Danziger, et al, "The Direct Measurement of Welfare Levels: How Much Does it Cost to Make Ends Meet?" Institute for Research on Poverty, Univ. of Wisconsin, p. 10)

(7) Other Limitation of the Poverty Standard

-Underestimates economies of scale and thus may overadjust for family size (Danziger, et al, op. cit). In addition, it is not adjusted for regional differences in cost of living or for differences in cost of living within regions.

3.3 SOME MULTIPLE OF THE FEDERAL POVERTY STANDARD

3.3-a Advantages

(1) Permits retention of the widely used government standard with adjustments for generally accepted deficiencies in that standard.

3.3-b Disadvantages

3/ cont'd. Assistance Programs, California Technical Assistance Associates, Sacramento, California, p. 17, 20-22.

- (1) Does not allow for regional differences in cost of living. Shelter costs may present a special problem.

3.3-c A Conservative Adjustment of the Federal Poverty Standard:
130% of the Poverty Cut Off

- (1) The Poverty Standard could be adjusted upward by 30% to compensate for the deficiencies already noted;
- (2) This would represent a very modest adjustment.
-Mollie Orshansky, who originally devised the poverty standard suggests that on the basis of her own recent study, a more realistic poverty threshold based on a nutritionally adequate diet and a realistic estimate of the expenditures low-income families must make for other essentials, requires an upward adjustment of 50%. (NSS&LC, New Hampshire, p. 13).
- (3) 130% of the Poverty Standard is consistent with the standard adopted by the Federal Government for eligibility for Food Stamps. (Omnibus Budget Reconciliation Act of 1981, PL-97-35).
-130% of 1984 Poverty Standard (\$10,609)=

\$13,719	for a four person family
10,760	three
8,790	two
6,861	one

- (4) Possible Objections
-Might be regarded as too liberal
e.g. Exceeds market based cost of a MAB as revealed in the New Hampshire Study.

MAB for Carroll County July 1982 for four person family = \$11,460. At that time poverty standard was \$9,862. 130% of \$9,862 = \$12,820 (Op. cit. p. 33).

-Exceeds level of income available to significant numbers of families in Maine. (e.g. almost 20% of population in Maine with incomes less than 125% of poverty line. p. 15, Poverty in Maine).

3.3-d 120% of the Poverty Line

(1) Advantages

*Very conservative estimate of amount of income required to meet a minimally acceptable standard of health and decency;

*Consistent with market based survey of the cost of a MAB for New Hampshire. (\$11,460 for a four person family July 1982. Poverty cut off of \$9,862 that year $\times 1.20 =$ \$11,834).

3.4 Low Income Budget Based on Cost of "Low-Cost" Food Plan and Cost of Shelter (HUD/FMR'S) Plus Amount for Other Items.

e.g. 1982 Low-Cost Food Budget \$4,116 for 4 person family (New Hampshire study)

Shelter	<u>4,908</u>
	\$9,024

Cost of food and shelter plus 27% (27% of \$9,024) = \$2,436

\$2,436 plus \$9,024 = \$11,460 = MAB for New Hampshire 4 person family.

IV. SUMMARY

- 4.1 A Market Basket Survey of the cost of each component of a Minimally Adequate Budget is the most accurate (and the most expensive) method for determining standards of general assistance which are minimally adequate for the maintenance of health and decency.
- 4.2 In the absence of a Market Basket Survey, a number of studies and government standards are available for use in determining the adequacy of a municipality's general assistance standards.
- 4.3 One hundred twenty percent (120%) of the Federal Poverty guidelines is probably the closest approximation of the cost of a Minimally Adequate Budget in Maine.
- 4.4 A Minimally Adequate Budget is the absolute minimum a family needs in order to maintain health and decency.
- 4.5 Since the Department of Human Services is dealing with MAXIMUM (not MINIMUM) levels of general assistance, it is urged to adopt one hundred fifty percent (150%) of the Federal Poverty guidelines as the standard by which to judge the reasonableness and adequacy of each municipality's MAXIMUM levels of general assistance.