



## **Testimony in Support of LD 1274:**

**“An Act to Cap State General Assistance Reimbursement to Municipalities”**

Senator Ingwersen, Representative Meyer, and the distinguished members of the Committee on Health and Human Services, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 1274, “An Act to Cap State General Assistance Reimbursement to Municipalities.”

LD 1274 introduces a common-sense safeguard to ensure fairness, fiscal discipline, and equity in Maine’s General Assistance (GA) program. It caps the amount any single municipality can receive in reimbursement at no more than 50% of the state’s total GA spending in a given fiscal year.

While this bill does not single out any particular city or town, it is no secret that the City of Portland has long dominated Maine’s GA spending. Data from the Department of Health and Human Services revealed that Portland accounted for an astounding 73% of all GA dollars reimbursed to municipalities from 2019 through mid-2023, despite housing less than 5% of the state’s population.<sup>1</sup> Even more striking, Portland’s per capita welfare spending was more than 50 times that of other cities in Maine.

This imbalance is not sustainable, nor is it equitable for taxpayers across the state to be forced to subsidize a single city’s poor policy decisions. The GA program is designed to offer emergency relief to genuinely needy individuals. However, the outsized share of reimbursement directed to one municipality raises serious questions about fiscal stewardship, perverse incentives, and long-term accountability. The General Assistance program is a cost-shared effort between state and local governments, but when one city persistently overspends and relies on state dollars to foot the bill, the burden is shifted to taxpayers statewide.

This is not an argument against compassion or assistance for the truly vulnerable. Instead, it is a call for fairness and proportionality. Portland’s approach—providing significantly more generous assistance than other municipalities—creates a magnet effect that undermines broader state goals and places an undue strain on social services. It also disincentivizes prudent budgeting and planning by local officials who expect the state to backfill runaway spending.

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<https://www.themainewire.com/2023/08/portland-spends-50-times-more-per-person-on-welfare-than-other-maine-cities-spent-73-of-all-general-assistance-dollars-since-2019-records-show/>



LD 1274 would not eliminate assistance, but simply ensure that no single jurisdiction can monopolize state funding. A cap of 50% is more than reasonable and will compel municipalities to reevaluate their approach, align spending with statewide norms, and coordinate better with state officials. It is especially necessary due to Maine's highly distributed rural/suburban population.

Maine Policy Institute has long advocated for reforms that increase transparency, improve efficiency, and reduce unfairness in public welfare programs. LD 1274 is a step in that direction. By enacting this cap, the Legislature would restore balance to the GA program, protect taxpayers, and promote a more sustainable model for municipal assistance.

For these reasons, we strongly urge the committee to vote "Ought to Pass" on LD 1274. Thank you for your time and consideration.