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## Summary Memo JJS 11/15/16

The State of Maine mandates that each municipality operate a General Assistance Program. The municipality must pay 100% for the housing and salary of the local general assistance administrator and then the state and the municipality split the cost of providing general assistance with the state now paying 70% and a municipality paying 30%. Up until last year was 50-50.

There are general assistance statutes and the Maine Municipal Association has prepared a local General assistance manual which has been adopted by the City of Belfast and it meets all the state criteria for administering general assistance. Each year the state updates the program, municipality by municipality by updating maximum levels of assistance that may be available to people given their economic situation. For example under normal circumstances (not an emergency) a person who has income of \$655 a month would not be entitled to receive any general assistance even though their other expenses were well in excess of this limited income. So if a person gets a \$670 a month disability check they are not eligible for assistance unless there is an emergency. It only provides assistance for essential necessities such as food, housing, and heat.

Both the law and the general assistance Ordinance manual which is almost 100 pages long, are not as clear as they could be and there is a considerable number of places in the administration of general assistance where there is great discretion left in the hands of the individual general assistance administrator.

People are not born general assistance administrators. There is limited training every year for people to learn how to administer general assistance. Most of that is done by other General Assistance Administrators from other Towns. For example our current administrator was hired in July 2015 but there was no training even for entry-level general assistance work until November 2015. It takes far more than a single day of training to really learn how to do this function well. It is complex and at times counter intuitive. For example the rules accept and recognize the transportation cost an individual will incur in going back and forth to work but they will not accept or recognize the need to pay a car payment or car insurance. If you have a child living with you all the time, the system accepts and recognizes your need to feed that child. However, if you only have visitation and care of the child on weekends, the system does not recognize that you need to feed that child on those days.

From time to time the state of Maine visits the municipality to audit how well they are administering the program. If they find that you are not in compliance with program rules or regulations then they advise you of this and then ask you to propose a plan of how you will address it in the future. If they accept your plan then normally everyone just goes forward with an improved process into the future.

That is indeed what happened here to the city of Belfast when the state came in at the end of February and also at the end of March to review the GA applications we received in January of this year. They advised us in early April that we were not in compliance with their rules and regulations. They came in and worked with us on additional Training on April 5<sup>th</sup> and 6<sup>th</sup>. They asked us to propose a remedial plan we did so and in May of 2016 they accepted the plan that we proposed. They also told us in May that they were approving our request for reimbursement previously submitted for the month of January.

In Late June the State returned to look at our GA program again. In July they again felt that we were out of compliance and asked us to submit a plan to remediate the issues the identified as noncompliant. This time I intervened because I thought everything was going well with the administration of our program. Not only did our General Assistance Director propose a Plan on August 11<sup>th</sup>, 2016 but I also went in to review the very applications the State had concerns with and I proposed additional measures that I felt would produce a quality program. My Proposal to the State was made on August 23, 2016.

Just shy of a month later the State sent the City a letter dated September 20<sup>th</sup> rejecting the August 11<sup>th</sup> Plan and directing the City to submit a new Plan within 30 days that needed to include several provisions. Even though they made no reference to the Plan I submitted on August 22<sup>nd</sup> they required essentially the same changes that I had proposed in that communication.

To our great shock and surprise they then said that they were withholding our reimbursement request (including last January) and further requested that we resubmit every request for State GA reimbursement (the 70%) going back to August of 2015. As I understand it, files that do not meet the State's requirements will not be reimbursed and those that do will be reimbursed.

This was a shock because to the best of my knowledge any time the State found any municipal GA program out of compliance in the past they were always more interested in improving the quality of the program going forward with no potential ramification backward. In all of our dealings with the State we had not hint that we would be subjected to this huge ordeal or consequence.

It was also a shock to realize that this would mean going back and reviewing over 550 different GA applications going back over a whole year.

We were shocked because they told us in May that our Plan for the Program was good and that they were authorizing our January reimbursement request. We were behind in submitting them and the State also takes significant time in reimbursing us. No one was told they were holding our request for reimbursement until September 20, 2016.

Finally it was a shock because they wanted all of this done in 30 days which is frankly impossible.

In order to protect our concerns the City filed objections to the State's letter and filed an administrative appeal as provided by law.

Since then the State and the City have been talking to see if we can negotiate some or all the requests from the State. Those discussions are ongoing as we speak.

Why is all of this happening?

Both the State and the City wants to run a GA program that is compliant with State regulation.

In Fiscal year 2010 the City spent about \$100,000 on GA applications. 50% of that was reimbursed by the State. By fiscal year 2015 the City spent only about \$20,000 on the same program. During fiscal year 2016 we spent \$320,000.

Why the big change.

1. Part of the answer is that we were not accepting as many applications as we should have in 2015. People were told not to apply until they had certain information which was not in compliance with State requirements. Local Churches contacted the City and advised us that people who needed help were not getting it. The City concluded that we were underserving the number of people that we should have been serving. Some we did not serve in 2015 are being served in 2016 because they should have been served all along
2. As a partial response the City Council, under the guidance of its legal Counsel, adopted a series of General Assistance policies in how the City wanted the Program managed. The essence of these policies was that the City should do all that it could to help people wherever we could within the confines of the State regulations. New City policy stated that wherever discretion existed in the program it was to lean towards the applicant. The State has seen these Policies but has never indicated to the City that there is anything inappropriate about them.
3. We then had a change in personnel and we hired a part time (The position was always a 16 to 20 hour a week job) person who needed to be trained when training became available which was not until November of 2015 and April of 2016. Today we have almost doubled these hours because of the volume of applications.
4. We then had a huge increase in the number of people filing for GA. Why?

The closing of the Bucksport Mill and Little River Apparel.

The understanding of our obligation to provide temporary housing- particularly during the colder winter months. This was the largest major increase of expense in 2015/2016 as we formerly only provided temporary shelter in a hotel on rare occasions.

The clarification on our obligation to help people declaring themselves as homeless.

A large increase in new applications. Over Three times as many as we had seen before.

Greater recognition of what constitutes an emergency situation which might afford General Assistance benefits when the lack of an emergency would not.

Under the general assistance program a homeless person who presents himself to a municipality regardless where they've been the last several days or weeks and says this is where they reside is entitled to apply receive benefits if they qualify.

## Who is a Resident for GA purposes?

One must be a resident of a community to secure general assistance benefits in the community.

GA ordinance defines a **resident** as a person who is #1 physically present in a municipality with #2 the intention of remaining in that municipality in order to maintain or establish a home and #3 who has no other residence. A person who applies for assistance in a municipality who is not a resident of that municipality or any other municipality is a responsibility of the municipality with that person first applies. That municipality must take an application and grant assistance to the applicant if she he or she is eligible unless he or she establishes a new residence in another municipality (22 MRSA 4307)

We can only relocate applicants upon their request. If we do that we need to notify the receiving municipality of the assistance that we are granting and that we are responsible for their first 30 days of need in that other community.

A town is not obligated to pay for basic necessities outside the community unless they are unavailable inside the municipality.

So:

- a person who walks in who formerly lived in South Carolina and claims they are homeless is considered a resident of Belfast who can apply for general assistance in Belfast.
- a person who has been living in another municipality in Maine is a resident of that other municipality and they should be denied and referred to that other municipality for assistance.
- a person who is not a resident of anyplace is a resident where they first apply for assistance.
- any dispute on residency should be referred to DHHS(22MRSA 4307(5) and (6).

## Housing Maximums and Emergency situations:

Section 4.9 of the Belfast GA ordinance states that an **emergency** is considered to be any life-threatening situation or situation beyond the control of the applicant which if not alleviated immediately could reasonably be expected to pose a threat to the health or safety of the applicant or a member of the household (22MRSA 4301 (4)). Although they may be considered otherwise ineligible to receive general assistance, persons who apply for assistance to alleviate an emergency may be granted assistance, except as provided below if they do not have sufficient income and resources to meet an actual emergency need and have not had sufficient income or resources to avert the emergency (22MRSA4308)

Applicants who had resources in the prior 30 days that were not spent on basic necessities and which could have been used to avoid the emergency will not be eligible for that portion of the emergency.

GA does not normally pay back bills unless it is an emergency. Normally we go back 30 days unless the bills go back longer than 30 days in which case we go back as far as when the first un paid bill occurred( Ordinance p#27).

A municipality may provide emergency assistance when the municipality determines that an emergency is imminent and that the failure to provide assistance may result in undue hardship and unnecessary cost to either the client or the municipality.

Hotels/motels and similar places of temporary lodging are considered Institutions if the municipality grants financial assistance for, makes arrangement for or advises or encourages an application to stay in temporary lodging( Belfast Ordinance p. 27)

If the municipality illegally denies housing assistance and as a result of that denial the applicant stays in temporary lodging then the municipality is responsible for the applicant up to six months and may be subject to other penalties 22 MRSA4307 (4)).

What is the City doing? We have engaged the services of an outside consultant with significant GA experience to help us go back and audit our files to see if they need to be supplemented to make them clearer and to document any information the State would want to see in the files. If we have to do all of these files it will take many months. We should have a better estimate in 10 business days.

We are continuing to talk to the State about how this matter might be settled more amicably for all. We have always proceeded with the State in good faith and in the end we all want improvement wherever we can find the opportunity for it.