



Permanent Commission RACIAL, INDIGENOUS & TRIBAL POPULATIONS

LD 1877 “An Act to Reduce the Number of Children Living in Deep Poverty by Adjusting Assistance for Low-income Families”

February 1, 2024

Senator Baldacci, Representative Meyer, and Honorable Members of the Health and Human Service Committee.

My name is Rae Sage, and I am the Policy Coordinator for the Permanent Commission on the Status of Racial, Indigenous, and Tribal Populations. The Permanent Commission’s role is to examine racial disparities across all systems and advise Maine State Government on ways to improve the status and outcomes of historically disadvantaged racial, Indigenous, and tribal populations.

The Permanent Commission supports LD 1877 because the impacts of poverty on a child’s development cannot be overstated. In the early years of a child’s life, the lack of access to nutritious food, secure housing, and a nurturing caretaker can mean lasting cognitive deficits that carry into their adult life. Nationally, Black, Hispanic, and Indigenous children are overrepresented amongst children living below the poverty line.¹ These disparities persist in Maine, creating devastating outcomes for the racial, indigenous and tribal populations that call this state home.

At every intersection of the conditions that define poverty, there are compounding racial inequities affecting non-white populations. While childhood poverty has declined in the last decade, systemic racism contributes to higher poverty rates among children of color both in Maine and the nation.² Black children in Maine experience poverty at more than

¹ [Effects of poverty, hunger and homelessness on children and youth \(apa.org\)](https://www.apa.org/pubs/journals/0000000000000000)

² Green, K. A., Bovell-Ammon, A., & Sandel, M. (2021). Housing and neighborhoods as root causes of child poverty. *Academic Pediatrics*, 21(8), S194-S199.

double the rate of their white peers at 31.5% and 12.8%, respectively – and Indigenous children face similar disparities with a childhood poverty rate of 32.4%.³ Maine’s benefit amount for families who receive Temporary Assistance for Needy Families (TANF) is the lowest in New England, contributing toward these disparities.⁴

Black and Indigenous communities in Maine are also experiencing food insecurity at a rate two to nearly four times higher than the state average.⁵ This impacts the future of these communities as children who grow up facing hunger and poverty are more likely to experience poverty and health challenges as adults. They are also less likely to finish high school or college, limiting their earnings and employment opportunities later in life.⁶

LD 1877 makes crucial changes to the TANF program, creating more opportunities for Mainers doing all they can to simply survive. By providing transportation support, healthcare access, clothing allowances, and housing assistance, LD 1877 fosters better outcomes for the thousands of children all over the state currently struggling in deep poverty. The future of Maine's diverse communities is dependent on the health and wellness of its children. Thank you!

³ Maine Children's Alliance. (2023). Maine KIDS COUNT Data Book. Available at: https://www.mekids.org/site/assets/files/2031/2023_kidscount_databook_interactive.pdf

⁴ Thompson, G.A., Azevedo-McCaffrey, D., & Carr, D. (2023). “Increases in TANF Cash Benefit Levels are Critical to Help Families Meet Rising Costs.” Center on Budget and Policy Priorities. Accessed 16 Jan 2024. Available at: <https://rb.gy/f9op32>

⁵ Maine's Roadmap To End Hunger by 2030 [maines-roadmap-to-end-hunger.pdf](#)

⁶ [The Enduring Effects of Childhood Poverty | CLASP](#)

Funding Our Future

Everyone, no matter what they look like or where they come from, deserves a safe home, enough food on the table, and access to the tools they need to build a bright future for themselves and their communities.

No matter our income, faith, or color, we all know what it's like to struggle. The last few years have taught many of us what it means to be a layoff, an illness, or a foreclosure away from fearing for our future. We all do better when every person and every family has a safe, affordable place to call home and enough food on the table. But those who benefit from an unjust system try to get us to blame each other for factors beyond any individual's control so we don't demand better. The Permanent Commission supports legislation that envisions a Maine where whatever your zip code, the color of your skin, or the contents of your wallet, you know that your family will be ok—where no matter what hardship you face, you know that you will have food on the table and a roof overhead. Creating a future where all Maine people, our families, and our communities can thrive requires active political intervention into long-standing social and economic processes that feed poverty cycles for rural, racial, Indigenous, and tribal populations.

Measures of Injustice

Maine is experiencing a severe affordable housing crisis, with the income needed to purchase a median-price home in the state far surpassing the median household income of Mainers (Figure 3).⁸ According to a 2023 report by the Maine State Housing Authority, the state would need to build 84,000 new homes in the next seven years to account for existing and anticipated demand across the state, a growth rate not seen in decades.⁸ While many of us feel the impacts of this rapid shift, our state's racial, Indigenous, and tribal populations are often the hardest hit.

Today, over 70% of Maine's Black residents are renters, compared with only 25% of the state's white residents, making it 50th out of 50 states on a national housing equity index.⁹ As these factors compound, we see racial disparities manifest not just in housing, but also in the state's unhoused populations. Since 2019, Maine has experienced a more than 3-fold increase in homelessness,¹⁰ with roughly 47% of those experiencing homelessness from Black communities, despite making up only 1.6% of the state's population.¹¹

Childhood economic well-being is another area where we see significant racial and

geographic disparities. While childhood poverty has declined in the last decade, systemic racism contributes to higher poverty rates among children of color both in Maine and the nation.¹² Black children in Maine experience poverty at more than double the rate of their white peers at 31.5% and 12.8%, respectively – and Indigenous children face similar disparities with a childhood poverty rate of 32.4% (Figure 4).¹³ Kids in rural Maine also experience higher rates of childhood poverty, at more than 20%, than those who live in more populated areas in Maine, at lower than 10% (Figure 2).¹³ Maine's benefit amount for families who receive Temporary Assistance for Needy Families (TANF) is the lowest in New England and is a contributing factor toward these disparities.¹⁴

Fortunately, we have compelling evidence that public policy can have a profound impact on reducing these disparities. Pandemic relief measures in 2020 and 2021 demonstrated the effectiveness of public policy in reducing child poverty, with the U.S. child poverty rate dropping by 46% in 2021 using the supplemental

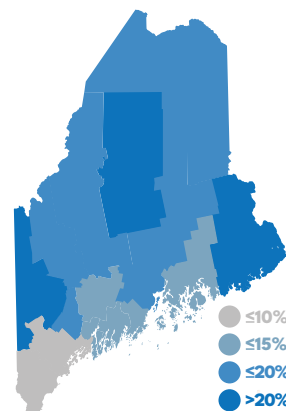


Figure 2. Childhood Poverty by County, 2021. Adapted from Maine Children's Alliance. (2023).

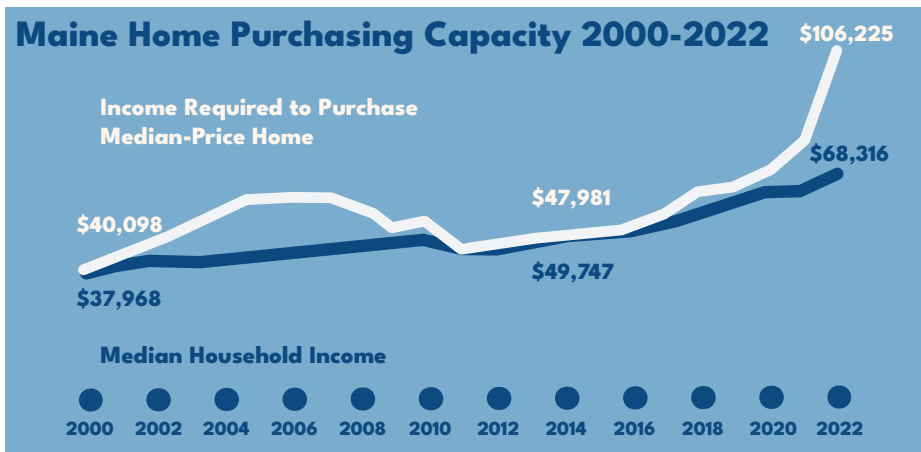


Figure 3. Maine's median home price far surpasses Mainers' ability to purchase. Adapted from HR&A Advisors. (2023).

poverty measure. The temporary expansion of the Child Tax Credit played a crucial role in this decline. When those payments stopped, many families experienced renewed economic hardship.¹³

Childhood Poverty By Race

Indigenous	32.4%
Black	31.5%
Multiracial	19%
Latino	16.9%
All Races	13.8%
White	12.8%
Asian	11.7%

Figure 4. Childhood Poverty by Race in Maine 2017 - 2021. Adapted from Maine Children's Alliance (2023).

Moving Toward Justice in 2024

BUILD NEW HOUSING

- **Pass LD 1074 - An Act to Authorize a General Fund Bond Issue to Fund New Affordable Housing for Low-income Households - for voter approval**
- **Fund LD 226 - An Act to Address Maine's Affordable Housing Crisis**

The creation of new, affordable housing is critical to addressing the disparities we have outlined. Private investment, while necessary, will not be sufficient to meet the need for 84,000 new homes by 2030 identified by MaineHousing. LD 1074 would provide \$100 million in bond funding for homeownership assistance and new affordable home construction. If it is approved by the Legislature, it will go to Maine voters for approval.

LD 226 would provide \$160 million from the state's budget (both the General Fund and Liquor Operation Revenue Fund) for homeownership assistance and new affordable home construction over the next four years.

In the crafting and implementation of these or similar policies, care must be taken to avoid mistakes that could continue or exacerbate existing disparities. The Permanent Commission recommends:

- Intentional outreach to communities that have historically been excluded from homeownership assistance programs.
- Any construction funding or contracts should consider whether the workers building these homes are fairly compensated and have a voice in their workplace.

PROVIDE RENTAL ASSISTANCE

- **Fund LD 1664 - An Act to Increase Reimbursement Under the General Assistance Program**
- **Pass LD 1710 - An Act to Establish the Maine Rental Assistance and Guarantee Program and Amend the Laws Regarding Tenants and the Municipal General Assistance Program**

Factors including rising housing costs and the end of federal pandemic housing assistance programs have led to a rise in need for alternative housing support across the state. General Assistance is a way for towns and cities to provide emergency assistance to keep residents safely housed. The increased need for rental assistance has put an enormous strain on General Assistance programs across the state.

LD 1664 provides support to municipalities providing this vital assistance by increasing the state reimbursement rate for General Assistance from 70% to 90%.

LD 1710 creates a statewide rental assistance program through Maine Housing that will relieve some of the pressure on General Assistance for housing needs and ensure wider participation from landlords.

PROVIDE MAINE KIDS WHAT THEY NEED TO THRIVE

- **Pass LD 1877 - An Act to Reduce the Number of Children Living in Deep Poverty by Adjusting Assistance for Low-income Families**

The additional support families received during the pandemic proved that putting our resources into families' economic well-being has a direct, positive impact on childhood poverty rates. LD 1877 leverages a federal program to put that lesson into action for Maine kids. Maine's TANF grant amount is nowhere near what families need to begin to lift themselves out of poverty—the goal of a temporary benefit program. This bill shifts the policy goal of TANF benefits from meeting the most basic needs of families to creating long-term stability. The bill makes several changes to the TANF program designed to break generational cycles of poverty and allow families to create the stability they need to build a brighter future. Some of these changes include increasing the amount of child support payments that pass through the state to directly support children, establishing a minimum housing support amount for eligible families, and increasing parents' access to education and training so they can support their families.

References

- 8** HR&A Advisors. (2023). State of Maine Housing Production Needs Study: October 2023. Prepared for the Maine State Housing Authority. Available at: <https://rb.gy/5gii8>.
- 9** United Health Foundation (2023). America's Health Ratings. Accessed 20 Dec 2023. Available at: https://www.americahealthrankings.org/explore/measures/homeownership_disparity/ME#.
- 10** The Maine Point in Time study changed its methodology in 2020 to include individuals living in transitional housing. The statistic offered here represents an approximation of the real increase in homelessness with those data removed from analysis.
- 11** MaineHousing. (2023). 2023 Point in Time Count. Available at: <https://rb.gy/x0frf>.
- 12** Green, K. A., Bovell-Ammon, A., & Sandel, M. (2021). Housing and neighborhoods as root causes of child poverty. *Academic Pediatrics*, 21(8), S194-S199.
- 13** Maine Children's Alliance. (2023). Maine KIDS COUNT Data Book. Available at: https://www.mekids.org/site/assets/files/2031/2023_kidscount_databook_interactive.pdf.
- 14** Thompson, G.A., Azevedo-McCaffrey, D., & Carr, D. (2023). "Increases in TANF Cash Benefit Levels are Critical to Help Families Meet Rising Costs." Center on Budget and Policy Priorities. Accessed 16 Jan 2024. Available at: <https://rb.gy/f9op32>