

Testimony on the Portions of Governor’s Proposed Biennial Budget (LD 210, “An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027”)

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James Myall, Policy Analyst

Good Afternoon Senators Rotundo and Ingwersen, Representatives Gattine and Meyer, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services. My name is James Myall and I’m a Policy Analyst at the Maine Center for Economic Policy. MECEP opposes the Governor’s proposals to cut safety net programs which would hurt the most vulnerable of our friends and neighbors. We believe that instead of balancing the budget on the backs of these Mainers who have next to nothing, we should be asking the wealthiest among us to pay a little more.

Biennial Budget, part VV

Part VV of the biennial budget would make it harder for New Mainers to get on their feet, provide for their families, and integrate into their new communities. By cutting off access to the Supplemental Nutrition Assistance and Temporary Assistance for Needy Families programs the moment asylum-seekers obtain a work permit, this proposal would take away supports before many of these Mainers are able to support themselves.

Simply gaining a work permit does not automatically mean someone will find a job right away. While Maine has a particularly strong labor market right now, New Mainers have a harder time getting jobs – and particularly getting good-paying jobs – than other Mainers. This can be due to language barriers, difficulty transferring a foreign qualification to a Maine setting, or lack of contacts in their new community. In some cases it can be the result of outright racism or other discrimination.ⁱ

This proposal will also harm New Mainers who have jobs and then lose them unexpectedly, who will also be ineligible for food assistance even if they lost the job through no fault of their own.

MECEP’s analysis finds that while New Mainers initially have lower working rates and more need for public assistance when they first arrive in the state, that is both because they are forbidden from working when they first arrive and some of the barriers I mentioned above. Over time, their employment rates and outcomes approach those of US-born Mainers.ⁱⁱ That means they not only support themselves but also pay taxes that help fund programs for all Mainers in need.

Access to SNAP and TANF makes people healthier,ⁱⁱⁱ improves children’s progress at school,^{iv} and strengthens long-term economic outcomes. At least one study even finds that SNAP improves long-term

employment outcomes.^v It's ultimately in all our interests to make sure that New Mainers have a strong start to their new lives in our state and that they and their families can thrive here.

Supplemental Budget, Part S

I also want to address Part S in the *supplemental* budget proposal, which I understand your committees are considering addressing in the biennial budget. I know you've heard testimony on this already, so I just want to emphasize that General Assistance is the program of last resort for Mainers, and the people who will be impacted by these restrictions on GA use for housing will have nowhere else to turn. With affordable housing out of reach for so many Mainers, the impact of this change is going to be more people homeless or in emergency shelters. Maintaining stable housing is foundational to Mainers' economic success, and losing these supports will have knock on effects like making it harder to maintain and find a job,^{vi} make it harder to children to succeed in schools,^{vii} and ultimately harm the economy and our collective well-being.

Tax Fairness

Finally, I want to remind you all that these proposals before you are only one path available to balancing the biennial budget. Rather than targeting some of the most vulnerable people in our state, I would urge you to ask more of those who are prospering and can afford to contribute more. There are several bills this session which could protect programs like these by asking the wealthiest families and corporations to pay more and MECEP believes this is ultimately a better path to a fairer and more prosperous Maine.

Thank you. I'll be happy to take any questions.

Notes

ⁱ For a discussion of some of these issues, see James Myall, "State of Working Maine 2020." *Maine Center for Economic Policy* Nov 9, 2020. <https://www.mecep.org/maines-economy/report-state-of-working-maine-2020/>

ⁱⁱ James Myall, "People seeking asylum and refuge benefit Maine's economy — lawmakers need to support them." *Maine Center for Economic Policy*. Mar 27, 2024. <https://www.mecep.org/blog/people-seeking-asylum-and-refuge-benefit-maines-economy-lawmakers-need-to-support-them/>

ⁱⁱⁱ Emily C. Dore, Melvin D. Livingstone III and Paul R. Shafer, "Easing Cash Assistance Rules During COVID-19 Was Associated With Reduced Days Of Poor Physical And Mental Health." *Health Affairs* Vol 41, No 11. Nov 2022. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.00740> and <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs>

^{iv} Beharie, N., Mercado, M., & McKay, M. (2017). "A Protective Association between SNAP Participation and Educational Outcomes Among Children of Economically Strained Households." *Journal of hunger & environmental nutrition*, 12(2), 181–192. July 2017. <https://pmc.ncbi.nlm.nih.gov/articles/PMC5513186/>

^v Alix Gould-Wreath, "New evidence suggests that receiving benefits from the Supplemental Nutrition Assistance Program facilitates work in the long run." *Center for Equitable Growth*. Nov 13, 2023. <https://equitablegrowth.org/new-evidence-suggests-that-receiving-benefits-from-the-supplemental-nutrition-assistance-program-facilitates-work-in-the-long-run/>

^{vi} Matthew Desmond and Carl Gershonson, "Housing and Employment Insecurity among the Working Poor." *Social Problems*, 2016, 0, 1–22. <https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.sp2016.pdf>

^{vii} Brendan Chan, "How Housing Instability Affects Educational Outcomes." *Urban Institute* Feb 28, 2024. <https://housingmatters.urban.org/articles/how-housing-instability-affects-educational-outcomes>