

**Testimony Neither for nor Against Portions of LD 2212, An Act Making Supplemental 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, 2026 and June 30, 2027**

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Good Afternoon, Senators Rotundo and Ingwersen, Representatives Gattine and Meyer, and members of the Joint Standing Committees on Appropriations and on Health and Human Services. My name is James Myall; I'm a policy analyst at the Maine Center for Economic Policy and I'm testifying to offer our perspective on several Health and Human Services provisions in the Governor's supplemental budget proposal, LD2212

MECEP is supportive of the Governor's proposed investments in eligibility specialists and technology infrastructure at the Department to implement the provisions of the recent federal legislation, HR1.

MECEP also appreciates the additional funding to meet cost shifts in HR1 and to ensure continued provision of current services, particularly in the MaineCare program.

By our calculation, the federal legislation alone accounts for almost \$40 million in new state costs over the biennium. This is an unfair shift of responsibilities from Washington to Augusta that will cause additional hardships in the future, but it is important that the state meet these obligations.

MECEP is, however, concerned that the budget does not adequately plan for the future in light of the uncertainty created by HR1. While the investments in eligibility determination will reduce the chances that Maine will be hit with a \$37 million payment penalty in the SNAP program in fiscal year 2028, they do not eliminate that risk.

Similarly, the Department's proposed investments will reduce the number of Mainers who are denied food assistance or health care coverage due to administrative errors, and this is very important. However, it will not guarantee that no-one is tripped up by the new red tape created by HR1. What's more, there will be thousands of Mainers who lose assistance because they don't meet the work requirements laid out in the bill. Some will be working irregular schedules that don't consistently meet the requirement. Others will have health conditions that reduce their ability to work but don't fully qualify them for a waiver. The

situation will be particularly acute for Mainers in the most rural parts of the state, where full-time year-round work is harder to find and people are more likely to use safety net programs due to inadequate work and low wages.

While replacing the entirety of lost federal funding for SNAP and MaineCare enrollment would be very expensive, MECEP would urge the legislature to implement state-funded benefits for the most vulnerable Mainers – for example veterans, Mainers experiencing homelessness, or people living in areas of high unemployment.

The situation is especially urgent in the SNAP program where tens of thousands of Mainers have already begun to see the impacts of expanded work-reporting requirements. This issue should not be pushed to the next legislature and the next biennial budget to address.

In addition to these new problems coming from the federal government, Mainers are already facing unmet needs in the care economy. Both child care and care for adults remains unaffordable for many Mainers and hard to find even if you can afford it. MECEP continues to urge the legislature to fund adequate wages for the workers in these fields and to subsidize care for the Mainers who need it:

- LD 1955 would allocate \$15 million a year for the Child Care Affordability Program for Mainers with low and middle incomes.
- LD 1932 would boost the minimum wage for adult care workers and ensure that the state properly plans for the future care needs of all Mainers.

We urge the Committees to invest in these program to put care within reach for more Maine families. An investment in care work is an investment in the economy.

Funding these future needs will require asking more of Mainers who already have the most, and who are not in danger of going hungry or skipping the trip to the hospital because of the cost. MECEP urges you to increase taxes on wealthy Mainers and corporations. The legislature has already advanced several bills to do this (LDs 229, 1089, 1879), and we would urge you to include any one of those in the supplemental budget.

Thank you for your time; I'm happy to answer any questions.