



**Testimony of Kristen Kinchla, Maine Children's Alliance  
Neither for nor against 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**

Senator Rotundo, Representative Gattine, Senator Grohoski, Representative Sayre, esteemed members of the joint standing committees on Appropriations and Financial Affairs and Taxation, I am Kristen Kinchla, Research Associate at the Maine Children's Alliance, a statewide, non-partisan advocacy organization whose mission is to promote sound public policies to improve the lives of Maine children, youth, and families.

I am testifying on behalf of the Maine Children's Alliance, neither for nor against 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.

I offer this testimony from the perspective that investing in Maine children and families is not a partisan issue — it is a moral and economic imperative.

Maine faces a critical choice. Will we protect working families from devastating federal cuts, or will we continue to rely on short-term fixes while long-term costs mount? The federal "One Big Beautiful Bill" (HR1) threatens to shift massive new financial burdens onto states, including Maine.

Among the most alarming impacts are the changes to SNAP and Medicaid — our most effective anti-hunger program and our vital, lifesaving health coverage safety net. According to analysis from Georgetown Law, Maine could face a 444% increase

in SNAP-related costs once HR1 is fully implemented — from \$13.8M (pre-H.R. 1) to \$75.3M (post-H.R. 1). By 2034, Maine is expected to lose \$868 million in SNAP funding and \$3 billion in Medicaid funding. The estimated ranges of economic development losses to the state are between \$1.3 billion and \$1.6 billion.

Beyond the economic toll, the human toll is vast. By 2034, 101,000 Maine households are expected to lose some or all of their SNAP benefits, and 34,000 Mainers are predicted to lose Medicaid coverage due to work requirements. For households that rely on both programs, 55,399 households in Maine, the impacts will be catastrophic.

Maine simply does not have room in the current budget to absorb those costs without either cutting food assistance and health coverage or generating new revenue.

Underfunded systems don't disappear - they shift costs onto families, employers, and local communities. When schools, housing, health care, and workforce systems are well-funded, everyone benefits. That's why fair tax policies matter for Maine's children and families.

We envision a Maine where all children and families have what they need to thrive. Yet, if we continue to fund short-term policies and refuse to reform our tax code, the chance of that vision becoming a reality slips further away. The future is uncertain because of federal choices that prioritize tax breaks for the wealthy few over ensuring that working children and families can access the basics: health care, safety and well-being, economic security, and early care and education.

The Governor's supplemental budget includes important investments — permanent free community college serving over 23,000 students, a phased increase in minimum teacher salaries, continued commitment to 55% state funding for K-12 education to help stabilize property taxes, and housing investments. These are meaningful steps. But one-time relief checks and partial offsets will not build the firewall we need against long-term federal cost shifts.

The affordability crisis is not just about purchasing power — it is about stability and fairness. No amount of temporary relief will solve structural underinvestment.

That is why LD 1089, LD 1879, and LD 229 are so important:

- **LD 1089** would place a modest 2% surcharge on incomes over \$1 million, raising approximately \$143 million over the biennium.
- **LD 1879** would increase the top corporate tax rate on profits over \$3.5 million from 8.93% to 10%, raising \$100 million over the biennium.
- **LD 229** would restructure income tax brackets to ask more of the highest earners while providing relief to middle-class Mainers, raising an estimated \$176 million over the biennium in its current form.

These proposals do not target small businesses or working families. They ask those who have benefited most from decades of economic growth to contribute slightly more so Maine can protect core services for many children and families.

Voters across the political spectrum consistently support asking millionaires and large corporations to pay their fair share when the revenue is used to fund schools, child care, health care, and basic needs. Investing in these foundations strengthens Maine's economy by keeping families stable and preventing more expensive downstream crises in emergency rooms, homeless shelters, and correctional systems.

If we fail to act, the consequences will ripple outward:

- Families losing SNAP benefits will turn to already overburdened food pantries.
- School meal programs will struggle to meet demand, resulting in more hungry kids
- Rural health centers and hospitals will face greater strain, further reducing access to care for children and families

- Employers will lose workers who cannot afford child care or health coverage.
- Property taxpayers may face additional pressure if the state cannot meet its education commitments.

Poor health and hunger are not inevitable — they are a policy choice. So is underfunding child care, housing, and education. Maine can choose differently.

It is our responsibility as a state to build a stable economy where children and families can grow and thrive. We must ensure that when federal policies shift costs to states, Maine is prepared to bear them.

We urge you to enact LD 1089, LD 1879, and LD 229 to generate fair, sustainable revenue and protect Maine families from the worst impacts of federal cost shifts. By doing so, you will strengthen the long-term foundations of Maine’s economy, and that’s a critical benefit to us all.

Thank you for your time and your commitment to Maine’s children and families. I am happy to answer any questions.

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