



**Maine Equal Justice**  
**People Policy Solutions**

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**MEJ Testimony *Opposed* to certain proposals in the DHHS Public Welfare section of LD 258,  
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,  
2023, June 30, 2024 and June 30, 2025**

February 22, 2023

Good afternoon, Senator Rotundo, Senator Baldacci, Representative Sachs, Representative Meyer, members of the Appropriations and Financial Affairs Committee, and members of the Health and Human Services Committee. My name is Kathy Kilrain del Rio, I use she/her pronouns, and I'm the Advocacy and Programs Director for Maine Equal Justice, a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine. While we support the DHHS sections of the budget overall, there are several proposals that we oppose, and we have a couple suggestions we believe would strengthen the next state biennial budget.

**Sweeps of Unallocated Funds**

Sweeping unallocated funds from basic needs programs like MaineCare, ASPIRE, and TANF that have always carried over to meet the need in future years eliminates flexibility when technology, or basic requirements like rulemakings, require additional funds. Moreover, it weakens Maine's ability to address some of the most harmful conditions that continue to face Maine people. These programs result in greater financial security and improved health for thousands of Mainers. Maintaining flexibility to respond to unmet needs in these programs is critical to maintaining the health and wellbeing of those struggling the most today and address economic and health disparities for Black, Indigenous, and Mainers of color throughout our state. As one in six Maine children continue to live in poverty, and given the lifelong consequences faced by children growing up in poverty, we strongly urge you to leave these funds with the Department so that they may take steps needed to improve the wellbeing of Maine families with limited incomes.

**General Assistance**

As you know, Maine is experiencing a housing crisis that has led to a growing number of unhoused Mainers and an increasing number of individuals and families who are at risk of losing stable housing. Because of rising housing costs and insufficient and aging housing stock,

many low-income Mainers are left without options they can afford. To put this into perspective, an overview from MaineHousing to the Commission to Increase Housing Opportunities by Studying Land Use Restrictions and Short-term Rentals included the following facts:

*HUD's Fair Market Rent for a 2-bedroom is unaffordable for the average renter household in all areas of Maine.*

- *41.5% of renters are cost-burdened, paying more than 30% of their income on housing. Low income renters are of course hit hardest by cost burden.*
- *Approximately 39,716 renter households are extremely low-income (at or below 30% Area Median Income).*
- *Extremely low-income renters paying over 50% of their income on housing comprise 16% of all renters.*
- *45% of all renter households are below 50% Area Median Income.*
- *Small family renter households comprise the largest share of extremely low-income households.*
- *54% of extremely low-income renters have substandard housing (defined as lacking complete plumbing or kitchen facilities).*
- *Small single parent and older adult renters face the greatest housing challenges and greatest need. Nearly 15% of households with at least one person over 75 have extremely low incomes. 36% of households with one or more children aged 6 or under have extremely low incomes or low incomes.<sup>1</sup>*

These circumstances coupled with the end of the Emergency Rental Assistance (ERA) program have put increasing pressure on our General Assistance (GA) program to keep Mainers in all counties housed. We look forward to working with the Legislature to create a comprehensive solution to this challenge. However, while those solutions are being developed it is imperative that GA be available to address the urgent needs of our neighbors who are experiencing housing insecurity as well as other challenges providing for their basic needs. For these reasons, we support the additional investments in GA on page A-336 of the Governor's proposed budget, General Assistance - Reimbursement to Cities & Towns - Line 0130. However, while we are happy to see additional investments of \$7,527,347 and \$3,000,000 in 2024, we are concerned that there is not a similar investment for the second year of the biennium. There are several bills being considered outside of the budget process that seek to make the GA program work better for individuals in need as well as for municipalities. We urge you to consider those pieces of legislation as you determine the spending for GA across the full biennium.

We oppose the proposal in Language Section VV to set the hotel per diem reimbursement rate for GA to the federal reimbursement rate. While hotel rates vary widely across the state, it is important to ensure that in areas with higher costs, people can access a safe place to stay at a hotel if no other options are available. That means municipalities need to have the flexibility to exceed the maximum rates if a hotel is the only option to provide an individual or family with

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<https://legislature.maine.gov/doc/8866#:~:text=Renter%20median%20income%20%2434%2C018%20vs.,was%20%2429%2C350%20and%20%2464%2C679%20respectively>

housing. We also urge you to reject the proposal also in Language Section VV to limit hotel stays to 30 days unless the municipality is providing case support services. While those services are a valuable tool to help move individuals and families to more stable, longer-term housing, the reality is that most municipalities do not have the capacity to provide those supports today. While making this requirement, this budget does nothing to provide any funds to ensure that these services will be available to people in need who live in municipalities that do not have them. In some areas of the state, hotels can be a more affordable option for municipalities and keep people housed longer. Like the Governor, DHHS, and MaineHousing, we want to work to create safe, stable long-term housing solutions for all Mainers, but until those options are available, we need to ensure GA can provide housing stability to Maine people in need. Without the housing people access through GA - even hotels - it is harder for Mainers to build toward financial stability that can help them move off of GA. And given the challenge of finding rental options today, the flexibility to stay in a hotel often needs to go beyond 30 days.

### **A Strong State Workforce**

MEJ works closely with multiple state agencies and especially with DHHS. Strong state government is necessary for our safety net programs to run smoothly and meet the needs of low-income Mainers. Our state workers are the backbone of state government. As you are all aware, promptness is a vital consideration in delivering safety net services to older Mainers, families with children, and others in need. Chronic problems with recruiting and maintaining staff for these important positions prevent Maine people from getting the services they need when they need them. For these reasons, we urge you to provide funding so the Administration can complete and implement the review of our state compensation and classification system. State positions must be competitive to attract and keep a strong workforce.

### **Children's Health Insurance Program (CHIP)**

We are glad to see funding to expand access to CHIP on page A-366 (Initiative: Provides funding to waive all Children's Health Insurance Program premiums and expand eligibility for the current Medicaid Expansion Children's Health Insurance Program population from 157% to 208% Federal Poverty Level for March 1, 2023, then to expand Children's Health Insurance Program eligibility and coverage for 19 and 20 year olds to 300% Federal Poverty Level for October 1, 2023.) Because the changes to eligibility were passed in last year's Supplemental Budget, we expected to see them implemented by now. We would still urge the Department to implement the changes before the unwinding of continuous eligibility in MaineCare begins on April 1st since many children who may lose coverage under the current eligibility rules would be eligible for CHIP under these improved eligibility levels. It would be easier for families who are now over income for MaineCare to know that they will be eligible for CHIP when they go through their redetermination process rather than needing to shift to some other private insurance provider - or even worse go without coverage - and then shift back to CHIP when the changes go into effect. We believe it would also be easier for the Department. But even with the delay, the new CHIP eligibility changes will make a significant difference to many Maine families and based on the racial impact statement conducted on a related bill last year, these changes will also have a significant impact on disparities Black and Brown children.

## **Children's Oral Health**

Finally, as many of you know, MEJ has long worked to ensure that low-income Mainers have access to vital oral health care through the MaineCare program and through other innovative service delivery models like the School Oral Health Program. In 2022 - 2023, the School Oral Health Program will serve about 220 schools. Last year both of your committees and the Legislature as a whole supported expanding that program to all schools by 2025. We expected to see additional funds above the baseline to begin that expansion in the next biennium given the fiscal note for LD 1501, which was the bill on which the language in last year's Supplemental Budget was modeled; however, we do not see those funds in this proposal. As chair of the MaineCare Advisory Committee's Dental Subcommittee, I have been deeply engaged with low-income people, providers, and oral health advocates to ensure we have a strong oral health system for children and adults. The School Oral Health Program is a vital part of that system and the funding to expand to all schools by 2025 is needed so that early oral health issues can be identified for more children and so that as children grow up, they have better oral health, which will take pressure off our overall oral health system. We ask that you include funding to begin that ramp up in the biennial budget.

Thank you for the opportunity to share our thoughts with you today. Maine Equal Justice can be available at any of your work sessions and I'm happy to answer any questions you have today.