

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

February 1, 2024

James Myall, Economic Policy Analyst

Good Afternoon Senator Baldacci, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is James Myall, and I am an economy policy analyst at the Maine Center for Economic Policy; I’m here to testify in support of LD 1877, “An Act to Reduce the Number of Children Living in Deep Poverty by Adjusting Assistance for Low-income Families.” MECEP supports LD 1877 because the Temporary Assistance for Needy Families program provides an essential lifeline for many of our most vulnerable families that helps to make our economy as a whole more secure.

TANF serves Mainers who are facing some of the most dire economic challenges in our state. Many face extreme poverty. Yet the TANF program barely covers one third of the amount that it would take to lift someone out of poverty – and nowhere near the amount that would be considered a livable income. We all know that rising prices have put pressure of household budgets in recent years, and while Maine’s TANF allowance does increase with the cost of living, additional changes such as those proposed in LD 1877 would allow families to do more than simply tread water.

As part of our *State of Working Maine 2023* report, MECEP talked to several TANF recipients about the impact the program has on their lives. They talked about the way TANF helped them keep stable housing for their families and otherwise make ends meet while they look for jobs or go to college to earn a degree. Each of the folks we spoke to saw TANF as an interim step to help them get on their feet, and were actively looking for opportunities to support themselves through employment. Nonetheless, many were facing real hardship at the expiration of their benefits. I’ve attached two of those stories to this testimony for your review.

Academic research corroborates the benefit of TANF to families across the United States. More robust TANF support is associated with better physical and mental health,<sup>i</sup> improved child welfare,<sup>ii</sup> and in some cases can improve employment outcomes for recipients.<sup>iii</sup> We also know that in general, access to basic income supports for families improve wellbeing over the short and long term and result in benefits to the whole economy that outweigh their relatively modest initial investment.<sup>iv</sup>

LD 1877 would move Maine in the right direction by providing more support to our most vulnerable friends and neighbors, and in doing so would create a stronger economy for all of us. I urge you to vote “ought to pass” and I’m happy to take any questions.

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## Notes

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<sup>i</sup> Emily Dore et al., "State-level data on TANF policy changes during the COVID-19 pandemic." *BMC Res Notes* 2023 16:97. Jun 5 2023. <https://doi.org/10.1186%2Fs13104-023-06351-w>

<sup>ii</sup> Donna Ginther and Michelle Johnson-Motoyama, "Associations Between State TANF Policies, Child Protective Services Involvement, And Foster Care Placement." *Health Affairs*. Dec 2022. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.00743>

<sup>iii</sup> Melissa LoPalo, "The effects of cash assistance on refugee outcomes." *Journal of Public Economics* 170 (Feb 2019) 27-52. <https://doi.org/10.1016/j.jpubeco.2018.11.004>

<sup>iv</sup> Sarah Austin and Josie Phillips, "Feasibility and Impact of Guaranteed Income in Maine." *Maine Center for Economic Policy*. Jan 24, 2024 <https://www.mecep.org/jobs-and-income/feasibility-and-impact-of-guaranteed-income-in-maine/>

## In the words of workers: John



***A married father of two living in Bangor, John has had different jobs over the years, working in restaurants, at gas stations, as a technician at a psychiatric hospital, and as a manager of a call center. John is currently working part-time as a delivery driver and enrolled as a full-time student seeking a bachelor's degree in psychology, which he hopes will help him become a substance abuse counselor. John recently reached the 60-month limit for support through the Temporary Aid for Needy Families (TANF) program.***

"Eight years ago, we were living in a transitional housing program, paying \$750 a month for rent. We were pretty self-sufficient for a little over a year until things started to go downhill. We said, "We need to do something. We can't keep paying this amount of rent and not having anything to fall back on." I didn't want us to lose a stable place to live. So, we applied for TANF and we applied for income-based housing in Bangor, which is administered by Fedcap.

At Fedcap you meet with a career specialist and make a plan to get a career or full-time employment. We met some great people there that were amazing at helping build resumes and making connections. My wife and I started Second Chance Recovery Fitness Program at the Bangor Housing gym. The idea was we would work with people dealing with addiction and help them come up with fitness plans.

Unfortunately, it was hard to attract people because they thought it would put their housing at risk. I knew this is what I wanted to do with my life. But I realized that if I can't do it in this manner, I needed to go back to school. I need to have the degree, so I can say, "Hey, not only am I certified, but I've been there. I've walked in your shoes, and I want to help."

For the first 75% of the way through, TANF has done an amazing job. Where they drop the ball is three-quarters into the game. The problem is a lot of the career specialists go in and out like a revolving door. You'd get comfortable with one person, and then all of a sudden you'd come in the next day and they were gone. It's time to start all over again with somebody else who doesn't know your case.

## In the words of workers: John

It's easy to get a job. It is the hardest thing in the world to get a career. A job is 9:00 to 5:00. A career is something that's gonna take you and your family that next step, and hopefully carry you out of poverty.

I have a little less than a year left of school, but TANF is getting completely shut off. I feel stressed out. Optimistic, though, and anxious. But I also feel let down, because along the way of doing exactly what was asked and being told, "We'll make sure you have the safety net until you finish your education because you're doing what we're asking." And then at the end, just say, "Hey, I'm sorry. We thought we were going to be able to help you. But we can't help you anymore."

You know, school's stressful enough. Especially full-time education where you're paying almost \$70,000 by the end of everything, to get a degree that instantly sets you up for failure. Because the minute I start working I have to start repaying those loans.

**There are times that the system almost makes you feel like if you go to work, and you scrape by, and work the hardest you can, they'll drop your food stamps. They'll take away your TANF. They'll lower this and lower that. Your kids won't have their MaineCare. It almost makes you feel like, by going out and doing what you're supposed to do, the normal, the right thing, that you're gonna lose out.**

It's not that we won't survive or we won't make it, because we'll do everything in our power to continue to excel and rise above and finish my education so that I can get that career. But it certainly would have been nice along the way to continue to have that safety net."

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## In the words of workers: Tasha



***Tasha is a single mom living in Old Town. She has an associate degree in criminal justice, has owned and managed a salon, and most recently worked as an ed tech and behavioral health specialist for children. Currently living in income-based housing and receiving assistance through Temporary Assistance for Needy Families (TANF), Tasha is seeking part-time employment and preparing to return to school to complete a bachelor's degree that will help her get a job in human resources.***

"I grew up in southern Maine, went out west for college, worked in Arizona, and came back to Maine six years ago. I have over 125 college credits with an associate degree in criminal justice. My plan was to finish and receive a bachelor's degree, but when I moved to Arizona my career path shifted, and I worked as a manager and later co-owner of a salon. There was no support for small businesses during the recession and we really struggled. After we lost the salon, I moved back to my parents' one-bedroom home to start over.

I went to DHHS when I first moved back, and they were able to help me with cash assistance, MaineCare, and food stamps. I also got help from career specialists. The main barrier for me at that time was housing. I applied for every type of housing all the way from southern Maine to northern Maine, and finally found income-based housing here in Old Town.

It's been a real challenge to align my educational experience with my work experience in a way that results in good job prospects. My degree was in criminal justice, but my work experience was in salon management and HR. I could do any type of receptionist position or customer service position, but those kinds of leads just aren't there.

My 60-month TANF limit ends in December. So, I'm looking at either going back to school or looking for a different kind of job. I've decided to do both. I just enrolled in online classes at Husson University, hoping to get

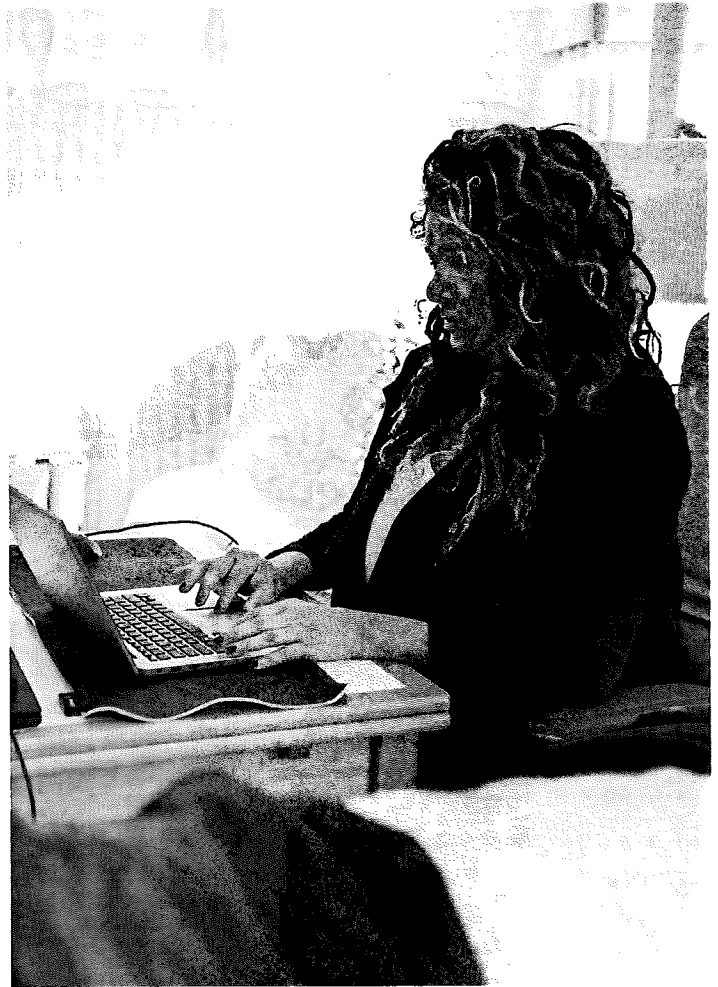
**"I wonder financially how I'm going to make it as a single mom. The TANF amount is not enough. If I get a part time job, I may still get medical insurance, but my food stamps will be cut in half or the TANF will be gone."**

## In the words of workers: Tasha

my bachelor's degree in business management and HR. I'm also looking for a part-time job. Being a full-time student, I might be eligible for the Scholars for Parents program, which will give me some benefits while I'm in school. They're not enough to live off, so I need a schedule where I can go to school and work part-time.

It's hard to find anything that pays enough. As a single mom, I just can't make it on minimum wage. The cost of housing and transportation are major issues. I don't have a car, so I need to find a job close enough for me to walk to. And my income-based housing is switching to market value in March, so we have to find a new place to live or get on a five-year waitlist. I have a USDA housing voucher, but I can't find any landlord who will take it. Having income-based housing was one of the first things in my life that was secure. Now it's being taken away.

**I wonder financially how I'm going to make it as a single mom. The TANF amount is not enough. If I get a part time job, I may still get medical insurance, but my food stamps will be cut in half or the TANF will be gone. I'm literally more scared going into this Parents as Scholars program than being out of it. Going in the school direction, I'll have all those hoops to go through and will have to continuously prove and stay on top of all the requirements, regardless of what happens. If I'm not a full-time student, they'll take my assistance away. And in December I hit my lifetime max. I feel like I'm still at square one. Honestly, it makes me extremely nervous."**



*Tasha sits at a desk in her home, job searching on her laptop.*