



Maine Equal Justice
People Policy Solutions

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Testimony on behalf of Maine Equal Justice in support of LD 943, *An Act to Require the ASPIRE-TANF Program to Be Administered by State Employees*

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Good afternoon Senator Ingwersen, Representative Meyer, and Members of the Committee on Health and Human Services. My name is Ann Danforth and I use she/her pronouns. I'm a Senior Policy Advocate at Maine Equal Justice (MEJ), a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine.

I'm here today to testify in support of LD 943, *An Act to Require the ASPIRE-TANF Program to Be Administered by State Employees.*

Temporary Assistance for Needy Families (TANF) and its employment and training program, ASPIRE, are key social infrastructure and workforce support programs in our state. TANF/ASPIRE provides critical support for families with children, enabling them to make ends meet. It also provides parents with the opportunity to pursue education and training that can help lift families out of poverty, and at the same time, strengthen our state's workforce.

Maine Equal Justice has worked to improve the TANF program in Maine since its inception in 1996. Over the years, we have worked to help pass legislation that creates more opportunities and pathways out of poverty for TANF participants, including by helping to create the Parents as Scholars (PaS) and Higher Opportunity for Pathways to Employment (HOPE) programs; increasing the TANF benefit amount; reducing the "benefits cliff"; enhancing transitional support services; creating more robust outcomes metrics related to TANF/ASPIRE that are now reported on through the LIFT report delivered to this committee; and more.

These improvements, reforms, and accountability measures have been made in collaboration with our Equal Justice Partners Circle members who have experience with the TANF/ASPIRE program, many of whom you have heard from or will hear from today. Many of the legislative and administrative changes MEJ has pushed for come from our deep concerns about the way the ASPIRE program has been administered by Fedcap since ASPIRE was privatized back in 2016.

Data from DHHS' annual LIFT report and an analysis of monthly Fedcap reports obtained through FOIA support the fact that Fedcap's administration of ASPIRE has yielded: low job retention rates, reduced participation in the Parents as Scholars and other vocational training programs, participant wages below the poverty level, and dramatically high sanction rates that result in family hardship and lost opportunity. Notably, in 2019, the Commissioner of DHHS sent a letter¹ to Fedcap outlining its concerns about Fedcap's poor performance and expressing its belief that Fedcap lacks the capacity to fulfill its contractual obligations. The Department asked Fedcap to put together and adhere to a self-designed corrective action plan. Despite Fedcap's continued poor performance, the Department renewed Fedcap's contract in October 2023. The current contract spans October 2023 through September 2030, with renewal periods every two years.

I will quickly summarize the concerns we have with Fedcap and their administration of the ASPIRE program:

- **Fedcap is harming participants** through their²:
 - Lack of provision of support services and resources
 - Long waits for support services
 - Poor communication
 - Punishing and stigmatizing culture
 - Discouraging people from pursuing education
 - Pointing people to low-wage jobs
 - Erroneous use of sanctions
- **Fedcap lacks accountability**:
 - DHHS employs 20 Whole Family Case coordinators and 11 Regional Planners – positions which DHHS put in place to oversee and redo Fedcap's work due to Fedcap's poor outcomes and recurring failure to adhere to the rules.
- **Fedcap has not improved outcomes for participants**:
 - The current ASPIRE program is not realizing its potential, per an analysis of data from the most recent LIFT report³:

¹ https://drive.google.com/file/d/1HEwrF8ADsHavKmxZaQ3_iO8HWOEvsFZm/view?usp=sharing

² Based on a 2021 MEJ analysis of monthly Fedcap reports shared via memo with DHHS

³ <https://drive.google.com/file/d/1iKc2yNqBnWxAJ4h5-W2VcvCn1DPRTdxn/view?usp=sharing>

- People are continuing to lose TANF assistance without a pathway to gainful employment. 82% (or more than 4 out of 5) families leaving TANF in 2020 were still living in poverty either because they had no earnings or their earnings were so low that they were still facing poverty.
- Higher education can be a pathway out of poverty, but Fedcap is not helping families access education and training opportunities in the current ASPIRE program. The Parents as Scholars program was created for that reason and it provides financial aid and supports to parents that can make higher education possible in many cases. Yet 3 out of 4 (75%) of people who moved off TANF did not obtain education or training opportunities beyond high school. According to the most recent data available, only 1.8% of TANF participants are enrolled in PaS (out of 2,000 available slots).⁴
- **Fedcap is not connected to (and actively discourages engagement with) local Maine organizations and communities.**
 - Importantly, this bill would allow the state to contract out to Community Based Organizations for certain services.

We know the value of the TANF/ASPIRE program to Maine families and to Maine's long-term economy. But under Fedcap, ASPIRE cannot realize its full potential in meeting the needs of participants or be a meaningful part of our state's workforce solution. Fedcap has not just failed to improve outcomes for individuals and our state, but has actively harmed participants and cost the Department staff time and energy on oversight and reform efforts that have not substantially improved Fedcap's performance. Bringing ASPIRE back within DHHS would help Maine families as there are existing systems of accountability, training, and reporting that would benefit participants that do not currently exist under Fedcap.

Thank you for your time and I'm happy to answer any questions you may have.

Ann Danforth