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Maine Equal Justice

People Policy Solutions

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Testimony on behalf of Maine Equal Justice on certain proposals within the Department of Health and Human Services sections 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, 202

February 18, 2026

Good morning, Senator Rotundo, Representative Gattine, Senator Ingwersen, Representative Meyer, and esteemed members of the Joint Standing Committees on Appropriations and Financial Affairs and Health and Human Services. My name is Alex Carter (she/her), and I am a Senior Policy Advocate at Maine Equal Justice, a nonprofit civil legal aid provider working to increase economic security, opportunity, and equity for people in Maine. I'm testifying today in support of specific proposals within the Department of Health and Human Services (DHHS) sections of the budget, Part A, Part T, and Language Parts XX and T-12, T-13, and T-14.

The devastating impacts of the federal budget reconciliation bill, H.R. 1, on Maine families, health care providers, state agencies, and our state budget cannot be overstated. In exchange for tax breaks for the wealthy, Congress slashed the federal safety net and shifted massive costs back to the states leaving us to meet the growing need for food, healthcare, and other essentials with even fewer resources. While the responsibility for the harm lies squarely with Congress and the Trump Administration, the State of Maine now has a responsibility to protect our most marginalized residents and to blunt the most significant harms through careful planning and funding prioritization. LD 2212 proposes several targeted investments to respond to the changes and funding gaps left by H.R.1 that we urge you to support.

Additional staff positions and technology updates for the Office of Family Independence and the Office of MaineCare Services are needed to manage changes made by H.R. 1, implement MaineCare work requirements, and avoid new SNAP penalties, Part A, Part T, and Language Parts T-12, T-13, and T-14

Some of the most sweeping cuts passed in H.R.1 focused on Medicaid and the Supplemental Nutrition Assistance Program (SNAP), overseen by our Office of Family Independence (OFI) and Office of MaineCare Services (OMS), and included new and expanded work reporting requirements, eligibility and reimbursement restrictions, new compliance and verification requirements, and high financial penalties for payment errors with reduced federal cost sharing. Each of these programmatic changes take significant time and staff capacity to implement, communicate, and administer and any change to a system—even one targeted at a specific group—impacts everyone in that system. Without adequate staffing levels or improved technologies, we will see the timeliness and accuracy of benefit eligibility determinations suffer, wait times for assistance increase, and the likelihood of agency and client errors rise.

As of October 2027, Maine’s SNAP Payment Error Rate (PER), or the measure of payment accuracy, will determine the percentage of SNAP benefits Maine will have to fund. Although slightly below the national average, Maine’s PER is currently above 10% which places us at the level for a 15% state benefit match. If we cannot lower our PER by next fall, Maine will be on the hook for approximately \$50 million in annual state funds just to maintain the current level of SNAP program enrollment—the budgetary impacts of which will extend far beyond SNAP.¹

LD 2212 proposes 75 new Eligibility Specialist positions and one-time funding to modernize OFI’s Eligibility and Enrollment system to improve accuracy and efficiency. Adequate staffing, improved communication with SNAP participants, and technology to streamline income reporting and verification are key to supporting DHHS in their efforts to provide accurate benefit payments to everyone and to lower Maine’s PER. We also urge you to work to close the pay gap for state workers so we can maintain adequate staffing for all programs.

Provide state heating assistance to SNAP Households to leverage more federal funding and mitigate PER Penalties, Part A, Language Part XX

Over and underpayments in SNAP happen for a variety of reasons, but most are related to income verification and incorrect reporting of shelter and utility expenses. H.R. 1 severed the ‘Heat and Eat’ connection for most SNAP households which allowed those receiving LIHEAP to automatically get the Full Standard Utility Allowance (FSUA) for SNAP and, therefore, an accurate benefit level. Without that streamlined connection,

¹ <https://www.maine.gov/dhhs/blog/federal-budget-reconciliation-law-now-effect-impacts-mainecare-snap-covermegov-2025-07-11>

households that do not have an elderly or disabled member now must directly report their heating and cooling expenses to DHHS to claim the FSUA, leaving greater room for error and underpayments.

The \$1.49 million initiative outlined in Part XX would reinstate the automatic FSUA deduction by providing an annual heating assistance benefit to all SNAP recipients. Coupled with funding for more positions and critical technology investments, a state Heat and Eat benefit will both leverage more federal funding and help to improve Maine's PER while also reducing the burden of additional reporting and boosting most households' SNAP benefits.

Support funding for reproductive health care providers to offset federal matching restrictions effective July 4, 2025, Part A

In addition to the individual and administrative consequences, H.R.1 has already had profound impacts on our healthcare system as a whole. Reproductive health centers play an important role in Maine's healthcare safety net and are often people with low income's primary or behavioral health provider. Under H.R.1, Maine Family Planning and Planned Parenthood of Northern New England are prohibited from receiving federal Medicaid matching funds, for any services provided, for one year beginning on July 4, 2025. The \$2.25 million included in Part A of the Supplemental Budget would offset that funding gap to help stabilize providers and allow them to continue to provide the full spectrum of health care services.

Quality child care and early learning help set children up for success and help Maine families enter and stay in the workforce.

Maine Equal Justice is a member of the Right From the Start coalition and the convener of Invest in Tomorrow, an initiative started in 2017 by Maine organizations, businesses and individuals to cut Maine's child poverty rate in half over the next ten years, while at the same time, strengthening Maine's workforce. MEJ continues to hear from low-income parents that a shortage of quality, affordable child care continues to be one of the most common barriers to finding and keeping a job. In addition to enabling parents to work, high-quality early learning experiences are valuable in their own right. They help set children on a path to success in school, leading to higher education and careers, with low-income children and English learners benefiting the most. For these reasons, we urge you to include \$15 million per year in ongoing funding in Maine's Child Care Affordability Program.

Maine cannot fill all the gaps left by H.R. 1, but we can be strategic in improving and supporting the administration of our public benefit programs and preserving people's access to affordable health care and food assistance.

Thank you for the opportunity to testify and I would be happy to answer any questions.

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