



126 Sewall Street
Augusta, Maine 04330-6822
www.maineequaljustice.org

Maine Equal Justice

People Policy Solutions

Kathy Kilrain del Rio
Advocacy & Programs Director
kathyl@mej.org

Testimony on behalf of Maine Equal Justice on certain proposals within the Department of Administrative and Financial 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, 2027”*

February 25, 2026

Good afternoon, Senator Rotundo, Representative Gattine, and members of the Appropriations and Financial Affairs 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. I am testifying Neither For Nor Against this section of the supplemental budget.

As you've heard Maine Equal Justice say in previous testimony on sections of the budget, we work closely with people with low incomes in our work - through our legal services work, through our teams that support Mainers in navigating public benefit programs as well as education and training supports for employment, and through the Equal Justice Partners Circle and associated Leadership Teams made up of people with lived experience with poverty. Over the past year, we have heard repeatedly from people across our state that they are struggling more and more with paying for basic needs, including food, housing, utilities, and health care.

This is not new. Mainers with low incomes have been bearing the biggest burden of the rising food, housing, and health care costs for years. But the strain on people's budgets has gotten more pronounced over the past year. That dynamic is coupled with deep concerns over federal cuts to supports like SNAP and Medicaid (including concerns about access to care), the loss of enhanced premium tax credits for those who use the ACA Marketplace, and the uncertainty about potential cuts to housing voucher and utility support programs. I name all this to make clear that no one understands the affordability crisis that has been discussed throughout these budget hearings better than the people with low incomes in each of your districts and throughout our state.

Affordability Payment Program (Part T) - Language Parts T1-T8

For those reasons, we've talked a lot with members of our Leadership Teams about the proposal in Part T, Language Parts T1-T8 to provide certain tax filers a one-time \$300 check

using funds from the Budget Stabilization Fund. For those struggling the most, an additional \$300 would be welcome. Individuals and families have many needs that it could help with. However, there is also frustration that we are using so much of the Budget Stabilization Fund (often referred to as the Rainy Day Fund outside this room) for a one-time check that doesn't address the ongoing needs of those most challenged by the unaffordability of basic needs today.

I get that the Budget Stabilization Fund originally began being called a Rainy Day Fund in the spirit of addressing the potential of inadequate funding for state government in the event of a recession. And as an organization that believes in the importance of stable and adequately funded state government, we appreciate that original purpose. But for those who have been drowning due to rising costs since the COVID pandemic began, it has been painful to see the state put money away time and time again for that potential future challenge while they are just trying to survive right now.

We - and many others - have been urging you and your colleagues as well as the Governor to use some of those funds to support those struggling the most for several legislative sessions. Maine Equal Justice does support providing Mainers with unrestricted funds so they can determine for themselves what they and their families most need. That's why we've been so appreciative of increases to tax credits like the Maine Dependent Exemption Tax Credit in recent years. However we feel the proposal in Part T doesn't do enough on its own to provide a lifeline to those whose financial stability is being swept away by rising costs.

We once again urge you to use some of the funds in the Budget Stabilization Fund to fund targeted relief for people with the lowest incomes. What would we like that to look like? Here are some initial thoughts and we are happy to talk with you more about this throughout the weeks you hold work sessions.

- Fund the Eviction Prevention Program to continue for at least two more years (more would be better) using data from the pilot to determine what adequate funding for the biggest impact would look like. (LD 1522 is on the Special Appropriations Table and could be incorporated into the budget for this purpose.)
- While we support Language Part YY (which removes the legislative requirement for DHHS to provide \$3 million to MaineHousing) because we want the TANF block grant to prioritize TANF benefits and support services, you could use money from the Budget Stabilization Fund to replace that \$3 million for a benefit to support households with heating costs.
- Some funds could potentially be set aside for emergency funds to respond if the federal government fails to provide funding required under federal law in a timely manner for certain essential programs such as SNAP or Medicaid.

Cascade

One other recommendation that we would encourage you to consider but didn't neatly fit in any section of budget public hearings is to make adjustments to the cascade that would prioritize funding that directly supports people rather than infrastructure (which can be funded with

bonds). We would suggest creating an emergency fund for food assistance to include in the cascade, as well as the Medicaid Stabilization Fund, and potentially a fund that could support rent relief and eviction prevention for the future.

Thank you for your time today. Maine Equal Justice is happy to provide any information you need for your deliberations.