



# HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: Maine Relay 711

## **Rachel Talbot Ross**

Assistant House Majority Leader

Office: (207) 287-1430

[Rachel.TalbotRoss@legislature.maine.gov](mailto:Rachel.TalbotRoss@legislature.maine.gov)

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*Testimony of Assistant House Majority Leader Rachel Talbot Ross presenting*

## **LD 727, Resolve, To Ensure the Health and Wellness of Older Residents of the State**

*Before the Joint Standing Committee on Health and Human Services*

Senator Claxton, Representative Meyer, and distinguished members of the Health and Human Services Committee, my name is Rachel Talbot Ross. I represent House District 40, which comprises the Portland neighborhoods of Parkside, Bayside, East Bayside, Oakdale and the University of Southern Maine campus. Thank you for the opportunity to present **LD 727, Resolve, To Ensure the Health and Wellness of Older Residents of the State.**

Today I am proposing to amend LD 727 in three ways:

1. I am removing the requirement that Maine DHHS request a waiver to modify its SNAP, or Food Supplement Program, asset policy. States have the option to make changes like the one I propose without seeking permission from the federal government to do so;
2. I am amending the bill to remove the SNAP asset test for all remaining families still subject to an asset test and will discuss my reasons for doing so shortly; and
3. I am removing from the bill Section 2, which I had included at the request of the City of Portland, but which the City has decided is no longer needed.

I have also attached these proposed changes to this testimony. Based on the proposed amendment, the title of the bill should be amended as well. I would suggest renaming the bill “Resolve, To Ensure the Health and Wellness of Residents of the State.”

As we all know, SNAP is a tremendously important part of our federal safety net, providing needed nutrition assistance to more than 90,000 Maine families with low income. Historically, programs like SNAP have placed a limit on the amount of resources or assets a family could have and still qualify for help. But today, states are increasingly eliminating asset tests in their SNAP Programs, recognizing the importance of allowing families to have a buffer against sudden or unexpected loss of income or unforeseen expenses. Without savings, temporary setbacks like a job loss, car breakdown, or a needed home repair can begin a downward spiral that sets families back for months, and sometimes years.

[District 40: Portland neighborhoods of Parkside, Bayside, East Bayside, Oakdale and the University of Southern Maine campus](#)

Today, nearly two-thirds of all states, including all other New England states, do not use an asset test to determine eligibility for any household in their SNAP programs.<sup>1</sup> We have learned important policy lessons from these states. We've learned that eliminating asset tests increases the number of low-income households with a bank account by 5 percent, and the number of families with a bank account with at least \$500 in it by 8 percent.<sup>2</sup> For these families, having a bank account helps them conduct basic financial transactions, save for emergencies, build credit history and access fair and affordable credit.<sup>3</sup>

We've learned that most families applying for safety net programs have minimal assets, thus eliminating the asset test has little effect on program caseload.<sup>4</sup> And we've learned that eliminating asset tests reduces caseworker time and lowers administrative costs by relieving the burden of implementing some of the most complex and error prone regulatory provisions in the program. States that have eliminated asset limits have found that the resulting administrative cost savings significantly outweigh any increase in the number of families gaining benefits.<sup>5</sup> As you know, SNAP benefits are paid for entirely by the federal government. SNAP administrative costs are shared equally by the state and federal government, so half of any administrative savings resulting from this proposed change would accrue to the State.

It is also important to consider this issue in the larger context of racial asset disparity. While the majority of families receiving SNAP are white, SNAP is also an important support to families of color given the persistently low income and assets in these communities. Eliminating the SNAP asset test can help us to take an important step toward addressing the striking disparity in assets across racial and ethnic groups, which is important for promoting a more robust and inclusive economy for all of us.<sup>6</sup>

To summarize, eliminating the SNAP asset test would be beneficial to both program participants and the State. Instead of forcing families to deplete savings to qualify for help, thus leaving them in an even more precarious state, this policy would promote savings, giving families greater security and the opportunity to save for their future. It would reduce administrative burden and take a step toward addressing racial and income inequality.

Thank you for the opportunity to present this legislation this afternoon. I'd be glad to answer any questions you may have.

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<sup>1</sup> <https://fas.org/sgp/crs/misc/R42054.pdf>

<sup>2</sup> Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, Catherine Ruggles, Sara Armstrong, Christina Oberlin, Asset Limits, SNAP Participation, and Financial Stability, Urban Institute, June 2016, <http://www.urban.org/sites/default/files/2000843-asset-limits-snap-participation-and-financial-stability.pdf>.

<sup>3</sup> Federal Deposit Insurance Corporation, "What is Economic Inclusion?" 2014

<sup>4</sup> Pew Research Center, "Do Limits on Family Assets Affect Participation in, Costs of TANF?"; July 2016, <http://ht.ly/vvDb3021g07>.

<sup>5</sup> CLASP, "Eliminating Asset Limits: Creating Savings for Families and State Governments"; April 2018. [https://www.clasp.org/sites/default/files/publications/2018/04/2018\\_eliminatingassetlimits.pdf](https://www.clasp.org/sites/default/files/publications/2018/04/2018_eliminatingassetlimits.pdf)

<sup>6</sup> "The Potential Implications of Eliminating Broad Based Categorical Eligible for SNAP Households"; Hearing before the Subcommittee on Nutrition, Oversight and Department Operations of the Committee on Agriculture; House of Representatives; June 20, 2019. <https://www.govinfo.gov/content/pkg/CHRG-116hrg36928/html/CHRG-116hrg36928.htm>

## **Proposed Amendment to**

### **LD 727, Resolve, To Ensure the Health and Wellness of Older Residents of the State**

This amends LD 727 to:

- Clarify that action to eliminate the SNAP asset test is a state option and does not require a federal waiver or any other form of federal approval.
- Eliminate the asset test for all SNAP applicants and recipients who are currently subject to an asset test. (Maine law currently prohibits application of an asset test for households with minor children at 22 MRSA § 3104. Maine Food Supplement regulations prohibit application of an asset to households in which all members are 60 years of age or older or have a disability).
- This would return Maine's SNAP asset policy to what it was prior to a change in 2016, and make it consistent with the SNAP asset policy in more than two-thirds of other states.
- Eliminate Section 2 of the bill related to the establishment of a home delivered meals pilot project.