



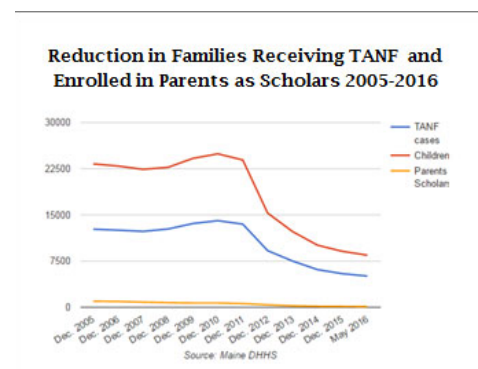
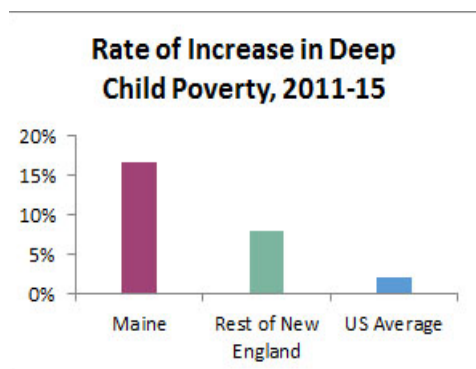
MAINE EQUAL JUSTICE

Finding solutions to poverty and improving the lives of people with low income in Maine.

LD #1475 An Act to Reduce Child Poverty by Leveraging Investments in Families Today (LIFT)

Mainers have a long history of working together to solve tough problems. Today, one of our most difficult challenges is reversing the number of children falling into deep poverty.

The percentage of **Maine children living in deep poverty—less than \$10,000 a year for family of 3—has increased at a rate 8 times greater than the national average.** At the same time, Maine has significantly reduced critical supports for families with low income.



While our state's deep poverty rate for children has soared relative to other states, **Maine has stockpiled over \$150 million in federal funds that could and must be used for families with children living in poverty.**

LD #1475, An Act to Reduce Child Poverty by Leveraging Investments in the Families Today (LIFT) will put these funds to work investing in families. LIFT aims to:

- Address the most basic needs of families with children struggling with poverty
- Expand opportunity for better paying jobs
- Break down barriers to work
- Prevent the insidious impact of opioid addiction on a growing number of families
- Establish benchmarks to ensure that public programs truly achieve their goals of reducing poverty
- Ensure responsible stewardship of taxpayer dollars

April 18, 2017

Legislation Summary

1. LIFT ensures basic needs for thousands of Maine children who live in poverty by providing:

- **The first TANF cost of living increase in 15 years.** Seventy-five percent (75%) of TANF recipients are children. Maine's TANF benefit is currently the lowest in New England. The benefit for a family of 3 would increase from \$485 to \$637—the New England average—with adjustments in future years based on the Consumer Price Index.
- **Housing vouchers for working families at risk of homelessness.** Modeled after the federal Housing Choice Voucher Program, these vouchers would ensure that working families with low-income and with housing expenses that currently equal or exceed half of their income would pay no more than 30% of their income for housing.
- **Heating assistance.** This bill would help low-income homeowners with children reduce heating costs by obtaining energy-efficient heat pumps.

2. LIFT provides opportunity for parents to obtain better paying jobs. Children cannot thrive when their parents can't make ends meet. Many low-wage working parents need education and training to gain the skills needed to access well-paying jobs needed to support a family. Expanding access to higher education will increase the numbers of higher skilled workers badly needed by Maine's employers and our economy. We will do this by:

- **Increasing enrollment in the Parents as Scholars (PaS) program.** PaS provides access to post-secondary degrees and credentials to parents with very low income. Unfortunately, there have been drastic reductions in the number of people enrolled – 700 in 2010 to just 96 in 2016. A provision in the legislation will create more points of entry to PaS by allowing the University of Maine System, the Maine Community College System and other qualified education programs and career centers that work with prospective PaS applicants to submit PaS applications directly to DHHS on their behalf.

3. LIFT breaks down barriers to work. Programs for parents with low-income should encourage, not penalize individuals who start to receive a steady paycheck. The so-called “welfare cliff” occurs when these wage earners make just a little too much to continue to receive benefits, but too little to afford stable housing, reliable transportation and other basics. This legislation will support and stabilize employment by:

- **Improving the Alternative Aid (AA) Program,** which helps working parents keep their jobs in case of an unexpected emergency (for example, loss of transportation, child care or housing). First, this bill directs DHHS to respond quickly to resolve the emergency— within at least two days of a completed application. Two-parent families must also be eligible for the program, ending the discriminatory limits that currently bar them from eligibility. Finally, LIFT provides a modest increase in the AA benefit so that it will have a greater chance at fully resolving an emergency that threatens a family's employment.
- **Mitigating the effect of the “welfare cliff”** by raising the amount of the State Earned Income Tax Credit for the lowest wage working families with children. The bill would triple the credit for families with earnings at or below the poverty level and double it for families between 101-150% of the poverty level.

- **Raising rates for child care providers** providing services to TANF families and families transitioning off of TANF and those served under the Child Care Development Block Grant to the 75th percentile of local market rates. This change will increase access to child care by increasing the number of providers who will accept TANF families.
 - **Improving access to reliable transportation for working parents.** This provision establishes a four-year pilot program (2018-2021), “Working Cars for Working Families,” that will provide access to affordable car ownership for working parents or those engaged in education or training programs leading directly to employment. Working parents must be able to get to their jobs and most Mainers, especially those in rural areas, depend on private vehicles to get to work. This pilot program puts eligible parents behind the wheel of reliable used vehicles. Parents who meet program requirements would receive affordable, partially or fully subsidized, loans and the supports needed to succeed at work and as vehicle owners.
4. **LIFT takes key steps to prevent the insidious impact of opioid addiction on a growing number of families.** LIFT would target the major risk factors behind this epidemic—economic insecurity, poverty and homelessness – by providing intensive case management and housing stability for homeless youth and adults to help them start the path toward recovery.
 5. **LIFT will ensure that public programs achieve their goals so that poverty will be reduced and taxpayers get what they are paying for.** It will establish benchmarks and goals with legislative oversight to hold government accountable for programs and policies that actually work to reduce poverty and to increase opportunity for low-income families. This provision will demonstrate that public dollars are being put to good use and yielding positive results as taxpayers expect. It will allow data to drive policy making, improving the outcomes.
 6. **LIFT is committed to the responsible stewardship of taxpayer dollars.** It responsibly manages Maine’s share of federal dollars by using all available funds for their intended purpose – to help low-income families with children leave poverty behind. It directly addresses the needs of these families using approximately \$155 million of accumulated federal TANF funding along with unspent annual funding of approximately \$30 million dollars a year to help raise families out of poverty. The bill establishes a reserve of 25% of the \$155 million to ensure that sufficient funds are available for any future downturn in the economy.

LIFT makes sense. This anti-poverty legislation offers innovative solutions that we can put in place today to produce the results we all want – to increase opportunity for Maine children and families, bolster economic stability and ensure the system is accountable to measurable outcomes and to ensure responsible stewardship of taxpayer dollars. We can do all of this with **funds that are already available without any new money** from the state’s general fund or Maine taxpayers.

We all want Maine families to prosper. LIFT takes steps needed to address the situation faced by too many families: the cost of food, housing and other basics have been rising steadily while stable jobs that can support families have dwindled. This legislation offers hope and opportunity for families to leave poverty behind.