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Summary of Public Assistance/Safety Net Programs in Maine

Prepared by Maine Equal Justice for the Committee to Study the Feasibility of Creating Basic Income
Security
10/29/20

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INTRODUCTION

The existing safety net lifts tens of thousands of Mainers out of poverty each year.¹ These programs are, without a doubt, essential to the health and well-being of Maine people and our state. But while numerous improvements have been made to safety net programs over the years to make them more adequate and coordinated, serious challenges and inadequacies remain. This lack of coordination can inadvertently produce harmful effects that sometimes leaves families no better, and sometimes worse off. What’s more, improvements to the adequacy and coordination of the existing safety net cannot change its fundamental nature, which too often prioritizes paternalistic ideas about the “deserving” and “undeserving” over the opportunity to address basic human needs to ensure everyone is able to survive and live with dignity. In addition, COVID-19 has demonstrated that eligibility for and access to the safety net is not racially equitable and exacerbates existing racial and economic disparities in our state.² The problems that exist with the existing safety net – as highlighted so well before this committee through testimony – could be largely solved by a simple, straightforward, needs-based cash transfer in the form of a guaranteed income.

Holding onto the importance of a strong safety net, while at the same time, recognizing that the current public benefits structure is not – and never will be – a substitute for a guaranteed income, we offer the following overview of Maine’s safety net. We also offer opportunities that exist now to improve the current safety net, while recognizing fully that these fixes do not have the transformative power and impact of a guaranteed income.

OVERVIEW OF PROGRAMS³

Temporary Assistance for Needy Families (TANF): TANF provides cash assistance to very low-income families (including two-parent families) with children. Most TANF families live well below the federal poverty level.

- **Eligibility and characteristics:**
 - This program is not available to people without dependent children. To be eligible, someone must have dependent children living in home or be pregnant.
 - Eligibility depends on the amount and type of income that a family receives. Earned income is disregarded in varying amounts depending on tenure of employment. In some

¹ <https://www.cbpp.org/blog/programs-targeted-for-cuts-keep-millions-from-poverty-new-census-data-show>

² See racial disparity data for Maine (5 year American Community Survey (2009-2018)) <https://data.census.gov/cedsci/table?t=Income%20and%20Poverty&g=0400000US23&tid=ACSST5Y2018.S1701&hidePreview=true>

³ Adapted in part from Pine Tree Legal Assistance: <https://ptla.org/are-you-leaving-money-table-guide-maine-tax-credits-and-benefits>

cases, a working family at or near the poverty level may qualify, but most families receiving TANF have incomes below the poverty level.

- Refugees, asylees and certain other immigrants are eligible for federal TANF benefits. Qualified non-citizens, including asylum seekers, are eligible to receive limited *state funded* TANF benefits, as long as they meet a hardship exemption.
- The vast majority (82%) of adults receiving TANF are between the ages of 20-39.⁴ Nearly 90% are female-headed households.

- **Conditionality:**

- Most adults who receive TANF must participate in ASPIRE as a condition of eligibility. ASPIRE is a work/job-training program, which also provides support services necessary to participate (child care, etc). Participants are exempt from work requirements if they are granted “good cause,” for reasons such as illness, disability, domestic violence, or other limited reasons with the Department’s discretion. Families that fail to comply with the work requirements are subject to a tiered sanction penalty that ultimately results in loss of benefits for the entire family, including the children.
- An eligible parent who wants to attend a 2 or 4-year post-secondary education may qualify for the **Parents as Scholars Program**, and, if enrolled, will get the same benefits, plus support services to participate as TANF families enrolled in a work or training program can receive.⁵
- There is a 60-month lifetime limit for receipt of TANF benefits. Families may be eligible for an extension to this limit for certain enumerated reasons including illness, domestic violence, participation in an education program, or certain other reasons. According to a 2014 analysis of Department data, however, only 1% of all families terminated received an extension based on domestic violence. The number of families receiving extensions due to domestic violence is likely much higher, as nearly 25% of families that apply for TANF do so after leaving an abusive relationship and national studies have found that more than half of women receiving public assistance report experiencing domestic violence in their lifetimes⁶. This suggests that far fewer families are receiving extensions than are eligible. Similar inconsistencies were found for other extensions, including disability.

⁴ https://www.acf.hhs.gov/sites/default/files/ofa/fy18_characteristics_web_508_2.pdf; Table 16

⁵ **Higher Opportunity for Pathways to Employment (HOPE):** The HOPE program provides access to 2 and 4-year post-secondary educational programs to parents with minor children with incomes below 185% of the federal poverty level (\$39,460 for a family of 3); who do not receive TANF and have countable assets equal to or less than \$10,000. Refugees, asylees and certain other immigrants are eligible for HOPE, but since the program is funded exclusively with federal TANF funds, asylum seekers and others subject to the federal TANF bar are not eligible. Four-year degree programs are only available to those seeking a career in health care, technology or engineering.

⁶ TANF Time Limits, One Year Later: How Families are Faring by Sandra S. Butler, Ph.D.

- **Benefit amount:** The maximum TANF grant for a family of 3 is \$620/month, increasing to \$920 for families that pay more than 50% of their incomes for housing costs. The basic benefit level as a percent of the FPL is 34.2%.⁷
- **TANF to poverty ratio.** For every 100 families living in poverty in Maine, only approximate 18 receive TANF. This TANF to poverty ration has fallen by 73 points since 1995-96.⁸
- **Restrictions on spending:** Funds can be used by participants to buy household needs, with certain exemptions. Funds are put on an Electronic Benefits Card (EBT) and can be used at participating stores or recovered as cash through an ATM machine when needed.
- **Administering agency:** TANF is administered by Maine DHHS' Office for Family Independence (OFI). Applicants can apply for the benefit through DHHS' online benefits portal, My Maine Connection.
- **Funding:** TANF is federally and state funded, and for FFY 19 the Federal TANF block grant for Maine was \$76.8M and the state maintenance of effort share \$37.5M. These funds are not only spent on the basic TANF cash assistance and ASPIRE Programs, but some is transferred for child care, transportation and other supports for non-cash TANF working families. TANF funds are also used to support domestic violence and other social service programs serving families with children.

Alternative Aid (AA): Alternative Aid is a benefit for families with children who do not receive TANF cash assistance but need short-term support to become, or to stay, employed. This program is not available to people without dependent children. Families must have incomes below 133% FPL to qualify. This benefit is equal to up to 3 month's worth of TANF cash assistance support and is available once in a 12-month period. It is administered by DHHS, OFI. Application is made through DHHS.

Emergency Assistance (EA): One time per year, households with children with income below 100% FPL or those receiving TANF/PaS, SSI, or Food Stamps are eligible for emergency assistance. This program is not available to people without dependent children. Funds only cover certain limited emergencies. Individuals can only receive EA for 30 days during any 12-month period. The maximum overall limit on EA is \$600 per family, however that limit is lower for individual emergencies (e.g. \$250 for a housing emergency). It is administered by DHHS, OFI. Application is made through DHHS.

Working cars for working families: This pilot program will help families receiving TANF/PaS benefits and families that are financially eligible for alternative aid (below 133% FPL) secure or maintain employment by providing them with access to reliable, affordable transportation. The program will provide low-cost vehicles and transportation solutions to the Mainers who are finding pathways out of poverty and who will invest their own resources in the cars as well. It would assist many Mainers in rural areas who lack economic security in large part due to lack of transportation resources. This program is not available to people without dependent children. It is administered by DHHS, OFI. This program was established in

⁷ <https://www.cbpp.org/research/family-income-support/tanf-benefits-still-too-low-to-help-families-especially-black>

⁸ https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_me.pdf

2017 with bipartisan support, but has not yet been implemented. We expect it to be implemented in 2021.

Transitional TANF benefits: Families leaving TANF due to increased earnings can get "transitional benefits." As with TANF benefits, these benefits are not available to people without dependent children. These can provide temporary transportation, child care and MaineCare benefits and can help bridge the gap when losing TANF. Another transitional benefit is the Worker Supplement Program, which provides participants who are no longer receiving TANF and who work at least 30 hours a week, (or 20 hours if they have a child less than six years of age) and qualify for SNAP an extra \$50 per week (\$100 during COVID-19) in SNAP assistance. These benefits are available through DHHS, OFI. Approximately 13,000 working families receiving SNAP benefits get the Worker Supplement benefit.⁹ The most recent monthly state-wide data from DHHS show 347 transitional child care cases, and 71 transitional transportation benefits cases.¹⁰

General Assistance (GA): GA is often referred to as the "safety net of last resort," as it serves low-income households whose basic needs are not met by other benefit programs. It is run by towns and cities largely in accordance with state law and rules. The cost of the program is shared between municipalities and the State with the State's share equaling 70% and municipalities 30%. GA can help with basic necessities such as rent, food, clothing, fuel, and electric bills up to a maximum level of assistance (the maximum does not apply in an emergency such as homelessness). Sometimes the municipality can require that recipients repay the municipality for the GA received.

- **Eligibility and characteristics:**
 - Individuals may be eligible for GA if they don't have enough money for basic necessities like food, medicine, rent, and heat. While rules may vary somewhat by municipality, in general, someone is eligible if their income is less what is needed to pay their necessary expenses within maximum limits on assistance. Eligibility is determined somewhat differently when it is someone's first time applying.
 - Qualified non-citizens, including asylum seekers and those "pursuing a lawful process" are eligible for GA. GA applicants who are not citizens are subject to a 24-month limit of assistance if they do not have a work permit, and if one has not pursued immigration relief within twelve months of arriving in the United States (something that the Trump administration has made more difficult), they will not be found eligible for GA.
 - Over 85% of General Assistance goes toward housing, or housing-related needs.¹¹
- **Conditionality:** Some towns require some participants to engage in "workfare" or work search as a condition of receiving assistance. This does not apply to those unable to work because of illness or disability or other good cause.
- **Benefit amount:** The town will give someone only the amount they deem the individual's "unmet need" based on a very closely reviewed budget. The maximum benefits vary throughout the state based on a multiple of the HUD Fair Market rent cost applicable to each municipality.

⁹ <https://www.acf.hhs.gov/ofa/resource/tanf-caseload-data-2019>

¹⁰ <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/GEO%20REPORT%20OVERFLOW%20A%2010-2020PdfFileReaderServlet.pdf>

¹¹ <http://legislature.maine.gov/doc/2753>

- **Restrictions on spending:** Municipalities will pay a participant's bills or give them a voucher to take to their landlord or a local store or supplier. The General Assistance program does not provide cash to individuals.
- **Administering agency:** GA is administered by towns and cities but overseen by DHHS, OFI.

Supplemental Nutrition Assistance Program (SNAP): SNAP is a federal program administered by Maine DHHS that helps approximately 93,500¹² low-income Maine households put food on the table every month.

- **Eligibility and characteristics:**
 - Maine's SNAP program limits eligibility to those with incomes at or below 185% of the federal poverty level.
 - Approximately 40% of SNAP participants live in working households. More than 48% of families include an elderly or disabled member, and 60% include a child.¹³
 - Refugees, asylees and certain others are eligible for federal SNAP benefits. Qualified non-citizens including asylum seekers are eligible to receive limited *state-funded* SNAP benefits, as long as they qualify for a hardship exemption.
- **Conditionality:** Certain recipients must work or register for work as a condition of eligibility. SNAP benefits for non-disabled persons between the ages of 18 through 49 without dependents are limited to 3 months in a 36-month period unless they meet certain exceptions, or the time limit is waived because of high rates of unemployment. There is currently a statewide waiver of the 3-month time limit that will continue through September of 2021.
- **Benefit amount:** The average SNAP working family receives approximately \$261 monthly in food assistance to help them make ends meet.¹⁴ (This has increased during the Pandemic as temporary federal law has increased all households to the maximum SNAP benefit). Funds can be used to buy food and cannot go towards certain items like certain hot foods, alcohol, cigarettes, pet food, paper products, medicine, or household supplies. Funds are put on an EBT card and can be used at participating stores.
- **Administering agency:** This program is federally and state funded. The federal government pays the total cost of benefits and half of the cost of administration. The state pays the remaining 50% of administrative costs. SNAP is administered by DHHS, OFI. Applicants can apply for the benefit through DHHS' online benefits portal, My Maine Connection.

¹² <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/GEO%20Report%2010-2020PdfFileReaderServlet.pdf>

¹³ <https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#Maine>

¹⁴ <https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#Maine>

MaineCare (Medicaid): MaineCare provides health coverage and prescription drug support to approximately 328,216¹⁵ Maine people, including eligible low-income adults, children, pregnant women, elderly adults and people with disabilities.

- **Eligibility:**
 - MaineCare provides eligibility to non-elderly, non-disabled working age adults with incomes below 138% FPL and children with family incomes up to 213% of the FPL. Older Mainers and people with disabilities qualify with incomes up to 100% of the FPL, although those in need of home and community-based care or nursing facility care are eligible at higher income levels. Prescription drug assistance and support paying for Parts A and B premiums are provided through the Medicare Savings Program which is part of the Medicaid program with eligibility up to 185% of the FPL.
 - Refugees, asylees and certain others are eligible for federal Medicaid benefits. Pregnant women and children who are asylum seekers are also eligible to receive federal MaineCare benefits. Other adult asylum seekers are not eligible. All immigrants regardless of status are eligible for limited Emergency Medicaid services.
- **Administering agency:** This program is federally and state funded. For federal fiscal year 2021, the federal share of costs is 63.69% and the state share, 36.31%.¹⁶ It is administered by DHHS, OFI. Applicants can apply for the benefit through DHHS' online benefits portal, My Maine Connection.

There is also a **MaineCare Limited Family Planning Benefit**, which provides free family planning services to eligible individuals at or below 209% of the Federal Poverty Level (\$2,228 a month or \$26,729 a year).¹⁷

Hospital Free Care – The state requires hospitals to provide care for emergency services to anyone under 150% FPL¹⁸. Some hospitals go “above and beyond” that law, and provide care to those at higher income levels on a “Sliding-Scale” system.¹⁹ In order to be eligible for Free Care, someone must have applied for and be ineligible for other programs such as MaineCare and Emergency MaineCare.

The Affordable Care Act (ACA) Health Insurance Marketplace subsidies: The ACA offers subsidies to reduce monthly premiums and out-of-pocket costs in an effort to expand access to affordable health insurance for moderate and low-income people. In 2020, 62,031 people selected a Marketplace plan in Maine during the annual open enrollment period, of which 52,309 or 84% received some type of

¹⁵ <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/GEO%20REPORT%20OVERFLOW%20A%2010-2020PdfFileReaderServlet.pdf>

¹⁶ <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

¹⁷ <https://mainecahc.org/wp-content/uploads/2017/06/Limited-Family-Planning-Benefit.pdf>

¹⁸ <https://www.maine.gov/sos/cec/rules/10/144/144c150.doc>

¹⁹ <https://www.mainecahc.org/guide-to-maine-health-care/other-helpful-programs/hospital-bill-help/#:~:text=No%20matter%20what%20your%20income,turned%20away%20from%20emergency%20services.&text=If%20you%20income%20is%20under,Free%20Care%E2%80%9D%20program%20it%20offers.>

subsidy.²⁰ There are two types of subsidies available to marketplace enrollees. The first type of assistance, called the premium tax credit, works to reduce enrollees' monthly payments for insurance coverage. The second type of financial assistance, the cost-sharing subsidy, is designed to minimize enrollees' out-of-pocket costs when they go to the doctor or have a hospital stay.

- In order to receive either type of financial assistance, qualifying individuals and families must enroll in a plan offered through a health insurance [Marketplace](#).
- The amount of premium subsidies vary by income, but available to families and individuals with incomes up to 400% of the FPL. If a person or family is eligible for Medicaid, they are not eligible for a subsidy on the Marketplace.

Child Care Subsidy Program: The Child Care and Development Block Grant (CCDBG) is a federal and state program that allows states to help low-income families pay for childcare so they can work or attend a job training or educational program.

- **Eligibility:**
 - Income eligibility for this program is 85% of the state median income (SMI) (The Office of Child and Family Services is currently using \$64,500 annually for a family of 3)²¹.
 - The most recent data available shows approximately 2,600 families, including 4,100 children, receive subsidies under the CCDBG Program.²²
 - Refugees, asylees and certain others are eligible for federal CCDBG benefits. Asylum seekers and certain others are not.
- **Conditionality:**
 - A parent must be working; in school; in a job training program; or a guardian 65+ who is retired.
 - Parents pay parent fees, or copays on a sliding scale based on income. The parent fee for a single parent with one child at 100% Federal Poverty Level (\$1,436 per month) is 6% of their income, or just over \$86 a month.
- **Benefit:** The benefit is paid directly to the child care provider.
- **Administering agency:** The Child Care Subsidy Program is primarily funded through a federal block grant. It is administered by DHHS, Office of Child and Family Services. Individuals must fill out a paper application²³ and cannot apply online or via My Maine Connection.

Women Infants and Children's Program (WIC): The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five found to be at nutritional risk. To be eligible, someone must be pregnant or have a young child.

²⁰ <https://www.kff.org/health-reform/state-indicator/marketplace-plan-selections-by-financial-assistance-status-2/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

²¹ <https://www.maine.gov/dhhs/ocfs/ec/occhs/child-care/TCC%20CCSP%20Guidance%2010052020.pdf>

²² <https://www.acf.hhs.gov/occ/resource/fy-2018-preliminary-data-table-1>

²³ <https://www.maine.gov/dhhs/ocfs/ec/occhs/child-care/Application%2010022020%20.pdf>

- **Eligibility:**
 - The income eligibility limit is 185% of the FPL.
 - Approximately 16,671 individuals participate in Maine’s WIC program monthly²⁴
 - Most immigrants, including adults and children, are eligible for WIC.
- **Benefit amount:**
 - Participants receive approximately \$42 per person per month in program assistance.²⁵
 - As of August, 2020, funds are put on an Electronic Benefits Card (EBT) and can be used at participating stores.
- **Administering agency:** This program is federally funded. The program is administered by Maine DHHS, Center for Disease Control and two of the Tribes. To apply for WIC, participants must fill out a paper application at a WIC office.

Earned Income Tax Credit (EITC): The EITC is a refundable tax credit for working families with children with low to moderate income. Individuals without children may also be eligible, but at lower income levels and with a reduced benefit. Maine has a refundable state EITC (increasing from 5% to 12% of the federal EITC in tax year 2020).

- **Eligibility:** Individuals filing single, head of household, or widowed with two qualifying children must have earned income and an adjusted gross income below \$47,440 for tax year 2020. Those married and filing jointly must have earned income and an adjusted gross income below \$53,330 for a family with two qualifying children for tax year 2020.²⁶
 - Approximately 95,000 Mainers receive the federal EITC²⁷ and 91,013 received the state EITC in 2017.²⁸
 - Participants must have earned income and must have a social security number (the federal and state EITC exclude immigrants who file with Individual Taxpayer Identification Numbers, or ITINs).
- **Benefit amount:** Eligible Maine families received an average federal credit of \$2,110 in 2019²⁹ and an average state credit of \$111 in 2017.³⁰
- **Administrating agency:** The federal EITC is administered by the IRS and the state EITC is administered by Maine Revenue Services. People file for the EITC using the federal and state income tax form 1040 and Schedule EITC.

²⁴ <https://www.fns.usda.gov/pd/wic-program>

²⁵ *ibid*

²⁶ <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-tax-credit-income-limits-and-maximum-credit-amounts>

²⁷ *ibid*

²⁸ Unpublished data from MRS

²⁹ <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-tax-credit-income-limits-and-maximum-credit-amounts#:~:text=Investment%20income%20must%20be%20%243%2C650%20or%20less%20for%20the%20year.&text=The%20maximum%20amount%20of%20credit,%245%2C920%20with%20two%20qualifying%20children>

³⁰ Unpublished data from MRS

Property Tax Fairness Credit (PTFC): The PTFC replaced the old “Circuit Breaker” (or Property Tax and Rent Relief) program. The new program is a refundable tax credit that helps homeowners and renters whose property tax payments or rent payments are high in relation to their income.

- **Eligibility**
 - Individuals are eligible for this credit if they meet residency requirements and paid property taxes greater than 6% of their total income; **or** paid rent on their home in Maine during the tax year that is greater than 40% of their total income.
 - Eligibility and benefit amount are based on income and the amount of property tax or rent that you pay. For tax year 2019, total income cannot exceed \$34,167 for a single filer; and up to \$55,000 for a head of household filer or married couple filing jointly depending on family size.³¹
 - Immigrants regardless of status are eligible as long as they meet the residency and income requirements.
 - 53,113 Mainers received the PTFC in 2017.³²
 - For homeowners in 2015, the ratio of PTFC claims to the estimated total eligible filers is about 66%; including non-filers drops this ratio to 46.4%. *For renters in 2015, the ratio of PTFC claims to the estimated total eligible filers is about 42%; including non-filers drops this ratio to 28%.*
- **Benefit amount:**
 - Individuals are eligible for a PTFC up to \$750 (\$1,200 for 65 years of age or older). In 2017, the average PTFC benefit was \$285³³
- **Administering agency:** Maine Revenue Services. Individuals must file an income tax form 1040 ME and the schedule PTFC/STFC.

Sales Tax Fairness Credit (STFC): The STFC is a refundable sales tax credit intended to offset the regressive nature of the sales tax for Maine households.

- **Eligibility**
 - Individuals are eligible if they were a Maine resident during any part of the year and their total income during 2019 was not more than \$26,750 if filing Single, \$41,600 if filing Head of Household, or \$52,500 if Married Filing Jointly.³⁴
 - immigrants regardless of status are eligible as long as they meet the residency and income requirements.
 - 195,577 Mainers received the STFC in 2017.³⁵
- **Benefit amount**

³¹ https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/19_1040me_ptfc_sftc_dwnldff_0.pdf

³² Unpublished data from MRS

³³ *ibid*

³⁴ https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/19_1040me_ptfc_sftc_dwnldff_0.pdf

³⁵ Unpublished data from MRS

- People are eligible for a STFC up to \$225. In 2017 the average STFC benefit was \$133.³⁶
- **Administering agency:** Maine Revenue Services. Individuals must file an income tax form 1040 ME and the schedule PTFC/STFC.

MaineHousing: Maine has numerous state and federally funded rental housing programs. Many have waiting lists, but some do not. MaineHousing's Section 8 Housing Choice Voucher Program provides rental assistance to income eligible tenants by subsidizing a portion of their monthly rents and paying it directly to their landlords.

- **Eligibility:**
 - In general a family's income may not exceed 50% of the median income for the area in which the family lives, but 75% of all Housing Choice Vouchers must go to applicants whose incomes do not exceed 30% of the area median income. Maine Housing publishes these income numbers by area and family size on its website.
 - Approximately 12,000 Maine households have a Section 8 Housing Choice Voucher. 48% of those with vouchers are elderly or have a disability. 61% of voucher recipients are in families with children.³⁷
 - 574 families (19%) receiving a Housing Choice Voucher have wages from employment.³⁸
 - Importantly, the waitlists for section 8 housing are long. For applicants who are not homeless and qualify for the veteran, disability, and/or family preference, the Section 8 waiting list for Maine State Housing Authority is approximately 4 years. Even those people who have section 8 vouchers can experience difficulty actually using them for any of the following reasons: many landlords do not accept vouchers; many landlords charge more than the fair market rent; available units do not meet the housing quality standards.
 - Mixed households (like ones where the kids are citizens) can currently qualify for prorated benefits, but the Trump administration is trying to reduce the amount of support these families receive.
- **Benefit amount:**
 - The assistance provided is the difference between what the tenant pays toward rent (generally 30 - 40% of the household's adjusted gross income) and the cost of the rent.
 - The funds are paid directly to landlords via voucher.
- **Conditionality:** You may be denied a voucher as a result of criminal activity, alcohol abuse, or other reasons.
- **Administering agency:** Section 8 is federally funded and administered through Maine Housing.

³⁶ ibid

³⁷ <https://www.cbpp.org/housing-choice-voucher-fact-sheets>

³⁸ <http://www.mainehousing.org/docs/default-source/rental/fssactionplan.pdf>

Low Income Home Energy Assistance Program (LIHEAP): Low-income homeowners and renters can qualify each heating season for help with their fuel bills (people may still be eligible if renting and heat is included in their rent).

- **Eligibility:**
 - The greater of 150% Federal Poverty Level or 60% of State Median Income. ³⁹
 - Refugees, asylees and certain others are eligible for LIHEAP benefits
- **Benefit amount:**
 - The amount of assistance is based on an individual's household size and income, energy costs, and other factors.
 - for Program year 2019, LIHEAP served 31,106 households with an average benefit of \$888.⁴⁰
 - TANF families are eligible for an additional \$300 in LIHEAP payments on top of their regular LIHEAP payment.
 - The maximum LIHEAP benefit for households residing in a subsidized housing unit with heat included in rent is \$21 per year.
 - Payments are made directly to the fuel dealer.
- **Administering agency:** LIHEAP is a federal funded program administered by MaineHousing. Individuals apply through local Community Action Agencies (CAPs) as there is currently no online application available.

Social Security Disability (SSD) and Supplemental Security Income (SSI): If someone is disabled and expects to be disabled for a year or more, they may be eligible for Social Security disability benefits (SSD). This program is not means tested and is available to people with an earning record.

Supplemental Security Income (SSI) is for disabled and elderly people who have low income and do not have an earnings record or who qualify for a Social Security benefit that is low enough for them to also qualify for SSI based on their limited earnings. There is also a very small state supplement to SSI – \$10 for an individual and \$15 for a couple.

- **Eligibility:**
 - To qualify for SSD or SSI, there is a high threshold for disability. Someone must be totally and permanently disabled, a standard that is often quite difficult to prove. For example, in 2018, the rate at which non-elderly adults applying for SSI disability were “approved,” and deemed disabled was 30%.⁴¹
 - In order to qualify for SSI, someone must meet the disability threshold described above and have “limited income,” which is determined based on a calculation done by SSA.
- **Benefit amount:**
 - The maximum benefit level in 2021 for an individual receiving SSI will be \$794 and \$1,191 for an eligible individual with an eligible spouse.⁴²

³⁹ <https://www.mainehousing.org/charts/HEAP-Income-Elibility>

⁴⁰ <https://liheappm.acf.hhs.gov/sites/default/files/private/congress/profiles/2019/FY%202019%20ME%20Profile.pdf>

⁴¹ https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2019/sect10.pdf Table 70

⁴² <https://www.ssa.gov/oact/cola/SSI.html>

- As noted above, there is a small state supplement to SSI – \$10 for an individual and \$15 for a couple.
- The benefit amount for SSD will depend on someone’s earnings record and is not means tested. If someone receiving SSD had lower earnings and therefore received a lower benefit amount, they could also receive SSI.
- **Administering agency:** Administered federally through SSA, with the state supplement administered through DHHS.

Unemployment Insurance:

- **Eligibility:** An individual may be eligible for unemployment benefits while they are out of work through no fault of their own. In general, someone is eligible if they worked for an employer and made at least \$5,336 during the last year, some of which must be earned in two different calendar quarters. (This earnings requirement does not apply to the federal Pandemic Unemployment Assistance Program for the self-employed and persons that don’t qualify for regular unemployment benefits.)
- **Conditionality:** Must be searching for work or engaging in an education/training program. Someone cannot turn down a “suitable” job offer while receiving UI. (These requirements have been relaxed somewhat as a result of the COVID-19 pandemic.)
- **Benefit amount:** The maximum weekly benefit amount is currently \$462 for claimants without minor dependents and \$693 with dependents depending on the number of minor dependents. The average weekly benefit for August 2020 was \$293. Note that this amount was increased by \$600/wk. while the temporary federal supplement (Pandemic Unemployment Assistance) was available. That additional amount is no longer available.
- **Administering agency:** The program is funded by a state and federal tax on employers and administered by Maine Department of Labor.

COORDINATION OF THE SAFETY NET AND THE BENEFITS CLIFF

As the overview above makes clear, the safety net is comprised of dozens of programs, which are often siloed, and administered and funded by different state and federal agencies. This makes programs difficult for clients to navigate, as there is no one resource or place for them to go to receive this assistance. What’s more, eligibility for each program is individualized to that program and varies, often greatly, between programs, and in some cases, in the same program depending on where someone lives. Too often, eligibility is based on the “federal poverty level,” which is widely regarded as incomplete and outdated⁴³ (see FPL guidelines in Appendix A). What counts as “income” varies based on program, as do asset limits. Frequently, support from one program will be counted as income for the purposes of another program. So, for example, when a family gets an increase in their TANF benefit, they will benefits in SNAP. This makes the process of applying for assistance and determining eligibility complex and burdensome for both clients and the administering agency. Eligibility and program guidelines are complicated by the interplay of state and federal funding sources.

This lack of coordination often produces something known as the “cliff effect” where an action in one benefit program, or a slight increase in earnings, can inadvertently produce a harmful result, often

⁴³ <https://www.brookings.edu/testimonies/why-the-united-states-needs-an-improved-measure-of-poverty/>

leaving the family no better, and sometimes worse off. A 2018 analysis of the “benefits cliffs” in safety net programs done by Mike Levert helps illustrate the sheer complexity in the design of and interaction between programs.⁴⁴ While the paper’s primary objective is exploring the experience of Maine’s low-income families as they transition off public assistance programs due to higher wages (as increased earnings result in a greater loss of benefits), the analysis speaks to the ways in which the very structure of benefit programs serves to burden both the individual and the system.

Benefits “cliffs” can occur when a family’s increase in earnings results in a greater loss of social assistance benefits. While these cliffs are generally seen as flaws in social assistance programs, they are complex and often misunderstood. Most programs don’t have cliffs, per se; they are intentionally designed so that benefit levels gradually decline as earnings increase. Unintended consequences like cliffs usually result when multiple programs interact, often in combination with macro-economic factors like high health care costs, to create an entirely new and unintended benefits structure. In this sense, cliffs are generally a symptom of a decentralized and opaque system of social assistance programs, each with complex rules and guidelines, often funded with a combination of federal and state sources. This makes remedying cliffs challenging, as they are not simply caused by benefit levels that are too high or too low or by eligibility requirements that are too strict or too lax.

Analyses like this one, coupled with the experiences of individuals using these systems, point to a benefits structure that is not working in a rational manner for the people it is intended to help. A guaranteed income offers us an opportunity to build on what studies and people in poverty say works – giving people the flexibility offered by providing unrestricted cash. It would enable us to move beyond the decentralized, uncoordinated, and dehumanizing system we have now to a more effective, rational and humane system.

OPPORTUNITIES TO IMPROVE THE EXISTING SAFETY NET

While it is clear we need to take steps that move us toward a guaranteed income, at the same time, there are opportunities to improve the adequacy and coordination of the existing benefits structure. These changes would help move us in the direction of a long-term goal of providing a guaranteed income while taking some currently available steps to get additional needed income to people *now*. To that end, we offer an overview of steps the state could take to improve the existing safety net by making programs more adequate, more streamlined, and less burdensome to individuals – recognizing that these are no substitute for a guaranteed income.

Some of the examples that follow could be achieved administratively, while some would require legislation; some could be fully federally funded, and some could be funded in ways that do not require general funds. For example, the state could:

- Take advantage of multiple state options available under most of the programs described above to improve both the adequacy, accessibility, and efficiency of these programs. For example, Maine could:

⁴⁴ <https://www.jtgfoundation.org/wp-content/uploads/2019/06/Cliffs-Policy-Brief.pdf>

- Increase the amount of the state SSI supplement (currently \$10 for an individual and \$15 for a couple), which does not bring people anywhere near the FPL and has not been increased for many years.
- Increase the amount provided to people through Alternative Aid or Emergency Assistance to avert emergencies and promote the ability to remain employed.
- Increase eligibility for MaineCare for both parents and children.
- Eliminate the 3-month waiting period for CHIP for low-income children with unaffordable employer-based coverage.
- Waive the asset test for everyone in SNAP (currently, the state has only chosen to waive it when an entire family is elderly and disabled or for families with minor children).
- Broaden the scope of what qualifies as an emergency for Emergency Medicaid, leaving the decision up to health care providers.
- Extend TANF time limit exemptions for families with a parent participating in and training or education program so they could continue to receive TANF until the completion of that program.
- Modify immigrant eligibility rules to prevent the loss of SNAP and TANF by those working but with low earnings.
- Reconsider the scope of Medicaid Estate Recovery policies to increase MaineCare enrollment in the expansion category.
- Increase the disregard in earnings in Unemployment Insurance so that people who are only able to work part time would be more likely to qualify for benefits to supplement their low wages.
- Increase the dependency benefit in Unemployment Insurance from the current \$10 per dependent per week. The dependency benefit has not been increased for decades.
- Allow people who lost their job because of child care or a transportation emergency to receive Unemployment Insurance benefits.
- We could adopt lessons learned during the Pandemic to permanently codify administrative simplifications that would make programs more easily accessible by individuals and families and less burdensome for government to administer.
- We could better coordinate safety net programs to simplify access and provide greater adequacy, including through data sharing between agencies to make it easier for people to apply for and receive benefits:
 - Department of Labor Career Centers and Career Center staff could be better equipped to provide clients with information about and help applying for DHHS programs and services to help people meet basic needs as they search or train for work.
 - More could be done to ensure people eligible for school meals receive SNAP by increasing coordination between the Department of Education (which oversees school meals) and DHHS (which oversees SNAP). Even though some progress has been made in this realm, the state is not capturing all of the children who are potentially eligible, which has made Pandemic-EBT enrollment more difficult.
 - Streamline the WIC eligibility determination and recertification processes using SNAP and/or MaineCare as an automatic proxy for financial eligibility as permitted by federal law; Initiate the full eligibility determination for WIC through My Maine Connection.
 - Keep more Mainers warm with Improved access to the Low-Income Home Energy Assistance Program (LIHEAP) by integrating it into My Maine Connection and making TANF recipients categorically eligible for LIHEAP.
 - Improve Access to state tax credits, such as the PTFC and STFC, by facilitating screening for or application through My Maine Connection.

TRANSITIONING FROM TODAY'S SAFETY NET TO A GUARANTEED INCOME

Providing people with a guaranteed income would be most simply and effectively achieved at the federal level, as this could minimize the potential for negative interaction between federal and state benefits. While conversations at the federal level related to guaranteed income continue to gain momentum, there is a role for the state to play now. As Almaz Zelleke noted in the University of Maine's Universal Basic Income Roundtable, the implementation of a guaranteed income could most effectively follow that of Social Security, which was implemented at the state level first, spurring federal implementation. "Our best chance to get basic income onto the national legislative agenda may be through its adoption in a few forward-thinking states," she says.⁴⁵

The move towards a guaranteed income at the state-level would be a transition, and as a result, inherits the challenges of an irrational system which developed over time without regard for effective interoperability. But the challenge is one that is necessary and worthwhile to overcome, given the opportunity it provides to transform the way we provide support to people with low income. As this committee thinks through what a transition from the existing safety net to a guaranteed income could look like, it may be helpful to look at what other states and localities have done when implementing guaranteed income alongside the existing safety net.

One of the first studies to look closely at the interaction between existing means tested benefits and unconditional cash transfers, such as a guaranteed income, was done through the guaranteed income demonstration project in Stockton, CA (SEED).⁴⁶ The researchers overseeing the project design have shared best practices from the project's implementation – including details about how they were able to provide a guaranteed income alongside the existing safety net without making participants ineligible for other benefits, and therefore worse off.

SEED researchers describe the process through which potential participants were provided with detailed information about the potential impact of guaranteed income on other benefits (a process we understand has taken place in other guaranteed income pilots as well). A detailed analysis (see Table 1⁴⁷) describes how benefits like food assistance, health insurance, housing support and more, would be potentially impacted by the additional cash provided through a guaranteed income. Recommendations were then made about the risk posed with respect to each benefit through an ongoing exchange between SEED staff, local partners (e.g., San Joaquin County Human Services Agency, Housing Authority of the County of San Joaquin, legal counsel) and recipients. Those at risk of experiencing any benefit reduction also received a one-page cost-analysis fact sheet that detailed the amount of benefits that could potentially be impacted. At that stage in the process, five recipients opted out of SEED and other households were selected to take their place, filling the 125 total slots.

In addition, the program was designed so that if recipients did experience any loss of means tested benefits during program participation, SEED would reimburse them through a Hold Harmless Fund. This fund – modeled after the hold harmless provision included in the statute for the Alaska Permanent Fund

⁴⁵ https://digitalcommons.library.umaine.edu/cgi/viewcontent.cgi?article=1000&context=mcspc_perspectives

⁴⁶ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7142678/>

⁴⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7142678/table/tbl1/>

Dividend (Social Security Administration, 2019⁴⁸) – ensured that no recipient was worse off financially as a direct result of receiving guaranteed income.

The SEED pilot offers insight into how a state or locality could go about moving towards a guaranteed income in an ethical way while simultaneously preserving (and when possible, improving) the benefits of the existing safety net.

CONCLUSION

While maintaining and strengthening the existing safety net is critical to the well-being of Mainers, the opportunity to move towards a guaranteed basic income is too. One can imagine the experience someone might have attempting to navigate any one of the dozens of programs described above, let alone doing so while in crisis. People are forced to navigate a maze of programs, each with different eligibility schemes, methods of counting income, and applications. There are also people who, because of their immigration status, are ineligible for many of the safety net programs described above, and others who are ineligible – like in the case of TANF – because they do not have dependent children.

We have the opportunity now to reimagine and reshape our safety net. While steps like those outlined above to improve existing programs can move us in the right direction, a guaranteed income offers us a truly transformative opportunity to give people the tools needed to pull themselves out of poverty and create economic stability for themselves and their families.

⁴⁸ Most individuals who qualify for the Alaska Permanent Fund Dividend (PDF) payment receive their check in October. The dividend amount varies from year to year based on the amount in the dividend fund and the number of individuals who apply. Because the payment is received as a lump sum, it is less likely to interact negatively with means tested programs, as many programs exclude lump sum payments from counting as “income.” With regard to SSI, the state of Alaska and the Social Security Administration have an agreement through which the state will repay an individual’s overpayment resulting from the receipt or retention of the PFD payment for a period of up to four months. See <https://secure.ssa.gov/apps10/poms.nsf/lnx/0500830510SEA>

Appendix A: 2020 federal poverty guidelines⁴⁹

Poverty Guidelines, all states (except Alaska and Hawaii)

2020 Annual

Household /Family Size	50%	*100%*	125%	130%	133%	135%	138%	150%	175%	185%	200%	250%	300%	400%
1	6,380	\$12,760	15,950	16,588	16,971	17,226	17,609	19,140	22,330	23,606	25,520	31,900	38,280	51,040
2	8,620	\$17,240	21,550	22,412	22,929	23,274	23,791	25,860	30,170	31,894	34,480	43,100	51,720	68,960
3	10,860	\$21,720	27,150	28,236	28,888	29,322	29,974	32,580	38,010	40,182	43,440	54,300	65,160	86,880
4	13,100	\$26,200	32,750	34,060	34,846	35,370	36,156	39,300	45,850	48,470	52,400	65,500	78,600	104,800
5	15,340	\$30,680	38,350	39,884	40,804	41,418	42,338	46,020	53,690	56,758	61,360	76,700	92,040	122,720
6	17,580	\$35,160	43,950	45,708	46,763	47,466	48,521	52,740	61,530	65,046	70,320	87,900	105,480	140,640
7	19,820	\$39,640	49,550	51,532	52,721	53,514	54,703	59,460	69,370	73,334	79,280	99,100	118,920	158,560
8	22,060	\$44,120	55,150	57,356	58,680	59,562	60,886	66,180	77,210	81,622	88,240	110,300	132,360	176,480
9	24,300	\$48,600	60,750	63,180	64,638	65,610	67,068	72,900	85,050	89,910	97,200	121,500	145,800	194,400
10	26,540	\$53,080	66,350	69,004	70,596	71,658	73,250	79,620	92,890	98,198	106,160	132,700	159,240	212,320

Poverty Guidelines, all states (except Alaska and Hawaii)

2020 Monthly

Household /Family Size	50%	*100%*	125%	130%	133%	135%	138%	150%	175%	185%	200%	250%	300%	400%
1	532	\$1,063	1,329	1,382	1,414	1,436	1,467	1,595	1,861	1,967	2,127	2,658	3,190	4,253
2	718	\$1,437	1,796	1,868	1,911	1,940	1,983	2,155	2,514	2,658	2,873	3,592	4,310	5,747
3	905	\$1,810	2,263	2,353	2,407	2,444	2,498	2,715	3,168	3,349	3,620	4,525	5,430	7,240
4	1,092	\$2,183	2,729	2,838	2,904	2,948	3,013	3,275	3,821	4,039	4,367	5,458	6,550	8,733
5	1,278	\$2,557	3,196	3,324	3,400	3,452	3,528	3,835	4,474	4,730	5,113	6,392	7,670	10,227
6	1,465	\$2,930	3,663	3,809	3,897	3,956	4,043	4,395	5,128	5,421	5,860	7,325	8,790	11,720
7	1,652	\$3,303	4,129	4,294	4,393	4,460	4,559	4,955	5,781	6,111	6,607	8,258	9,910	13,213
8	1,838	\$3,677	4,596	4,780	4,890	4,964	5,074	5,515	6,434	6,802	7,353	9,192	11,030	14,707
9	2,025	\$4,050	5,063	5,265	5,387	5,468	5,589	6,075	7,088	7,493	8,100	10,125	12,150	16,200
10	2,212	\$4,423	5,529	5,750	5,883	5,972	6,104	6,635	7,741	8,183	8,847	11,058	13,270	17,693

⁴⁹ <https://aspe.hhs.gov/system/files/aspe-files/107166/2020-percentage-poverty-tool.pdf>