



THE MAINE HERITAGE POLICY CENTER

Senator Brakey, Representative Hymanson, and members of the Joint Standing Committee on Health and Human Services, my name is Liam Sigaud and I serve as Policy Analyst at The Maine Heritage Policy Center. I would like to provide testimony in favor of LDs 33, 477, and 1017.

These bills make common sense reforms to Maine's welfare system to encourage work and reduce government dependency. Changes to our public assistance program in the past few years have moved thousands of Mainers into the workforce, but Maine remains an outlier when it comes to welfare expenditures. In 2014, the Census Bureau reported that per-capita spending on public assistance in Maine was \$2,560, putting us 4th-highest in the nation. Meanwhile, our massive investment in public assistance programs has failed to reduce poverty--in fact, while welfare spending increased 62 percent from 1994 to 2013, the poverty rate actually increased by more than 30 percent during that time.<sup>1</sup>

We strongly believe that LD 33, which lowers TANF's lifetime time limit from 60 to 36 months, is a common sense reform that will help move more welfare recipients toward financial independence. This change would put Maine well in the mainstream of other states. As of last year, 21 states imposed time limits of four years or less, and 13 states limited TANF to two years or less. Among our New England neighbors, Connecticut has passed a 21-month lifetime limit, and Massachusetts caps enrollment at 24 months every five years.<sup>2</sup> Time limits are a proven way to incentivize welfare recipients to seek job training and educational opportunities to boost their earnings and transition away from public assistance. LD 33 will also reduce spending and improve Maine's fiscal condition; Arizona's recent decision to reduce its TANF time limit to 12 months will save the state an estimated \$6 million every year.<sup>3</sup>

LD 447 makes beneficial reforms to the Alternative Aid program, which is designed to prevent long-term dependency by providing struggling individuals lump-sum payments to help overcome financial crises. We believe there is good evidence that this sort of diversionary approach can reduce welfare enrollment and benefit families who only need temporary assistance to regain their financial footing. Nonetheless, current DHHS regulations explicitly state that families applying for Alternative Aid benefits are "not required to...comply with ASPIRE-TANF

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<sup>1</sup> U.S. Census Bureau, state and local government finances and official poverty rate.

<sup>2</sup> Smith, N. "State Welfare Reforms: TANF Time Limits by the Numbers." The Council of State Governments, 2016. Available at: <http://knowledgecenter.csg.org/kc/content/state-welfare-reforms-tanf-time-limits-numbers>

<sup>3</sup> Reilly, T. and Vitek, K. "TANF cuts: Is Arizona shortsighted in its dwindling support for poor families?" Morrison Institute for Public Policy, 2015. Available at: [https://morrisoninstitute.asu.edu/sites/default/files/content/products/TANF.doc\\_0.pdf](https://morrisoninstitute.asu.edu/sites/default/files/content/products/TANF.doc_0.pdf)

requirements, or participate in a TANF orientation meeting.”<sup>4</sup> This exception undermines work participation incentives. By aligning Alternative Aid regulations with TANF requirements, LD 447 removes a potential loophole to receive benefits without making any effort to find employment.

We support LD 1017 because robust job training and work requirements are one of the best ways welfare programs can alleviate poverty. As many studies have shown, after Congress enacted welfare reform legislation in 1996 that included work requirements for TANF recipients, welfare caseloads dropped by half and employment rates among welfare recipients soared. Anecdotally, it seems that Maine’s good cause exemptions for TANF recipients have allowed otherwise fit individuals to avoid their responsibilities. As a result, the latest data shows that among two-parent families on TANF, only 29 percent are meeting the work participation requirements--far fewer than the 90 percent goal laid out by federal statute.<sup>5</sup>

Thank you for the opportunity to testify.

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<sup>4</sup> Maine Department of Health and Human Services. Public Assistance Manual, Chapter IX, 2006. Available at: <http://www.maine.gov/sos/cec/rules/10/ch331.htm>

<sup>5</sup> U.S. Department of Health and Human Services, Office of Family Assistance, 2016. Available at: <https://www.acf.hhs.gov/sites/default/files/ofa/wpr2015table01a.pdf>