

**Testimony of the
Office for Family Independence
Department of Health and Human Services**

Before the Joint Standing Committee on Health and Human Services

Hearing Date: April 24, 2017

Senator Brakey, Representative Hymanson and Members of the Joint Standing Committee on Health and Human Services, I am Bethany Hamm, Director of the Office for Family Independence (OFI), in the Department of Health and Human Services (DHHS). My current testimony will cover LD 336, 481, 1302, and 1408.

Neither for Nor Against LD 336

An Act To Amend the Requirements of the Temporary Assistance for Needy Families Program

This bill would require the Department to provide TANF and Alternative Aid benefits to applicants without regard to "deprivation." To be eligible under current law, an applicant must show that a child in the household is "deprived" of the care and support of at least one parent. An applicant can meet this requirement by showing that a parent is absent, or by showing that a parent in a two-parent family is disabled or is unemployed and has a recent connection to the workforce. This bill would also increase the special needs housing allowance from \$200 to \$300 per month for TANF families whose housing costs are 75% or more of their income.

Eliminating the deprivation requirement may expand welfare cash assistance in the TANF and Alternative Aid programs, by making it available to two-parent families. In most such cases, both parents would be subject to mandatory TANF work requirements, and thus would have access to the services Fedcap provides. That opportunity would help build a strong foundation of support for two-parent families to become independent and lift them out of poverty for good. It is important to note that before the LePage administration implemented the 60 month lifetime limit on TANF assistance, there were no excess TANF funds available, and this policy change would not have been possible.

In Opposition to LD 481

An Act To Promote Workforce Participation

This bill would establish a multi-tiered approach to disregarding percentages of a TANF recipient's earned income – depending on the recipient's length of employment – for purposes of calculating the recipient's benefit amount. It would also increase the total amount of the disregard in doing so, and would eliminate the cap on the child care disregard.

Under current law, the already Department disregards a portion of a TANF recipient's earnings, in order to mitigate the risk that returning to work will immediately disqualify a recipient from receiving benefits or reduce the benefit amount. Additionally, families who

have closed off of the program because of earnings have access to Medicaid, child care assistance, and 18 months of financial help with transportation costs (known as "Transitional MaineCare," "Transitional Child Care," and "Transitional Transportation," respectively). Such families also continue to receive Food Supplement benefits. In short, the Department already provides a host of supports that incentivize returning to work.

Still, the Department does not oppose this bill in concept, and we supported a relatively similar bill in the 2015 session. This bill goes much too far, however. Rather than encouraging work, this bill's increase in the disregard amount – for example, disregarding all earned income in the first two full months of employment – could allow families with significant new earnings to stay on the program when they do not need it, using up their lifetime limit on assistance months unnecessarily. In significantly increasing the disregard for an additional six and then another sixteen months thereafter, the bill simply may protract the time a family is on public benefits, which discourages self-sufficiency. And it would do so with little added benefit to the household. For example, a family of three with a single parent working 20 hours a week at minimum wage would only get a \$22 per month benefit for the 16-month disregard period under this bill.

In Opposition to LD 1302

An Act to Increase Workforce Participation in the TANF and Other Assistance Programs

This bill would require the Department to offer transportation supports for employed adults in low income families who receive TANF or Food Supplement benefits. Specifically, it would fund motor vehicle repairs, vehicle registration, and inspection. The bill would further require the Department to use TANF block grant dollars to fund the initiative. As part of the mandatory ASPIRE program, the Department already uses TANF dollars to provide these supports to TANF recipients who are working. We pay for car repairs (up to \$1000 per calendar year), and we reimburse for mileage to cover regular car maintenance, including inspection and registration. Additionally, for participants in the voluntary Food Supplement Employment and Training program, federal SNAP dollars are available to cover car repairs and routine maintenance.

Because the Department already provides these job supports for TANF recipients, that aspect of the bill will not have a financial impact on the Department. But, considering the thousands of Food Supplement recipients with jobs and cars, the bill could create a very substantial cost to cover vehicle-related expenses for such clients, and could exhaust the surplus TANF block grant funds currently available to the Department.

In Opposition to LD 1408

An Act To Establish an Independent Citizens Oversight Committee on Maine's Welfare Programs

This bill would require the Department to collect data related to performance measures of the TANF program, including reducing child poverty and food insecurity and improving educational attainment, employment and income levels. It also would require the

Department to set benchmarks to measure improvement and success of the TANF program. It would establish the Independent Citizens Oversight Committee to monitor the Department's progress with respect to meeting those benchmarks.

The Department already collects some of the data identified in this bill. Other data are not available through ACES. The data the Department can access through ACES are limited to those families who are currently receiving a benefit.

In addition to federally mandated goals and performance measurements, the Department has established internal goals and benchmarks as well as performance measurements designed to ensure that TANF recipients receive the services needed to become self-sufficient and remain off government assistance. These performance measurements are part of the contract with Fedcap, the agency that administers the Welfare-to-Work component of TANF.

Moreover, the TANF Advisory Council, created by statute (Title 5, section 12004-I, subsection 36-C), already serves to advise the commissioner regarding education, training, job opportunities, quality employment and other matters affecting TANF recipients. A separate Independent Citizens Oversight Committee would duplicate the work of this Council.

I would be happy to answer any questions you may have about any of these bills, and would be glad to make myself available for questions at the work session.