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**Testimony of Ann Danforth, Maine Equal Justice, on DHHS' August 2021 Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs Report (pursuant to [Title 22, section 3109](#))**

September 1, 2021

Good morning Senator Claxton, Representative Meyer, and members of the Committee on Health and Human Services. My name is Ann Danforth, and I am a Policy Advocate at Maine Equal Justice. We are a nonprofit civil legal aid organization working to increase economic security, opportunity, and equity for people in Maine. Thank you for the opportunity to testify on DHHS' August 2021 report: Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs.

**Introduction**

Maine Equal Justice is a proud convener of the Invest in Tomorrow initiative, which started in 2017 when Maine organizations, businesses, and individuals came together to identify the primary contributing factors that are keeping families in poverty throughout the state and identify key policy solutions.

In 2019, together with a diverse group of stakeholders, we worked with the former Speaker, Sara Gideon, and then Rep. Trey Stewart to support the bipartisan Invest in Tomorrow bill package (LIFT/STEP), with the goal of both reducing child poverty *and* strengthening Maine's workforce.

The 2019 LIFT/STEP bill package required the Department to convene a Working Group – which Maine Equal Justice participated in – to review and make recommendations to improve DHHS programs and services to increase economic security and opportunity for families. It also required an annual report from DHHS to measure the progress being made in these areas. These two reports should be seen as complementary.

DHHS' August 2021 report, Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs, underscores the urgent need for consideration of the 2020 LIFT Working Group Report and Recommendations, which have the potential to improve the lives of Maine families, move the needle on economic security and opportunity for Maine's most vulnerable residents, and contribute to the state's post pandemic economic recovery.

## DHHS' August 2021 report highlights need and opportunity to improve DHHS programs

The report from DHHS highlights the ways in which DHHS programs and services are not currently meeting the needs of Maine people and our economy. While I encourage the committee to review our full analysis of the report, attached to my testimony as Appendix A, I will highlight a few of the most concerning takeaways:

- **Today, TANF serves only 1 in 4 (26%) of all children living in poverty, meaning 3 out of 4 poor children don't get help from the program.**<sup>1</sup> Maine's TANF caseload has dropped from 14,098 families in July 2010<sup>2</sup> to 3,641 families in July 2021<sup>3</sup>. More than 18,000 poor children have lost assistance over this time period in large part because of inflexible time limits and harsh sanction policies.<sup>4</sup>
- **In 2019, more than 4 out of 5 people leaving TANF in 2019 were still living below the poverty line.** In 2019, that means a family of three living on \$21,330 or less.<sup>5</sup> Cuts and changes to TANF/ASPIRE were justified by rhetoric that focused on "moving people from welfare to work." The reality has been that people lost assistance without a pathway to gainful employment and experienced increased hardship.<sup>6</sup> Simply moving people into insecure jobs that pay poverty wages without a ladder to climb does not meet this goal; yet that is what we see happening far too often in the current ASPIRE program.
- Education can be a pathway out of poverty. With that in mind the Parents as Scholars program was created to provide financial aid and supports to parents that can make higher education possible in many cases. **Yet more than 3 out of 4 people who moved off TANF did not obtain education or training opportunities beyond high school. And in July 2021, only 20 parents were enrolled in Parents as Scholars.**<sup>7</sup> Indeed, according to DHHS' Report, the educational characteristics of people on TANF are nearly identical to those who have left the program, indicating that educational services provided by the ASPIRE program are extremely limited despite the demonstrated link between educational achievement and economic security.
- **Many families who are struggling are not getting the support they need, despite being eligible for it.** In some cases, DHHS is interacting with people in the context of one program, but not helping those families access other critical benefits for which they are eligible.

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<sup>1</sup> Other estimates put this number even lower, at 19%, or [1 in 5](#) of all children living in poverty

<sup>2</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/documents/ofr/reports/2010/geo-july.pdf>

<sup>3</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Geo%20Report%20aug%201.pdf>

<sup>4</sup> [https://maineequaljustice.org/site/assets/files/1525/tanf-time-limits-march2014\\_0.pdf](https://maineequaljustice.org/site/assets/files/1525/tanf-time-limits-march2014_0.pdf)

<sup>5</sup> <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references/2019-poverty-guidelines>

<sup>6</sup> [https://maineequaljustice.org/site/assets/files/1525/tanf-time-limits-march2014\\_0.pdf](https://maineequaljustice.org/site/assets/files/1525/tanf-time-limits-march2014_0.pdf)

<sup>7</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Geo%20Report%20aug%201.pdf>

## 2020 LIFT Working Group Report Provides Solutions

While the data presented in the LIFT report illustrate the need for real reform at DHHS, fortunately, the 2020 LIFT Working Group Report<sup>8</sup> provides thoughtful and effective solutions DHHS could take now to eliminate barriers and create opportunities for low-income families to join and succeed in the workforce. The LIFT Working Group met over the course of three months and included input from 27 members, including stakeholders and people with lived experiences. Many of these recommendations support the goals of the state's 10 Year Economic Development Plan and the report of the Economic Recovery Committee.<sup>9</sup>

We are grateful for the steps the Department has taken to move forward many of the recommendations in the LIFT working group report, but there are still key reforms that are needed to truly make programs work for those who need them. While we encourage the committee to review and consider all the recommendations developed by the Working Group, we would like to highlight the following three priorities:

- 1. ASPIRE could and should be part of Maine's workforce solution, but it is not living up to its promise as it is currently being administered by Fedcap.** The statutory goal of ASPIRE is to help families obtain and retain employment that sustains their families.<sup>10</sup> The program is failing to meet this goal. Data, which I've included as Appendix B in my testimony, support the fact that Fedcap's administration of ASPIRE has yielded low job retention rates, reduced participation in Parents as Scholars and other vocational training programs, participant wages below the poverty level, and dramatically high sanction rates that result in family hardship and lost opportunity. Based on Fedcap's performance to date, we have no confidence that they are able to run this program effectively to help people move out of poverty.

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<sup>8</sup> <http://legislature.maine.gov/doc/4528>

<sup>9</sup> The state's 10 Year Economic Development plan seeks to develop talent among people currently left out of the workforce, and the report of the Economic Recovery Committee recommends improving and coordinating state and federal safety net programs to make them more accessible to Mainers as a way of strengthening the workforce and the economy.

The 10 Year Economic Development Plan lays out a goal of adding at least 75,000 people to the state's workforce over the next 10 years. This can only be achieved if we, "increase the labor force participation of existing residents."

According to the plan, "people from economically disadvantaged families will be helped to enter the workforce and improve their jobs by Department of Health and Human Services programs that support training, tuition, transportation, childcare, and other supportive services."

As stated in the 10-year Economic Development Plan, "to attract talent to move into the state — and to retain the talent we have — Maine needs a supporting infrastructure that ensures a quality of life." This includes making sure that all Mainers can meet their basic needs and have the supports necessary to enter and remain in the workforce.

The Report from the Economic Recovery Committee included the following recommendations:

- Improve and retain safety net programs (p 30). This recommendation aims to strengthen and coordinate a number of state, federal, and nonprofit programs to make them more accessible to Maine people.
- Prioritize accessible and affordable education and training options for working adults that align with emerging career demands (p 13).
- Invest in higher education programs and increase degree attainment (p 13).

<sup>10</sup> 22 M.R.S §3781-A

ASPIRE is in need of real reform to better meet families where they are so they can forge a path to economic opportunity and security that will work for them. TANF work programs can and should focus on advocating for and supporting training and education opportunities that will lead to higher-paying, quality jobs. Many parents turn to TANF for assistance because they work in unstable jobs that provide low-wages, variable hours, and limited opportunities for advancement. To improve recipients' employment opportunities, TANF work programs should focus on centering the individualized needs and goals of participants and placing recipients in jobs with opportunities for advancement or in education and training programs that will prepare them for quality higher-paying jobs.

2. The pandemic exacerbated already unacceptable rates of poverty and hardship. In 2019, 14% of Maine children were living in poverty – a number that is higher for children from Black, Indigenous, and communities of color, as well as children living in rural areas.<sup>3</sup> According to Census data from June-July 2021, 1 out of every 5 Maine adults reported having difficulty covering usual household expenses.<sup>4</sup> Yet anti-poverty programs are being underutilized, are difficult to access, and are falling short. **We need to simplify and improve the delivery of supports and services for families living in poverty so that Maine has a strong and accessible safety net that responds to people's needs and does not let anyone fall through the cracks.** Nobody should be going without enough food, access to health care, or other basic needs. The working group report included a number of recommendations for ways the Department could improve technology to make services easier to access and streamline and consolidate applications and enrollment across anti-poverty programs. Unfortunately, we see the Department moving in the opposite direction, most recently proposing to disentangle MaineCare and TANF applications.

After reviewing work in other states and having conversations about the need for increased inter- and intra-agency coordination with members of different state agencies in Maine, we believe the most effective solution is the creation of a cross-state agency committee that would have a forward thinking, bird's-eye perspective to explore how to make Maine's safety net and work support programs better meet the needs of Mainers and bring them into the 21<sup>st</sup> Century. States throughout the nation are beginning to modernize their systems to reach this goal. For example, North Carolina's goal is to design their state-administered safety net systems so people "only have to tell their story once" to receive the supports that they need. While there are some areas where increased coordination across Maine's state government is already being considered, it is moving in piecemeal, awkward fashion, and desperately in need of encouragement, structure, and direction from the highest level of state government to ensure a comprehensive and coordinated outcome.

3. **People seeking services from DHHS in times of need should receive compassionate, trauma-informed, and culturally competent treatment. DHHS should create a structure for people with lived experience to raise concerns when they are being mistreated and to provide meaningful feedback on changes at DHHS in order to increase accountability to the people DHHS serves and make programs more effective.**

At Maine Equal Justice, we hear every day from clients who struggle to access and hold onto the help for which they are eligible. We do what we can to help those people who find their way to us resolve problems with DHHS and bring these issues to the attention of

DHHS. But this is not a substitute for what is really needed – a direct channel to DHHS through which people with lived experience can raise both these individual issues that come up and identify and address systemic issues that are coming up repeatedly for people.

This was a key recommendation that came out of the LIFT Working Group (see excerpt below), and is supported by the data from DHHS' August 2021 report showing that ASPIRE and other DHHS programs are not currently working for the people served by them. We need a structure that enables people with lived experience to provide input on DHHS programs and services in an ongoing way, in order to make those programs effective and really meet the needs of people.

*“The working group recommended the Department build into its strategic plan for advancing diversity, equity and inclusion, a structure that provides for meaningful and regular engagement with communities of color, immigrant communities and other underserved groups. This forum should include impacted individuals, organizations advocating with an on behalf of low-income people, leadership at DHHS across programs, and front-line DHHS workers. The working group appreciates the opportunity that the hiring of a Manager of Diversity, Equity & Inclusion provides to engage in meaningful work to advance solutions that promote equal opportunity for all across Department programs and initiatives. The working group encourages the Department, in partnership with community members, to survey and solicit regular and consistent feedback from a diverse pool of people being served by DHHS. This could include conducting unbiased surveys about people’s experiences with DHHS that are well-representative of diverse communities receiving services. The Department should also make it a regular practice to consult with impacted individuals, and work collaboratively with them to test new systems, trainings and programs. Such engagement will make the work of the Department stronger and more responsive to the needs of the people it serves” (page 4).*

## **Conclusion**

While in many ways COVID-19 has exposed the gaps and inadequacies in our safety net, it has also demonstrated how critical and effective low-barrier benefit programs can be in keeping families whole in challenging times. Relief in the form of stimulus payments, an expanded child tax credit, rental assistance, and enhanced food supports have served as a lifeline to Mainers during the pandemic. The pandemic has also demonstrated the benefits of enacting flexibilities that make it easier for people to get the support they need. Contrary to the negative stereotypes associated with benefit programs, these COVID-19 relief programs proved that low-barrier assistance programs are efficient and effective ways to help people in dire circumstances. We can take these lessons and make real lasting changes at the state level that will increase economic security and opportunity for families with low income, while at the same time, strengthening our workforce and meeting the post-pandemic economic needs of our state.

Thank you for the opportunity to testify on the Measures of Child and Family Economic Security for Families Participating in Maine’s Public Assistance Programs report. I am happy to answer any questions you might have.

## Appendix A -- Maine Equal Justice Analysis of DHHS' August 2021 Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs Report

**Background:** The 129<sup>th</sup> Maine Legislature enacted Public Law 2019, Ch. 485, introduced as LD 1774, *An Act to Reduce Child Poverty by Leveraging Investments so Families Can Thrive* (LIFT). This law (which was part of the bipartisan Invest in Tomorrow bill package) took important steps toward policy changes that reduce child poverty, increase food security, and create more economic security and opportunities for families and children. It also requires the Department of Health and Human Services (DHHS) to collect and provide data regarding the progress made toward improving the economic security of children and families – things like increasing families' ability to meet basic needs, providing educational opportunities, and increasing incomes. Below is an analysis of the August 2021 report -- Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs<sup>11</sup>.

### Key Takeaways:

- **Many families living in poverty are unable to access TANF even though they are struggling to meet their basic needs.** ASPIRE was privatized and the contracting agency, Fedcap, was incentivized monetarily to move people off TANF if they faced barriers to employment. Punitive and restrictive policies have made TANF increasingly hard to access. Not surprisingly, TANF participation plummeted, and hardships increased for families. **Today, according to this report, TANF serves only 1 in 4 (26%) of all children living in poverty, meaning 3 out of 4 poor children don't get help from the program.** (Other national estimates put this number even lower, at 19%, or 1 in 5 of all children living in poverty.<sup>12</sup>)
- **People lose assistance without a pathway to gainful employment.** Cuts and changes to TANF/ASPIRE were justified by rhetoric that focused on “moving people from welfare to work”. The reality was that people lost assistance without a pathway to gainful employment. Simply moving people into insecure jobs that pay poverty wages without a ladder to climb does not meet this goal; yet that is what we see happening far too often in the current ASPIRE program. **Over 4 out of 5 families (84%) leaving TANF in 2019 were still living in poverty either because they had no earnings or their earnings were so low that they were still facing poverty.** In 2019, nearly half (46%) of all families for whom TANF cash assistance terminated had no quarterly earnings. Of those who had earnings, more than 2 in 3 of them were making poverty wages, meaning they were still living under the poverty line.
- **Higher education can be a pathway out of poverty, but Fedcap is not helping families access education and training opportunities in the current ASPIRE program.** The Parents as Scholars program was created for that reason and it provides financial aid and supports to parents that can make higher education possible in many cases. **Yet more than 3 out of 4**

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<sup>11</sup> <http://legislature.maine.gov/doc/6990>

<sup>12</sup> <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>

**people who moved off TANF did not obtain education or training opportunities beyond high school.** The educational characteristics of those on TANF and those who moved off TANF are virtually the same, meaning people are not getting any meaningful education and training through ASPIRE that could lead to better paying jobs and employment opportunities. **In July 2021, the number of parents enrolled in Parents as Scholars was ONLY 20<sup>13</sup>.**

- **Many families who are struggling are not getting the support they need, despite being eligible for it.** In some cases, DHHS is interacting with people in the context of one program, but not helping those families access other critical benefits for which they are eligible. For example, given the large overlap in eligibility between families eligible for TANF and SNAP, on the one hand, and families eligible for WIC, on the other, **it is concerning to see that only about half of children under 5 years of age receiving TANF/SNAP also received assistance from WIC in 2019.**
  
- **The LIFT report data, coupled with the recommendations in the 2020 LIFT working group report, point to the dire need for reform, particularly in the following 3 areas:**
  1. **ASPIRE could and should be part of Maine’s workforce solution. But it is not living up to its promise as it is currently being administered by Fedcap.** The statutory goal of ASPIRE is to help families obtain and retain employment that sustains their families, but the program does not meet that goal on a regular basis.<sup>14</sup> ASPIRE is in need of real reform to better meet families where they are so they can forge a path to economic opportunity and security that will work for them. Based on Fedcap’s performance to date, we have no confidence that they can run this program effectively to meet its goals.
  
  2. **We need to strengthen and improve Maine’s safety net.** The pandemic exacerbated already unacceptable rates of poverty and hardship. In 2019, 14% of Maine children were living in poverty – a number that is higher for children from Black, Indigenous, and communities of color and children living in rural areas.<sup>15</sup> According to Census data from June-July 2021, 1 out of every 5 Maine adults reported having difficulty covering usual household expenses.<sup>16</sup> Yet anti-poverty

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<sup>13</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Geo%20Report%20aug%201.pdf>

<sup>14</sup> 22 M.R.S §3781-A

<sup>15</sup> <https://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=21&loct=2#detailed/2/21/false/1729,37,871,870,573,869,36,868,867,133/any/321,322>

<sup>16</sup> <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

programs are being underutilized, are difficult to access, and are falling short. **We need to simplify and improve the delivery of support and services for families living in poverty so that Maine has a strong and accessible safety net that responds to people’s needs and does not let anyone fall through the cracks.** Nobody should be going without enough food, access to health care, or other basic needs.

3. **We can do much better when it comes to providing compassionate, trauma-informed and culturally competent services at DHHS, and we need a structure that is accountable and responsive to the people DHHS serves.** This was a key recommendation that came out of the LIFT working group, and is supported by the data showing that ASPIRE and other DHHS programs are not currently working for the people DHHS serves. We need a structure that enables people with lived experience to provide input on DHHS programs and services in order to make them effective programs that really meet the needs of people.

#### **More DETAILS on the LIFT report findings:**

DHHS’ August 2021 report -- Measures of Child and Family Economic Security for Families Participating in Maine’s Public Assistance Programs -- presents the following data we would like to lift up, as they speak to the critical need to reform safety net programs at DHHS:

#### **A. TANF to poverty ratio**

- The TANF to poverty ratio is a measure of how many families living in poverty are actually being helped by the TANF program. According to the report, **TANF serves only 1 in 4 (26%) of all children living in poverty, meaning 3 out of 4 poor children don’t get help from the program. (Other estimates put this number even lower, at 19%, or 1 in 5 of all children living in poverty.<sup>17</sup>)**
- According to national estimates, this “TANF-to-poverty ratio” has fallen 72 points since 1995-96.<sup>18</sup>

#### **B. / C. Underutilization of WIC**

- The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), provides supplemental food as well as health and nutrition information and supports to low-income pregnant and post-partum people, and to infants and children up to age five. Unfortunately, many families eligible for WIC are not currently receiving it.

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<sup>17</sup> <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>

<sup>18</sup> <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>



- Given the large overlap in eligibility between families eligible for TANF and SNAP, on the one hand, and families eligible for WIC, on the other, it is concerning to see that:
  - **Only 50% of children under 5 years of age receiving TANF also received assistance from WIC in 2019.**
  - **Only 42% of children under 5 years of age receiving SNAP also receive assistance from WIC in 2019.**
- As suggested in the September 2020 LIFT working group report, the Department could increase uptake by streamlining the WIC eligibility determination and recertification process using SNAP and/or MaineCare as a proxy for financial eligibility; as well as initiating the full eligibility determination through My Maine Connection.

#### D. TANF/ASPIRE Employment Outcomes

- **Over 4 out of 5 families (84%) leaving TANF in 2019 were still living in poverty either because they had no earnings or their earnings were so low that they were still facing poverty.**
- In 2019, **46% of all families for whom TANF cash assistance has terminated have no quarterly earnings.**
- Of the families in 2019 for whom TANF has terminated *with* quarterly earnings (1,845 people), **a vast majority were making below poverty wages:**
  - 32% were below 50% FPL
  - 38% were between 50% and 100% FPL
  - 17% were between 100% FPL and 150% FPL
  - 9% were between 150% FPL and 200% FPL
  - 4% were above 200% FPL

#### E. TANF/ASPIRE education and training

- **More than 3 out of 4 people who moved off TANF did not obtain education or training opportunities beyond high school**
- In 2019, of participants for whom TANF was terminated in the prior year:
  - 21% had less than a high school credential
  - 55% had high school equivalency
  - 3% had other credentials
  - 14% had some college, no degree
  - 3% had an associate's degree
  - 4% had a bachelor's degree or beyond
- **The report shows that the educational characteristics of people leaving TANF are virtually the same as those on TANF, showing that ASPIRE is not providing the education and training needed to help people meet their goals and improve employment outcomes.**
- Data from 2016-2019 also shows educational indicators did not improve under Fedcap.

- In July 2021, the number of parents enrolled in Parents as Scholars was 20<sup>19</sup>.

### **G. SNAP education and training**

- In 2019, of SNAP recipients with children in the household:
  - 17% had less than a high school credential
  - 57% had high school equivalency
  - 3% had other credentials
  - 14% had some college, no degree
  - 5% had an associate's degree
  - 5% had a bachelor's degree or beyond

### **I. MaineCare and CHIP application processing**

- The Department presents the following data on MaineCare application processing timelines for 2019:
  - 24% in less than 24 hours
  - 13% in 1-7 days
  - 34% in 8-30 days
  - 13% in 31-25 days
  - 17% in more than 45 days
- The Department presents the following data on CHIP application processing timelines for 2019:
  - 19% in less than 24 hours
  - 6% in 1-7 days
  - 32% in 8-30 days
  - 12% in 31-25 days
  - 32% in more than 45 days
- It is worth noting that these processing times are greatly out of line with national averages.<sup>20</sup> According to data from CMS:
  - In February, 2020:
    - 5.8% of the states' Medicaid MAGI and CHIP applications were processed in less than 24 hours, as compared to 44.7% national average
    - 3.2% of the state's applications were processed in 1-7 days, as compared to 12.4% national average
    - 12.1% of the state's applications were processed in 8-30 days, as compared to 20.6% national average

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<sup>19</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Geo%20Report%20aug%201.pdf>

<sup>20</sup> <https://www.medicaid.gov/state-overviews/downloads/magi-application-time-report-2020.pdf>

- 55.4% of the state's applications were processed in 31-45 days, as compared to 6.5% national average
- 23.5% of the state's applications were processed in 45+ days, as compared to 15.8% national average.

#### **J. / K. Responsiveness / calls to OFI**

- While the Department presents data on average waiting times, by month, for a person calling the department's call center to speak to a person, not including an interactive voice response system, it is worth noting that we understand the call times listed are for a client to reach the call center, and *not*, to reach an eligibility specialist. These estimates therefore do not reflect the actual wait time for a client calling DHHS, as many clients need to speak to an eligibility specialist to have their issue resolved.
- It is also worth noting the high % of calls terminated during any given month (35% in December 2020)

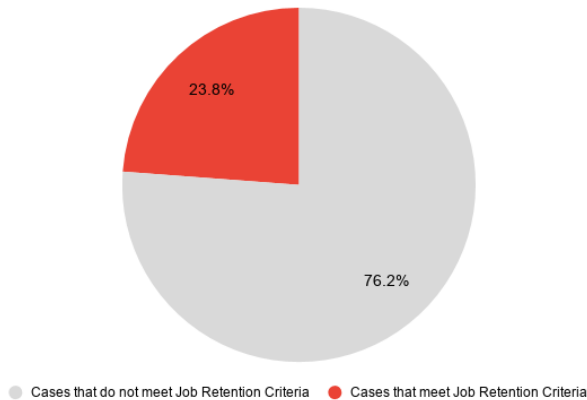
## Appendix B – Data on Fedcap’s Performance Administering the ASPIRE Program

### I. The current ASPIRE program is not realizing its potential.

The statutory goal of ASPIRE is to help families obtain and retain employment that sustains their families.<sup>21</sup> We know supportive education and training programs can and should be part of the solution and will be particularly critical as part of the state’s post-pandemic economic recovery. Instead, data supports the fact that Fedcap’s administration of ASPIRE has yielded low job retention rates, reduced participation in the Parents as Scholars and other vocational training programs, participant wages below the poverty level, and dramatically high sanction rates that result in family hardship and lost opportunity.

**Job Retention:** Fedcap collects data on the “Job Retention Rate.” That rate displays the total percentage of TANF participants or former participant who worked an average of 25 hours or more per week for 90 or more consecutive days. On average, only one in four participants meet this criterion.

Average Job Retention Rate, October 2019 - January 2021



**Employment:** Fedcap began its contract with the Department in October 2016. As the following table illustrates, Fedcap did not significantly increase the number of people placed in employment. From 2005 to 2008, the average percent of cases closed due to employment was 32.25%. From 2017 to 2019 (after Fedcap’s contract began), the average percent of cases closed due to employment was 33.33%.<sup>22</sup>

<sup>21</sup> 22 M.R.S §3781-A

<sup>22</sup> These data are drawn from the federal Characteristics and Financial Circumstances of TANF Recipient Reports found here: <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>

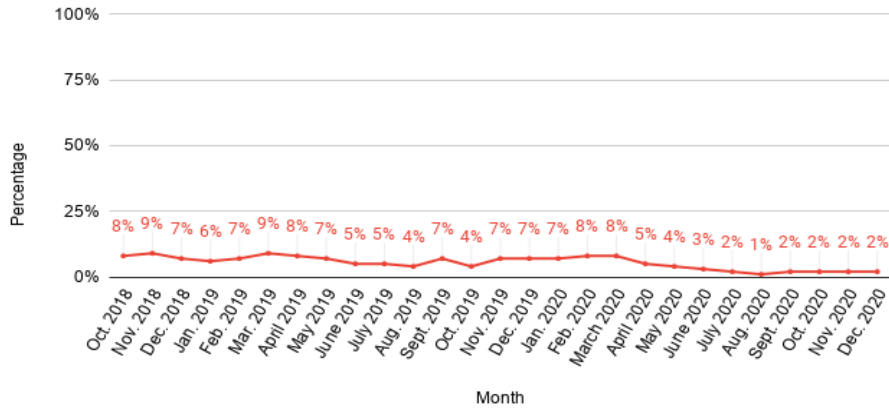
	<b>Percent of TANF cases closed due to employment MAINE</b>
2005	37%
2006	34.8%
2007	36.8%
2008	20.4%
2009 <sup>23</sup>	N/A
2010	N/A
2011	N/A
2012	32.2
2013	N/A
2014	32.3%
2015	34.6%
2016	30.9%
2017	30.5%
2018	35.3%
2019	34.2%

**Number of Individuals in Vocational Training:** Fedcap’s monthly reports track activities of ASPIRE-TANF program participants, including vocational educational training. From October 2018 to December 2020, the percentage of individuals who participated in vocational training was consistently below ten percent.

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<sup>23</sup> Missing data between 2009 and 2013 is most likely explained by weak employment rates during the Great Recession, and the federal government’s forgiveness of state filings during that period.

## Percentage of Individuals Participating in Vocational Educational Training



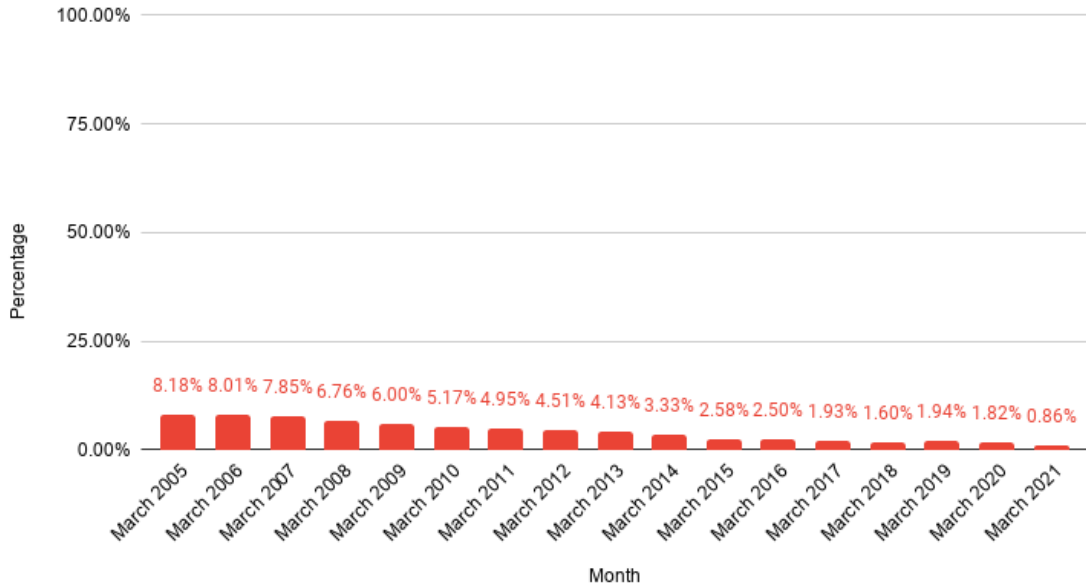
**Individuals in the Parents as Scholars Program:** The Parents as Scholars program provides financial aid to students who have dependent children and who are enrolled in postsecondary undergraduate programs.<sup>24</sup> Eligibility is based on need and families that qualify for TANF may apply to participate in the Parents as Scholars program. Up to **2,000** parents may participate in the program.

The Office for Family Independence publishes reports each month on the numbers of individuals in various public assistance programs.<sup>25</sup> Looking at the month of March from 2005 to 2020, the number of individuals in the Parents as Scholars program as a percent of all TANF families has dropped dramatically, with numbers well below the 2,000 slots available by statute to those who are eligible. There were 1,065 parents enrolled in the Parents as Scholars Program in March 2005; in July 2021, the number of parents enrolled was **only 20**.

<sup>24</sup> 22 M.R.S. § 3790(1)

<sup>25</sup> <https://www.maine.gov/dhhs/ofi/about-us/data-reports>

## Percentage of Parents as Scholars Cases out of Total TANF Cases



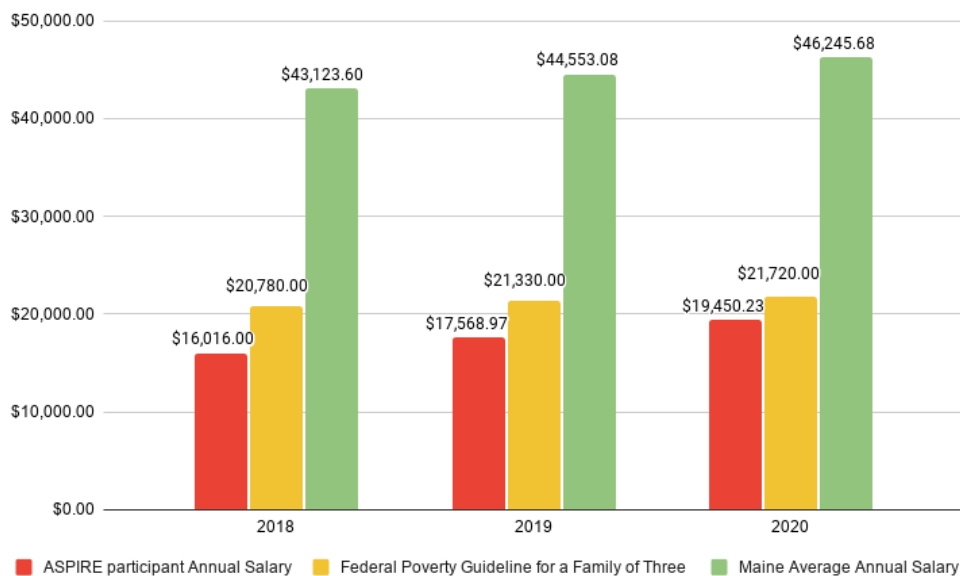
**Wages of ASPIRE-TANF Participants:** Fedcap’s monthly reports track the median hourly wages and average hours worked each week for ASPIRE-TANF participants. An estimated annual salary for ASPIRE-TANF participants was calculated by finding an average of the median hourly wage and weekly hours worked from the data for that year.<sup>26</sup> Then, the average median hourly wage was multiplied by the average weekly hours worked, then again by fifty-two weeks in a year. This estimated annual salary<sup>27</sup> is well below the estimated Maine average annual salary and also below 100% of the federal poverty guideline.<sup>28</sup>

<sup>26</sup> For 2018, only the October - December monthly data was available. For 2020, only the January - October monthly data was available.

<sup>27</sup> The Maine average annual salary is calculated by multiplying the State Average Weekly Wage by fifty two weeks in a year. State Average Weekly Wage data is sourced from [https://www.maine.gov/wcb/Departments/claims/state\\_aww.html](https://www.maine.gov/wcb/Departments/claims/state_aww.html).

<sup>28</sup> The federal poverty guideline data is sourced from <https://aspe.hhs.gov/prior-hhs-poverty-guidelines-and-federal-register-references>.

## Estimated Annual Salary



**ASPIRE should center work opportunities on pathways to quality jobs.** Simply moving people into insecure jobs that pay poverty wages without a ladder to climb does not meet this goal; yet that is what we see happening far too often in the current ASPIRE program. TANF work programs can and should focus on advocating for and supporting employment, training and education opportunities that will lead to higher-paying, quality jobs. Many parents turn to TANF for assistance because they work in unstable jobs that provide low-wages, variable hours, and limited opportunities for advancement. To improve recipients' employment opportunities, TANF work programs should focus on placing recipients in jobs with opportunities for advancement or in education and training programs that will prepare them for quality higher-paying jobs.

## II. Sanction data makes a clear case for program reform.

While Maine Equal Justice believes sanctions are not an effective way to promote economic security and opportunity, determining and imposing sanctions on people that can result in a loss of assistance should be the sole responsibility of DHHS. These determinations should be made based on the direct firsthand knowledge of the Department.

Sanctions can result in families going for weeks with less income, creating a risk of homelessness, utility terminations, and food insecurity. Evidence shows that sanctioned individuals are more likely than other TANF families to have physical or mental health issues, low educational levels, experience domestic violence, be members of racial or ethnic minorities, or lack access to transportation, childcare, or other essential work supports.

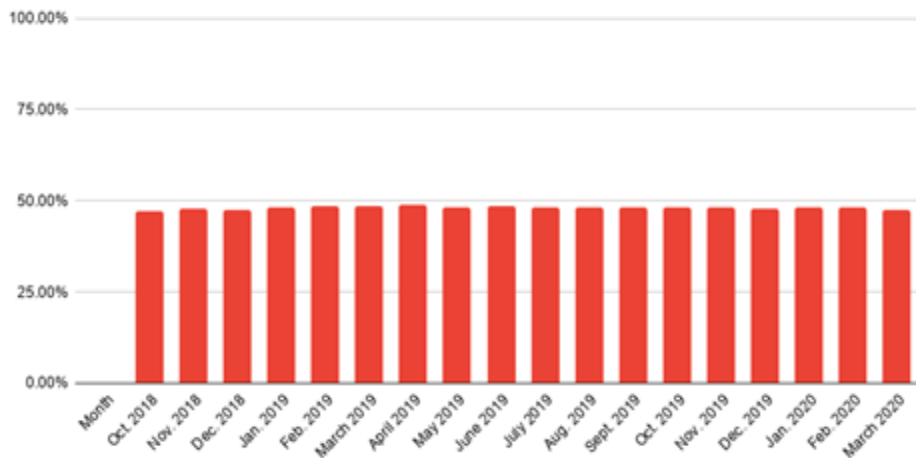


Currently, before a sanction can take place, the Fedcap case manager is required to thoroughly review the circumstances surrounding the case, ensure that the participant has notice of ‘good cause,’ and determine if good cause exists. When the Fedcap worker believes a sanction is appropriate, the case is then forwarded to a Fedcap supervisor who either rejects the sanction recommendation or sends it along to the Department for final approval. When the Department receives sanction recommendations from a Fedcap supervisor, it does not appear that any further independent fact finding takes place; instead, the Department relies on Fedcap to conduct proper fact finding and investigation and reviews to see if proper notifications were made and processes followed and signs off on the recommendation from Fedcap.

In practice, Fedcap workers provide information about “good cause” in a notice to participants that includes other content as well and the information can easily get lost. Fedcap workers do not consistently review cases for good cause but rather rely on participants to see and understand good cause and to proactively request and make the case for it. Case workers have inappropriately threatened participants with sanctions and frequently recommend sanctions when they are not warranted or appropriate.

**Under the current system, nearly fifty percent of ASPIRE-TANF participants were sanctioned at any given time during 2019.** In this chart, each month displays the percentage of total contract-to-date ASPIRE-TANF program participants who have been sanctioned by the Office for Family Independence at that point in time.<sup>29</sup>

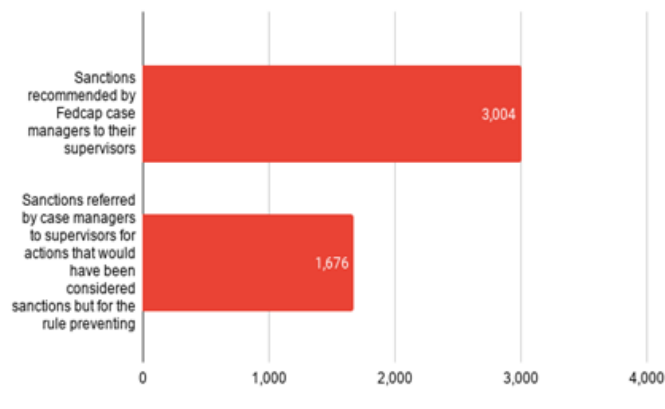
Contract to Date Percentage of Total Participants Sanctioned



In 2020, Fedcap case workers recommended 3,004 sanctions during a time period that mostly spans the pandemic. Supervisors recommended 1,676 during a time that primarily spans the pandemic.

<sup>29</sup> This data is pulled from Fedcap’s monthly “Breaking the Cycle” reports

Sanctions from January 2020 to February 2021



During that time, an average of [3,464 families \(8,348 recipients\)](#) participated in TANF each month and 3,004 sanctions were recommended by Fedcap workers. While noting that Fedcap could have recommended multiple sanctions per family, this data still makes clear that they were recommending sanctions freely without amply granting good cause during a pandemic. One of the reasons for “good cause” for noncompliance is when the “*parent has a crisis, special circumstance or other reason, including lack of child care or transportation that prevents them from participating.*” Presumably many people who were non-compliant during the pandemic qualified for good cause given the crisis and the special circumstances.

According to data provided by the Department, 450 sanctions were approved and imposed in this time period, and 926 recommended sanctions were denied (noting that 450 and 926 do not equal 1,676 - it is exactly 300 short - so presumably there is an error here). The Department stopped approving most sanctions due to the public health emergency from April 2020 through Feb. 2021, so presumably, most of these sanctions were imposed during the first three months of this time period. Thus, DHHS approved more than a quarter of the 1,676 sanctions recommended by Fedcap supervisors over the course of the entire 14-month period during less than a quarter of the time period in question.

Clearly something is wrong at a programmatic level when so many families are being sanctioned or wrongfully recommended for sanctions. The program is failing people and changes are needed to address this program failure. To increase program integrity, advance program goals, and ensure due process and accountability, DHHS should be directly responsible for any fact finding related to sanctions or other disputed issues that may arise.