



## Analysis of DHHS' August 2021 Report: Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs (the "LIFT Report")

A copy of the report is available at <http://legislature.maine.gov/doc/6990>

### 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. Toplines from the August 2021 report -- Measures of Child and Family Economic Security for Families Participating in Maine's Public Assistance Programs<sup>1</sup> -- are summarized below.

### LIFT Report Toplines:

- 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>2</sup>)

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<sup>1</sup> <http://legislature.maine.gov/doc/6990>

<sup>2</sup> <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>

- **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 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>3</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:

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

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>4</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>5</sup> According to Census data from June-July 2021, 1 out of every 5 Maine adults reported having difficulty covering usual household expenses.<sup>6</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 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:

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<sup>4</sup> 22 M.R.S §3781-A

<sup>5</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>6</sup> <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

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>7</sup>)
- According to national estimates, this "TANF-to-poverty ratio" has fallen 72 points since 1995-96.<sup>8</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.
- 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.

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<sup>7</sup> <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>

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- 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>9</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:

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<sup>9</sup> <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/Geo%20Report%20aug%201.pdf>

- 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>10</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
    - 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)

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<sup>10</sup> <https://www.medicaid.gov/state-overviews/downloads/magi-application-time-report-2020.pdf>