

Get the Facts on the GOP Ballot Initiative

Gov. Paul LePage and the Republican Party are collecting signatures on two irresponsible and dangerous ballot initiatives that will have lasting and damaging consequences for Maine's economy and families.

The first initiative will give millions of dollars to Maine's wealthiest residents by drastically cutting Maine's income tax with no plan to replace the lost funding for schools and other services that we all rely on.

The second initiative scapegoats people living at risk of homelessness and hunger while doing nothing to improve their chances of meeting basic needs or securing a good paying job.

Here's what the governor's tax plan would do:

The governor's tax plan would reduce the state income tax to 4% by 2021, with a plan that would get it to 0% over time. This proposal is a huge give away to the wealthy that will jeopardize funding for good schools and thriving communities. Here are 5 things you should know about the governor's tax plan:

- 1. It is a huge give away to the wealthy.** The governor's tax plan will give the wealthiest 1% of Mainers an average income tax cut of \$22,000 per household. Roughly half of this income tax cut will go to the top 5% of Mainers whose income is above \$175,000. One-third of Maine families will not see any benefit from the governor's tax plan.
- 2. It will slash funding for schools and vital services.** The governor's tax plan will cost the state close to \$600 million in lost revenue. That's nearly two-thirds of what the state pays for K-12 education and about three-quarters of what the state spends on health care for Maine seniors, children and people with disabilities. By creating huge budget shortfalls in the future, the governor's tax plan will hurt our ability to fund schools, provide access to health care for seniors, maintain public safety, and deliver other services that are the hallmarks of thriving communities.
- 3. It will trigger property tax increases.** Property taxes are already too high. This will make them higher. When the state doesn't uphold its commitment to fund schools and support local services, property taxpayers pay more to make up the difference.
- 4. It will make an unfair tax system even less fair.** Low- and middle-income Mainers already pay more per dollar in taxes than wealthy Mainers. The governor's tax plan will only worsen the situation. One-third of Maine families – most with low- and middle-incomes – will see no benefit at all from the governor's plan. These same families will actually see their taxes go up as a result of property and sales tax increases needed to pay for the governor's tax cuts for the wealthy.
- 5. It will slow economic growth in Maine.** Other states have tried and failed to boost their economies by resorting to these types of political gimmicks. Such approaches ultimately undermine a state's ability to invest in and protect what matters most to building a strong economy – it's people, infrastructure and environment. The governor's plan is no solution for promoting prosperity and will harm Maine's prospects for economic growth.

Republicans, Democrats and Independents have already rejected the governor's bad tax ideas. They refused to go along with the property and sales tax increases and cuts to programs and services that he proposed in his own state budget to pay for the giveaway for the wealthy.

Having failed to convince members of his own party of the merits of this approach, the governor is now resorting to desperate measures to get his way. Through the ballot initiative, he's promising significant income tax cuts without telling Maine people how he's going to pay for it.

Here's what the governor's welfare measures would do:

The proposed welfare measures will make it even harder for families to access temporary assistance and other programs to cope with crises and regain their footing in the face of economic uncertainty. His proposals do nothing to help Mainers avoid hunger and homelessness or to help them get on a path toward economic security. They also fail to generate significant savings in the state budget and may actually increase costs over the long-term. Here are 5 things you should know about the governor's welfare plan:

- 1. It hurts parents and children.** Several provisions in the governor's plan will hurt families and children. First, requiring a work search before parents can access assistance to support their children ignores the realities that some families in crisis may be facing. It's like telling a patient in cardiac arrest that you'll provide treatment as soon as they complete a treadmill test.

In addition, data from Maine's DHHS show that close to 70% of families receiving assistance are not ready to enter the workforce. It makes little sense to require parents to apply for jobs before they can benefit from services that will prepare them to get and keep a job.

The plan also cuts off help for families that are unable to comply with program rules due to circumstances beyond their control such as a sick child or a transportation or child care emergency. Finally, it seeks to permanently deny emergency assistance to parents at risk of losing a job through no fault of their own.
- 2. It does nothing to promote economic opportunity.** The governor's track record on helping people out of poverty is clear. While food insecurity is dropping in the rest of the nation, it has increased by more than 10% in Maine in the last five years. Over that same time period, the percent of Maine children living in extreme poverty has increased by 50% and the percentage of children without health insurance has doubled. The governor's ballot measure will make these troubling trends worse. In fact, it will drive more families into deeper poverty and limit educational and other opportunities for families into the future.
- 3. It scapegoats new Mainers.** Many asylum seekers and other lawfully present immigrants have fled violence and persecution in their homeland. Now Governor LePage wants to roll back a law passed by state legislators that supports emergency assistance for these individuals and families. In addition, he wants to go even further by barring new Mainers' access to programs that provide temporary access to food and other benefits that help them transition to productive lives here in Maine.
- 4. It makes it harder for people to get back on their feet.** The governor seeks to ban anyone convicted of a drug felony from accessing temporary access to food or other assistance even after they've served their sentence. This not only makes it harder for such individuals to access housing, education, and treatment that would help them get back on their feet, but it may have the unintended consequence of increasing the likelihood that they wind up back in prison at a greater cost to the state.
- 5. It contains costly and ineffective gimmicks.** The governor also wants to require drug-screening for all low-income parents applying for temporary assistance. Singling out low-income people in this way is not only unfair and raises constitutional concerns; it has also been ineffective and has cost more than saved in other states.

The governor wants to use state resources to apply for a waiver to prevent the purchase of certain sugary items by individuals accessing federal nutrition assistance. The federal government has never granted such a waiver, and there are far more effective ways to improve nutrition for everyone.

Finally, banning the purchase of tobacco, liquor, and lottery tickets using public resources is easier said than done. To be effective, business owners would need to review purchases and method of payment at the point of sale. The governor's plan includes no resources to support such an approach or monitor compliance and instead relies on neighbors turning each other in using a fraud hotline.

If these proposals sound familiar, they are. Governor LePage has put them forward unsuccessfully many times before. The Legislature has rejected them for good reason.

More on the governor's welfare ballot measures:

The proposed "welfare reform" measures are not *reform* in any sense of the word. They will do nothing to make people's lives better or tackle the real economic problems facing Maine families. They don't offer the tools or opportunities people need to get decent-paying jobs. This "reform" proposal is a thinly disguised effort to make deeper cuts that will increase hunger and homelessness. The referendum would make the following changes:

1. **Deny asylum seekers and other lawfully present immigrants the protection of a basic safety net.** This proposal would strike down the recently passed law that preserved General Assistance for asylum seekers and other immigrants. It would also bar their access to food aid (SNAP) and financial assistance for families with children (TANF). These programs provide vital transitional support for individuals and families seeking refuge here who have fled violence and persecution in their homeland.
2. **Prevent parents from getting TANF without first doing a work search regardless of whether the family is in crisis or able to work.** The Department of Health and Human Services' own data shows that 70% of families applying for TANF are not "work ready", meaning that right now they could not get a job. Requiring TANF applicants to apply for jobs before they have access to the program's work readiness services is putting the cart before the horse. More importantly, it blocks people who are in crisis from receiving desperately needed help in a timely manner.
3. **Create a lifetime ban that prevents anyone convicted of a drug felony from receiving TANF or SNAP even after they've served their sentence and are trying to get back on their feet.** This bar on assistance would jeopardize the very efforts toward sustainable and safe housing, education and food that are needed in order for people to successfully transition from prison. Without access to the basic safety net, these families will face high levels of distress, including hunger and homelessness.
4. **Screen all families applying for TANF for illegal drug use at significant cost and great humiliation for thousands of very low-income parents.** This policy unfairly targets people with low-income and implies that just because someone falls on hard economic times they are more likely to use and abuse drugs. Similar laws in other states have been ineffective and cost more than they saved.
5. **Bans the purchase of certain items including tobacco, liquor and lottery tickets with TANF benefits, but provides no real mechanism to enforce this ban other than a hotline encouraging people to turn others in.** This proposal is nearly impossible to administer effectively and would have little impact on the "misuse" of benefits. It is also likely to lead to false charges and misunderstanding.
6. **Eliminate access to the Alternative Aid Program that helps low-income families access supports to find or keep a job if they have received TANF for more than 60 months even though they are now off TANF and working or actively seeking work.**
7. **Require the state to seek a waiver to prevent the purchase of certain sugary items with SNAP benefits even though the federal government has never granted such a waiver and denied similar ones by other states in the past.** Most people who receive SNAP have earned income they can use to purchase these sugary items and studies suggest this is not an effective way to promote better, healthy choices.
8. **Eliminate "good cause" that protects families receiving TANF from losing help if they don't comply with the rules for a good reason, like having a sick child or facing a transportation or child care emergency.** Families would lose help with housing and other basic needs due to factors they have no control over – a car that won't start, an illness or a snow storm. This is fundamentally unfair.