

Lost Federal Funds: Lost Opportunities for Maine

Maine has forfeited a \$1.9 billion investment in families and the economy

Introduction

Maine relies on federal funds to build a strong economy and promote opportunities for families and children. Since 2011, Maine has forfeited over \$1.9 billion in available federal resources that could have helped families and communities thrive.

Federal funds bolster the state's ability to address public health needs. They strengthen families' economic security and ensure parents are better able to provide basic necessities for themselves and their children. They support the businesses that provide goods, services, and jobs.

At the same time, federal funding is critical in helping the state build costly infrastructure and fund the public programs that protect us. They stretch state dollars further and help balance the state budget. They make Maine's tax system fairer and ease shifting of state costs to property taxes. And accepting federal money allows Maine to receive its share of federal funds allocated to states.

In recent years, Maine has refused federal funds for programs that include Medicaid expansion and children's health insurance and for health care testing, screening, and treatment—including for colorectal cancer, mental illness, and substance abuse. It has prevented federal funds from helping hungry children, those with Alzheimer's disease, and victims of domestic violence and sexual assault, and failed to secure available federal funds to support business needs. In this brief, the Maine Center for Economic Policy (MECEP) identifies \$1.9 billion in federal funds that the state of Maine has turned away over the past seven years denying families and businesses the ability to prosper. Appendix 1 provides MECEP's list of these lost opportunities.¹

The state's current approach to federal funding is causing lasting harm. Lawmakers need to act to ensure that Maine is maximizing its use of federal funds to protect health and well-being, promote tax fairness, and boost Maine's economy.

How Maine is Losing Federal Funds

Maine's governor and his allies in the legislature have taken a series of explicit actions to block federal funds coming to Maine.

The governor and legislature have refused to accept new federal funds offered. The governor has turned back grants the state had been awarded, and declined to submit proposals for grants for which \$1.9 billion dollars is more than what all Mainers combined spend on heating oil for three winters.

Maine was invited to apply or had successfully competed previously. His administration also has not spent federal funds for their intended purpose, sometimes improperly redirecting the funds to other uses. The governor and legislature have cut funding to state programs that draw down federal matching dollars and failed to bond for needed infrastructure projects that are eligible to receive federal funds, even in a period of low interest rates.

Turning away federal funds so that people suffer from addiction and chronic disease, families go hungry, and roads and public structures crumble will not strengthen Maine's economy.

Securing and using federal resources to invest in public health, education, health care, education, and infrastructure will

Policymakers need to be frugal. They also have to act with foresight and in ways proven to help Mainers prosper. Turning away federal funds so that people suffer from addiction and chronic disease, families go

hungry, and roads and public structures crumble will not strengthen Maine's economy. Securing and using federal resources to invest in public health, education, health care, education, and infrastructure will.

Federal Funding is a Vital Part of Maine's Economy

Maine has lost as many as 4,800 jobs a year from the forfeiture of \$1.9 billion in federal funds. These include good-paying jobs for construction workers, nurses, and teachers and federal investment would have hastened Maine's job recovery following the recession.²

Federal dollars would have injected dollars in direct spending from salaries, taxes, supplies, and equipment purchases. Further, as the impact of this spending rippled through the economy, the funds would have generated additional demand for goods and services and supported jobs in other sectors indirectly. Direct and indirect spending from lost federal funding would have added up to \$700 million annually to the state's economy

With Maine's slow job growth and anemic economic health,³ this spending would have put more Mainers back to work and given our economy a timely boost.

Federal Funds Promote Opportunities for Maine Families and Businesses

Federal dollars protect public health, provide families and children with avenues out of poverty, and maintain fundamental business infrastructure.

Funds for Maine's Public Health

One of government's most important functions is to protect public health and well-being.

Table 1 - Key Federal Funds Lost for Public Health

Why These Lost Dollars Matter	Dollars Lost to Maine	The Facts	
Substance Abuse: Treats	\$3.8 million	Average one death per day in Maine ⁴	
addiction sufferers, including youth		Addiction costs the state \$750 million/year ⁵	
Alzheimer's: Supports sufferers of the disease and	\$300,000	One in eight people aged 65 and older has Alzheimer's; the 6 th leading cause of death in	Maine ⁷
their caregivers		69,000 Maine Alzheimer's caregivers give 78 r hours of unpaid care each year ⁸	nillion
		Maine's Medicaid Alzheimer's cost is \$187 mil annually 9	llion
Colorectal Cancer: Provides life-saving screenings for	\$1 million	Colon cancer is the third leading cause of cand death for both men and women in Maine ¹⁰	cer
low-income people		Rural Mainers are most at risk for colon cance	r ¹¹ :
Healthy Transitions: Treats teens with severe mental	\$3 million	Prevents school drop outs, homelessness, and suicide ¹²	1
illness		Services not eligible for Medicaid or private insurance ¹³	

Note: A list of lost federal funds totaling nearly \$22 million related to public health can be found in the appendix.

Maine is failing in this key role where one person per day dies from drug overdoses on average. There are more cancer deaths in Maine proportionate to our population than nationally and the state's granite bedrock causes high rates of carcinogenic arsenic and radon in well water. Deaths from domestic violence account for half of Maine's homicides, the highest rate in the nation. After decades of declining rates, infant mortality is now again on the rise in Maine, largely due to a decline in public health nursing. Maine has fallen from 8th healthiest in 2010 to 22nd in 2015 in America's health rankings.

Federal support is available for health testing, screening, intervention, and treatment as well as responding to epidemics, serving victims of sexual assault, assisting caregivers, and providing

public health nursing services, but the state is turning these dollars away. In 2016 alone for example, the state declined federal funding to: assist Mainers (including adolescents) addicted to prescription painkillers and other opioids with treatment and recovery;²² screen low-income Mainers for colorectal cancer;²³ test well water for arsenic;²⁴ provide treatment and counseling to teenagers and young adults diagnosed with mental illness;²⁵ and expand home and community based services for Mainers suffering from Alzheimer's and their caregivers. 26 These programs provide critical preventative and treatment services when Mainers need them most.

Even when the state has received federal funds for public health, there is troubling evidence that it is not spending some of these funds to provide the level of service intended. With positions left unfilled, the number of public health nurses funded by the state is half of what they were just seven years ago, yet the state receives the same level of federal funding.²⁷ In addition, the state received a four-year, \$5.7 million grant under the Affordable Care Act in 2012 to expand home visiting nurses for newborns, but the number of families receiving care has not significantly improved.²⁸

In 2016, the state was awarded domestic violence and sexual assault, but spent only half the funds for that purpose.²⁹

\$8 million to increase services to With positions left unfilled, the number of public health nurses victims of crime, including funded by the state is half of what they were just seven years ago, yet the state receives the same level of federal funding.

Nearly \$22 million in federal funds could have helped protect Mainers from public health emergencies, but the state chose not to access them.

Funds for Maine's Families and Children

Maine's economic policies are failing low-income households. Maine's children are falling into deep poverty at eight times the national average, 30 while 3,500 fewer children have health insurance coverage.³¹ The state ranks ninth hungriest in the nation and first hungriest in New England.³² Child care in Maine is more expensive than college.³³

Government assistance for families cuts poverty by half³⁴ and even a small increase in a family's household income corresponds with a boost in lifetime earnings for their children. 35 The state could use its share of available federal funds to reduce poverty and help parents increase their financial stability. Instead, it has disqualified low-income parents from receiving food stamps and basic family assistance while turning back federal funds and letting funds accumulate unspent. Due to state policy decisions, 42,600 children have lost food assistance in recent years³⁶ and 16,000 have lost family assistance³⁷ even as poverty rates remain high (see Figure 1).

By revoking eligibility, Maine lost \$142 million in federal food assistance funds. It is sitting on \$200 million in Temporary Assistance for **Families** Needy (TANF) funds intended to help Maine's poorest families and even tried to divert these funds to other uses.³⁸ The state also failed to maximize federal funding for child care support for low-income working parents and refused to apply for or

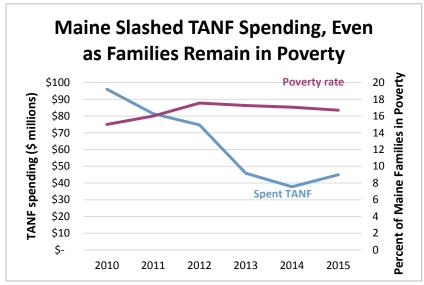


Figure 1: US Department of Health and Human Services, Office of Family Assistance, TANF financial data and US Census Bureau, American Community Survey, 2009-2015 1-year estimates.

renew federal grants for early child education programs, totaling \$44 million in lost federal funds.

Table 2: Key Federal Funds Lost for Families and Children

Why These Lost Dollars Matter	Dollars Lost to Maine	The Facts
SNAP: Feeds hungry families and children	\$142 million	 ✓ 63% of SNAP dollars go to families with children³⁹ ✓ Every \$1.00 increase in food assistance generates \$1.70 in economic activity⁴⁰
TANF: Helps poor families and children meet basic needs	\$200 million	 ✓ Maine children are falling into deep poverty—that's half the federal poverty level—at a rate eight times faster than the national average⁴¹ ✓ 16,000 Maine children have lost basic assistance⁴²
Child Care Block Grant: Keeps children safe while their parents work and maximizes their future well-being	\$3.1 million	 ✓ Child care support helps families with very low incomes remain in the workforce⁴³ ✓ In Maine child care is more expensive than college⁴⁴

Note: A list of lost federal funds totaling nearly \$390 million related to children and families can be found in the appendix.

All told, since 2011, Maine has lost these and other funds totaling nearly \$390 million that would have kept families out of poverty, helped improve food security, and supported early education for Maine children.

Funds for Health Care for Low-income Mainers and Children

Maine failed to budget the matching funds needed to maximize children's health insurance funds (CHIP) and lost \$59.5 million in federal funds in the process. The state has also disqualified tens of thousands of Mainers from receiving MaineCare (Maine's Medicaid health insurance program for low-income adults, children, and disabled). In 2012, the state dropped childless adults and parents who earned up to 200% of the federal poverty level (the previous cut-off) and now covers only those below 100% of the poverty line. About 25,000 families and adults lost their health coverage and Maine lost \$164 million in federal health care funds.

Table 3 - Key Federal Funds Lost for Health Care

Why These Lost Dollars Matter	Dollars Lost to Maine		The Facts
Medicaid Expansion: Provides access to health care for low-income	\$1 billion	✓	Maine's health ranking dropped from 15 in 2015 to 22 in 2016, one of the largest one-year declines in the country ⁴⁵
families		✓	Health insurance provides treatment for opioid addiction, gets Mainers back into the workforce, and decreases hospitals' uncompensated charitable care ⁴⁶
		✓	Federal government would pay 95% in 2017
MaineCare: Gives low- income families with	\$244 million	✓	3,500 fewer Maine children had health insurance in 2015 than in 2010, the worst drop in the nation ⁴⁷
children and adults access to health care		✓	Most children receiving Medicaid have parents who work ⁴⁸
		✓	Cuts to MaineCare forced hundreds off substance abuse treatment programs, including veterans and pregnant women ⁴⁹
CHIP: Provides health insurance for children	\$59.5 million	✓	Covers 25,000 children not eligible for MaineCare and includes children in foster care and those with severe disabilities ⁵⁰

Note: A list of lost federal funds totaling over \$1.3 billion related to health care can be found in the appendix.

The state's continued refusal to accept federal funds to expand Medicaid prevents 70,000 low-income Mainers from accessing affordable health care and puts their health and the health of Maine's economy at risk. ⁵¹ Foregoing millions of dollars in investment threatens hospitals' stability, prevents ill or disabled Mainers from returning to work—the top reason people are not in the work force—and relinquishes thousands of jobs. ⁵²

Under current law, Maine still has the ability to increase eligibility for its Medicaid program, and to accept the offer of federal funding, which would amount to \$246 million annually invested

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directly into Maine's economy.⁵³ The state itself would see savings of \$40 million a year from the use of federal funds for state services.⁵⁴ The federal funding would also generate additional economic activity, and support or retain thousands in health care-related jobs.⁵⁵

As a result of state actions, Maine has lost over \$1.3 billion dollars in federal health care funds.

Funds for Maine's Business Infrastructure

Businesses rely on safe, efficient roads, thriving communities, and healthy natural resources. These same elements attract new residents to populate the workforce.

Forty-nine people die each year on Maine's roads from deficient roadway features.⁵⁶ Every year, Mainers pay \$1 billion for traffic crashes, vehicle repairs, and wasted fuel from driving on roads in poor structural condition.⁵⁷ Maine is ranked eighth among states with the highest percentage of major rural roads in poor condition.⁵⁸

Table 4 - Key Federal Funds Lost for Business Infrastructure

Why These Lost Dollars Matter	Dollars Lost to Maine		The Facts
Transportation and Other Bonds: Keeps drivers safe and commerce moving	\$196 million	✓	More deaths on Maine roads per year on average from poor road construction than from alcohol (49 vs 37) ⁵⁹ ,60
		✓	\$1.5 billion in needed road and bridge repairs ⁶¹
Forest Legacy Program: Keeps forest lands intact	\$1.73 million	✓	Forest products; a \$1.8 billion dollar industry ⁶²

Note: A list of lost federal funds related to infrastructure can be found in the appendix.

With \$1.5 billion in needed road and bridge repairs,⁶³ Maine must significantly increase transportation funding to keep motorists safe and commerce moving. The federal government allocates federal highway funds to states based on a proportion of what that state's residents pay in gasoline taxes and other motor vehicle fees and the amount of federal transportation

infrastructure present in the state.⁶⁴ State matching funds for transportation infrastructure bring in more than twice their amount in federal funds. The state has traditionally bonded for its share of capital expenses for road construction and repair with high voter approval.⁶⁵

Yet over the past seven years, the state has not asked voters for matching funds needed to secure adequate federal funding to build and maintain infrastructure, even with record low interest rates. Since 2011, by reducing bonding levels, the state has surrendered an average of \$28 million a year totaling \$196 million in federal funds for roads and bridges, airports and cargo ports, drinking water and wastewater treatment systems, and other infrastructure when

compared to previous bonding levels (see Figure 2).⁶⁶ The state has also foregone state gasoline taxes that could be used to match federal transportation dollars.⁶⁷

When the state defers bonding, it loses its share of federal dollars allowing Maine's infrastructure to decay, state costs for maintenance to increase, and motorists and truckers to pay more in delays, damages, and wear and tear.

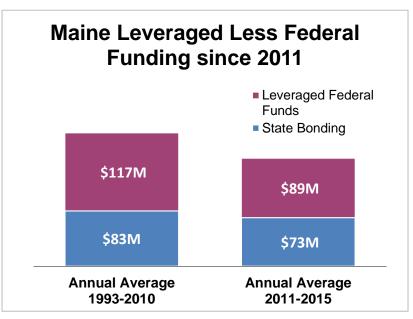


Figure 2: MECEP analysis of election bond referenda results, Secretary of State

The state has also rejected other federal funds that would strengthen Maine businesses. It has passed on federal grants and matching federal dollars to assist businesses with reducing waste and chemical byproducts, obtaining clean water, and accessing research and development grants. The LePage administration did not seek federal funds to preserve 6,400 acres of working forest land⁶⁸ and refused to meet with federal experts working to find ways to strengthen Maine's forest products industry.⁶⁹

The state has lost millions in federal funding that would have supported business needs.

When the State Refuses Federal Dollars, State and Local Taxpayers Pay More

Turning away federal funds shrinks state resources that not only undermines Maine's ability to invest in thriving communities, it also contributes to greater reliance on more regressive forms of taxation that most adversely affect low- and moderate-income Mainers.

Maine funds over one-third of the state budget with dollars the federal government provides (see Figure 3). Federal grants help stretch scarce funds and reduce the state's overall program costs. They allow the state to provide public services and structures that protect us. They represent Maine's share of congressionally appropriated funds, which if Maine refuses to accept or fails to secure, will go to other states. Federal grants also help to keep Maine's tax system more fair.

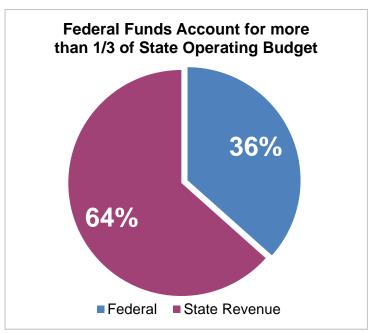


Figure 2: Source: Maine Legislature, Office of Fiscal and Program Review. 10-year average, 2006-2016

A small investment of state funds can leverage significant federal

dollars to address state needs. For example, for every dollar the state invests in child care the state receives \$1.50 in federal grant funds. Over the past 20 years, Maine's bond investments have, on average, leveraged an additional \$1.45 in federal and other funds for every state dollar invested. For every dollar the state invested in transportation, the federal government matched on average with two dollars.⁷⁰

Federal grants bring back dollars to the state that Mainers pay in federal taxes, which promotes tax fairness, while forfeiting federal funds undermines tax fairness. Rejecting federal funds also does not reduce federal taxes. In many cases, like health care, when the state rejects payments meant for Maine, the federal government does not cut Mainers' taxes, it re-distributes those funds to other states.⁷¹

Federal grants bring back dollars to the state that Mainers pay in federal taxes, which promotes tax fairness, while forfeiting federal funds undermines tax fairness.

The federal income tax is more progressive than any state tax system, because it bases the tax rate on an individual's income and ability to pay. The Increased reliance on state rather than federal resources to fund

programs and invest in infrastructure means that low- and middle-income people wind up paying more for state services as a share of their income than wealthy people.

Losing or rejecting federal funds also increases the cost of local services, which towns and cities fund with property taxes. For example, state changes in the federally funded TANF program have increased municipal costs for general assistance.⁷³ The burden from turning away federal grants for drug addiction treatment programs falls on local police funded at the local level.⁷⁴ The state's refusal of federal funds means cities and towns must make up the difference by raising property taxes putting the burden on low- and moderate-income Mainers to pay disproportionately more in taxes.

Since 2011, Maine's property tax rates, on average, have gone up by 33 percent, largely as a result of having to raise more funds locally for municipal services and to fund education. Lost federal funds could have helped to offset some local costs directly by supporting programs that increase the likelihood that children are healthy and show up to school ready to learn. State policies that have favored income tax cuts for wealthy Mainers coupled with rejection of federal funds with compound the problem. For example, since 2011, the wealthiest 20 percent of Mainers have benefited from \$163 million in income tax cuts each year. Over the same time period, communities have had to raise over a billion dollars in property taxes—an average of an additional \$180 million each year—toward education to compensate for the state underfunding its share of education costs.

It's Time to Take Back Maine's Budget and Use Available Resources Wisely

By not maximizing the use of available federal dollars, Maine families, Maine businesses, Maine communities, and Maine's economy suffer. Maine should be investing in better schools and child care, improved public health services, health care and treatment of chronic disease, and infrastructure that supports commerce and community life. Federal funds are an important part of the solution.

The Maine Center for Economic Policy calls on state lawmakers to stem the loss of vital federal dollars into our state and to use them to invest in our economy and safeguard our families by:

- Using accumulated TANF funds to meet basic needs and support educational programming for Maine's low-income families and children as the law intends;
- Expanding access to health care, drug treatment, and chronic disease prevention programs by accepting federal Medicaid funds;
- Restoring Maine's public health network of public nurses, health screenings, and support services for adolescent parents, youth with substance use disorder, families dealing

Alzheimer's disease, and victims of domestic abuse by securing available federal grants for these programs;

- Investing in children's future by expanding access to food nutrition, child care, and health care using available federal funding;
- Presenting voters a robust bond package to improve transportation safety and efficiency;
 and
- Conducting a public inquiry into state government's pursuit and expenditure of federal funding to ensure that the resources are effectively managed and expended for their intended purpose.

Legislators must build a responsible state budget that takes advantage of federal funds to invest in our communities and families, rather than cutting needed services, neglecting state infrastructure, and shifting state costs to property taxpayers.

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Disclaimer

This report does not capture all of Maine's lost federal funds. MECEP included only the funds that we could verify with reasonable confidence.

About MECEP

The Maine Center for Economic Policy is a nonpartisan policy research organization that provides citizens, policymakers, advocates, and media with credible and rigorous economic analysis that advances economic justice and prosperity for all Maine people.

About the Author

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Appendix – List of Maine's Lost Federal Funds, 2011-2017

GRANT/FEDERAL FUNDS LOST	DESCRIPTION OF SERVICES FUNDED	YEAR FUNDING STOPPED	STATE MATCH REQUIRED TO ACCESS FEDERAL FUNDS	AM CU	FEDERAL FUNDS DOLLAR OUNT LOST IMULATIVE 011-2017*	UI CUN	EDERAL FUNDS MONEY NSPENT MULATIVE 11-2017	FU T	TOTAL FEDERAL FUNDS LOST TO MAINE 2011-2017	
Public Health										
Safe Water Program ⁷⁸	arsenic testing in well water	2016		\$	300,000			\$	300,000	
Colorectal Cancer Control Program ⁷⁹	colon cancer screening for low- income, uninsured men and women, age 50-75	2016	none	\$	1,000,000			\$	1,000,000	
Alzheimer's Disease Supportive Services Program ⁸⁰	community-level supportive services for persons with Alzheimer's disease and their caregivers	2016	25% cash or in-kind	\$	300,000			\$	300,000	
Medication Assisted Treatment-Prescription Drug and Opioid Addiction ⁸¹	treatment services for opioid addiction	2016	none	\$	3,000,000*			\$	3,000,000	
State Youth Treatment- Implementation project ⁸²	treatment for adolescents with substance use disorders	2015	none			\$	800,000	\$	800,000	
Now is the Time-Healthy Transitions/Moving Forward ⁸³	mental health treatment and care for teens and young adults	2016	none	\$	3,000,000*			\$	3,000,000	
Adolescent Health Grant ⁸⁴	Health and support programs for high risk teen parents to become educated and be successful parents	2013	none	\$	4,000,000			\$	4,000,000	

Oral Health Workforce Development ⁸⁵	Support for telemedicine and dental workers to meet oral health needs of rural, underserved populations	2013	40%	\$ 400,000		\$ 400,000
Maternal and Child Health Block Grant ⁸⁶	public health nurses					\$ unknown; see endnote
Maternal, Infant, and Early Childhood Home Visiting Program ⁸⁷	home visits for newborns		none			\$ unknown; see endnote
Victims of Crime Act (VOCA) ⁸⁸	support services that help victims with the trauma and aftermath of domestic violence and sexual assault crimes	2016	25%		\$ 8,950,000	\$ 8,950,000
Total for Public Hea	ılth			\$12,000,000	\$9,750,000	\$21,750,000
AL 11 1 - 111						
Children and Famili						
Children and Famili Supplemental Food Assistance (SNAP) ⁸⁹	food assistance for low-income families and individuals	2014	50% of admin costs	\$ 141,955,935		\$ 141,955,935
Supplemental Food	food assistance for low-income	2014		\$ 141,955,935	\$ 200,580,539	\$ 141,955,935 \$ 200,580,539
Supplemental Food Assistance (SNAP) ⁸⁹ Temporary Assistance For Needy Families	food assistance for low-income families and individuals basic family needs for low-		costs 80% of 1994	\$ 141,955,935	\$ 200,580,539	
Supplemental Food Assistance (SNAP) ⁸⁹ Temporary Assistance For Needy Families (TANF) ⁹⁰	food assistance for low-income families and individuals basic family needs for low-income families tuition and family supports to enable low-income parents to		costs 80% of 1994	\$ 141,955,935	\$ 200,580,539	\$ 200,580,539 Included in
Supplemental Food Assistance (SNAP) ⁸⁹ Temporary Assistance For Needy Families (TANF) ⁹⁰ Parents as Scholars ⁹¹	food assistance for low-income families and individuals basic family needs for low-income families tuition and family supports to enable low-income parents to earn a college degree facilitate collaboration among	2012	costs 80% of 1994 allocation		\$ 200,580,539	\$ 200,580,539 Included in TANF above
Supplemental Food Assistance (SNAP) ⁸⁹ Temporary Assistance For Needy Families (TANF) ⁹⁰ Parents as Scholars ⁹¹ Head Start Office ⁹²	food assistance for low-income families and individuals basic family needs for low-income families tuition and family supports to enable low-income parents to earn a college degree facilitate collaboration among early childhood programs early child care and after school	2012	costs 80% of 1994 allocation	\$ 1,000,000	\$ 200,580,539	\$ 200,580,539 Included in TANF above \$ 1,000,000

Project Launch ⁹⁵	coordination of child-serving programs to ensure that all children enter school ready to learn and able to succeed	2014	none	\$ 4,000,000*		\$	4,000,000
Project Launch Expansion ⁹⁶	coordination of child-serving programs to ensure that all children enter school ready to learn and able to succeed	2015	none	\$ 4,000,000*		\$	4,000,000
Total for Children a	nd Families			\$185,955,935	\$200,705,539	\$3	86,661,474

Health Care					
Medicaid expansion ⁹⁷	Medicaid health coverage for people earning between 100 percent and 138 percent of the federal poverty level	2014	none in 2016	\$1,024,000,000	\$1,024,000,000
MaineCare ⁹⁸	health coverage for parents with income between 100% and 200% of the federal poverty level and childless adults	2016	35.66%	\$ 244,000,000	\$ 244,000,000
Children's Health Insurance Program (CHIP) ⁹⁹	health coverage for low-income children	2013	2%	\$ 59,500,000	\$ 59,500,000
Medicaid State Health Exchange ¹⁰⁰	Maine's state health exchange to facilitate the purchase of health insurance	2012		\$ 5,800,000	\$ 5,800,000
Total Health Care				\$1,333,300,000	\$1,333,300,000

Infrastructure						
EPA Pollution Prevention ¹⁰¹	pollution prevention technical assistance services and/or training for businesses	2012	50%	\$ 450,000		\$ 450,000
Forest Legacy Program ¹⁰²	Perham Stream project, forest land conservation	2016	25%, state, local, private	\$ 1,725,000		\$ 1,725,000
State bond funds that garner federal match ¹⁰³	Infrastructure for transportation, pollution prevention, economic development, etc	2011	varies	\$ 196,000,000		\$ 196,000,000
Total for Infrastructu	re			\$198,175,000		\$198,175,000
Total				\$1,729,430,935	\$210,455,539	\$1,939,886,474

^{*}For some multi-year grants, the figure includes the loss of federal funds beyond 2017

End Notes

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¹ This report captures only a portion of what MECEP believes to be Maine's lost federal funds. We included only the funds that we could verify with reasonable confidence.

² Nearly 9 years out from the start of the Great Recession, Maine's jobs numbers finally reached pre-Recession levels, the last state in New England to do so and well behind the rest of the country. Based on BLS non-farm employment data for January 2017.

³ Maine real GDP has grown only 0.2% since the start of the recession compared to 0.6% in New England and 1.1% in the US. GDP, or gross domestic product, is the total dollar value of goods and services produced and is a key indicator of an economy's health.

⁴ Lawlor, Joe. Portland Press Herald. "Drug overdose deaths in Maine now averaging 1 a day," Dec 6, 2016. Available: http://www.pressherald.com/2016/11/14/drug-overdose-deaths-surge-in-maine-through-first-nine-months-of-2016/.

⁵ Maine Center for Economic Policy. <u>Annual Cost of Maine's Substance Abuse Epidemic, 2015</u>, April 2016. Available: <u>http://www.mecep.org/annual-cost-of-maines-substance-abuse-epidemic-2015/</u>.

⁶ Maine Department of Health and Human Services. <u>State Plan for Alzheimer's Disease and Related Dementias in Maine</u>, undated. Available: http://www.maine.gov/dhhs/oads/docs/ALZ-State-Plan.pdf.

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http://www.alz.org/documents-custom/facts-2017/statesheet-maine.pdf?type=interior-map&facts=undefined&facts=facts.

⁸ Ibid.

⁹ Ibid.

¹⁰ Maine Public Health Association. Press Release. "LePage Rejects Federal Investment in Lifesaving Cancer Screenings for Maine Residents," Dec 18, 2015. Available: https://www.mainepublichealth.org/2015/12/lepage-rejects-federal-investment-in-lifesaving-cancer-screenings-for-maine-residents/.

¹¹ Editorial Board. <u>Portland Press Herald</u>. "Our View: Maine forfeits chance to protect public health," Dec 24, 2015. Available: http://www.pressherald.com/2015/12/24/our-view-maine-forfeits-chance-to-protect-public-health/.

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¹⁴ Lawlor, Joe. <u>Portland Press Herald</u>. "Drug overdose deaths in Maine now averaging 1 a day," Dec 6, 2016. Available: http://www.pressherald.com/2016/11/14/drug-overdose-deaths-surge-in-maine-through-first-nine-months-of-2016/.

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¹⁶ Nielsen, Martha G., Pamela J. Lombard, and Luther F. Schalk. U.S. Geologic Survey. <u>Assessment of Arsenic Concentrations in Domestic Well Water, by Town, in Maine, 2005–09</u>. Available: https://pubs.usgs.gov/sir/2010/5199/ and Koenig, Seth. <u>Bangor Daily News</u>. "'Arsenic Belt' in eastern Maine means high rate of the poison in well water, study finds," June 26, 2012. Available: http://bangordailynews.com/2012/06/26/news/state/arsenic-belt-through-eastern-maine-means-high-rate-of-the-poison-in-well-water-study-finds/.

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¹⁸ Byrne, Michael. <u>Portland Press Herald</u>. "Half of Maine homicides in 2014-15 stemmed from domestic violence, report says," June 30, 2016. Available: http://www.pressherald.com/2016/06/30/half-of-maine-homicides-stemmed-from-domestic-violence-report-shows/.

²¹ United Health Foundation. America's Health Ranking 2016 Annual Report. Available: http://assets.americashealthrankings.org/app/uploads/ahr16-complete-v2.pdf.

³¹ US Census Bureau, American Community Survey, 2010 and 2015 1-year estimates.

³⁴ Center on Budget and Policy Priorities. <u>Website</u>. "Accomplishments of the Safety Net," Nov 17, 2015. Available: http://www.cbpp.org/research/poverty-and-inequality/chart-book-accomplishments-of-the-safety-net#part1.

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²⁰ Wight, Patty. Maine Public. "Maine Falling Behind in Infant Mortality Ranking," Sept 30, 2016. Available: http://mainepublic.org/post/maine-falling-behind-infant-mortality-ranking#stream/0.

²² Farwell, Jackie. Bangor Daily News. "Drug treatment advocates question state's choice to not pursue grant," Aug 7, 2015. Available: http://bangordailynews.com/2015/08/07/health/drug-treatment-advocates-question-lepages-<u>choice-to-not-pursue-grant/.</u>

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²⁴ Shepard, Michael. Kennebec Journal. "Maine advocates decry LePage administration move to end well water grant," July 11, 2015. Available: http://www.centralmaine.com/2015/07/11/maine-advocates-decry-lepageadministration-move-to-end-well-water-grant/.

²⁵ Stone, Matthew. Bangor Daily News. "With no explanation, Maine rejects scarce funds for young people with mental illness."

²⁶ Conversations Karen Heck, Senior Program Officer, The Bingham Program. Jan 18, 2017 and Jessica Mauer, Executive Director, Maine Association of Area Agencies on Aging, Jan 18, 2017.

²⁷ Stone, Matthew. Bangor Daily News. "Maine has sliced the ranks of nurses who prevent outbreaks, help drugaffected babies, Aug. 09, 2016. Available: http://bangordailynews.com/2016/08/09/mainefocus/maine-has-slicedthe-ranks-of-nurses-who-prevent-outbreaks-help-drug-affected-babies/?ref=series.

²⁸ Stone, Matthew. Bangor Daily News. "Maine got millions to help moms and babies, but has little to show for it," Aug 15, 2016. Available: http://bangordailynews.com/2016/08/15/mainefocus/maine-got-millions-to-help-momsand-babies-but-has-little-to-show-for-it/?ref=series.

29 Conversation with Karen Heck, Senior Program Officer, The Bingham Program, Dec 20, 2016.

³⁰ MECEP analysis of 2015 ACA data, US Census Bureau. Deep poverty is half the federal poverty rate or less than \$10,000 a year for a family of three.

³² United States Department of Agriculture (USDA) Economic Research Service. Website. "Key Statistics & Graphics, State-Level Prevalence of Food Insecurity." Available: https://www.ers.usda.gov/topics/food-nutritionassistance/food-security-in-the-us/key-statistics-graphics.aspx#map.

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Research shows that a \$3,000 increase in income for households earning less than \$25,000 a year with a child in the home age five or under corresponds with a 17 percent increase in that child's lifetime earnings. Duncan, G., Ziol-Guest, K., and Kalil, A. (2010). "Early childhood poverty and adult attainment, behavior and health". Child Development, 81(1), 306-325. Available at:

³⁶ Maine Equal Justice Partners analysis of data from USDA and Maine Department of Health and Human Services, February 2017.

³⁷ Maine Equal Justice Partners (MEJP). Website. "Proposed Budget Cuts Negatively Impact Maine People." Available: http://www.mejp.org/content/proposed-budget-cuts-negatively-impact-maine-people.

³⁸ Editorial Board. <u>Bangor Daily News</u>. "Maine leaves more welfare money unspent as more children fall into poverty," July 22, 2016. Available: http://bangordailynews.com/2016/07/22/opinion/editorials/maine-leavesmore-welfare-money-unspent-as-more-children-fall-into-poverty/ and http://bangordailynews.com/2016/10/18/mainefocus/in-rare-report-auditor-finds-dhhs-misspent-13m-in-welfare-

funds/?ref=relatedSidebar. ³⁹ Center on Budget and Policy Priorities. <u>Maine Food Supplement Program Fact Sheet</u>, January 2017. Available: http://www.cbpp.org/sites/default/files/atoms/files/snap factsheet maine.pdf.

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⁴⁰ Rosenbaum, Dottie. SNAP is effective and efficient. Center on Budget and Policy Priorities, March 2013. Available: http://www.cbpp.org/research/snap-is-effective-and-efficient.

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⁴² Maine Equal Justice Partners. <u>Website</u>. "Proposed Budget Cuts Negatively Impact Maine People." Available: http://www.mejp.org/content/proposed-budget-cuts-negatively-impact-maine-people.

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⁶¹ Harris, Jody. MECEP Blog. "Too Little, Too Late." Maine Center for Economic Policy: Augusta, ME, Aug 27, 2013. Available: http://blog.mecep.org/2013/08/too-little-too-late/.

⁶² Forests for Maine's Future. <u>Website</u>. "FAQ's About Maine's Forests: Available: http://www.forestsformainesfuture.org/forest-facts/.

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⁶⁴ Kirk, Robert S. Congressional Research Service. The Donor-Donee State Issue in Highway Finance, June 13, 2011. Available: http://www.aashtojournal.org/Documents/June2011/CRSreport.pdf.

⁶⁵ MECEP's analysis of election results on bond referendum questions. Maine Secretary of State. Available: http://www.maine.gov/sos/cec/elec/results/index.html. ⁶⁶ <u>Ibid</u>.

 $^{^{67}}$ In 2012, Maine legislators stopped indexing the gas tax to inflation, which has remained at 30 cents per gallon ever since. This caused the state to lose \$30 million in three years and decimated the state highway fund that pays to maintain our roads.

⁶⁸ Higgins, A.J. Bangor Daily News. "Maine won't participate in Forest Legacy program," Nov. 09, 2015. Available: http://bangordailynews.com/2015/11/09/politics/maine-wont-participate-in-forest-legacy-conservation-program/ and Caporossi, Greg. Perham Stream Proposal, Maine Forest Legacy Program. Trust for Public Land: Portland, ME, June 16, 2014. Available:

⁶⁹ Ohm, Rachel. <u>Bangor Daily News</u>. "Federal team assesses Maine's forest products industry – without LePage's help Maine's congressional delegation asks for help devising a plan to encourage economic growth, but Gov. LePage opts out," Aug 17, 2016. Available: http://www.pressherald.com/2016/08/17/federal-team-begins-tour-ofmaines-forest-products-industry/.

⁷⁰ MECEP Analysis of Election Results, Maine Secretary of State. Available: http://www.maine.gov/sos/cec/elec/results/index.html.

⁷¹ Riox Daggett, Christy. Scholars Strategy Network Website. "Debunking myths about health care reform dollars for Maine," March 2014. Available: http://www.scholarsstrategynetwork.org/brief/debunking-myths-abouthealth-reform-dollars-maine.

⁷² Williams, Roberton. <u>Forbes.com Website</u>, "Why Federal Taxes Are Progressive," Aug 11, 2016. Available: https://www.forbes.com/sites/beltway/2016/08/11/federal-taxes-are-very-progressive/#2cf7815d5ff7.

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⁷⁴ Editorial Board. Portland Press Herald. "Police can't arrest Maine out of drug problem," Dec 6, 2016. Available: http://www.pressherald.com/2016/04/09/our-view-police-cant-arrest-maine-out-of-drug-problem/.

⁷⁵ MECEP analysis of Maine Revenue Services full value tax rate data. Available:

http://www.maine.gov/revenue/propertytax/municipalservices/fullvaluerates.pdf.

⁷⁶ Austin, Sarah. Moving Maine Students to the Head of the Class. Maine Center for Economic Policy: Augusta, ME, Sept 2016. Available: http://www.mecep.org/wp-content/uploads/2016/09/Head-of-the-Class Full 9-19-2016.pdf.

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⁷⁸ Shepherd, Michael. <u>Kennebec Journal</u>. "Maine advocates decry LePage administration move to end well water grant," July 11, 2015. Available: http://www.centralmaine.com/2015/07/11/maine-advocates-decry-lepageadministration-move-to-end-well-water-grant/.

79 Maine Public Health Association. Press Release. Dec 18, 2015.

⁸⁰ Maine received a 3-yr grant for ending 9-30-16 and was offered 18-month extension of about \$275-\$325,000, but turned down. Conversations with Karen Heck, Senior Program Officer, Bingham Program and Jess Mauer, Executive Director, Maine Association of Area Agencies on Aging.

⁸¹ Maine was invited, but did not apply for a three-year grant, for \$1 million per year. The state will also lose this funding in 2018. Jackie Farwell. Bangor Daily News. "Drug treatment advocates question state's choice to not pursue grant," Aug. 07, 2015. Available: http://bangordailynews.com/2015/08/07/health/drug-treatmentadvocates-question-lepages-choice-to-not-pursue-grant/.

⁸⁵ Maine had received this grant previously in 2013 and 2015, but the state CDC refused to re-apply. Conversation with Judith Feinstein, former Director of the (former) Office of Oral Health.

⁸⁶ Stone, Matthew. <u>Bangor Daily News</u>. "Maine has sliced the ranks of nurses who prevent outbreaks, help drug-affected babies," Aug. 09, 2016. Available: http://bangordailynews.com/2016/08/09/mainefocus/maine-has-sliced-the-ranks-of-nurses-who-prevent-outbreaks-help-drug-affected-babies/?ref=series. Note: 30% of Maine's public health nurses are federally funded by child/maternal health funds yet by leaving positions vacant, the Administration has cut the number of public nurses (state and federal) in Maine in half. MECEP was unable to confirm whether federal funds have been impacted by these vacancies.

⁸⁷ Stone, Matthew. <u>Bangor Daily News</u>. "Maine got millions to help moms and babies, but has little to show for it," Aug. 15, 2016. Available: http://bangordailynews.com/2016/08/15/mainefocus/maine-got-millions-to-help-moms-and-babies-but-has-little-to-show-for-it/. Note: Maine received a 4-year, \$5.7 million grant in 2011 to expand this program, but it added just 25 new families instead of 1300 anticipate. MECEP was unable to confirm what happened to the federal dollars.

Maine received \$8.4 million in 2016, but only spent \$4 million. It also received \$9.5 million in 2017 with no plan for spending it. MECEP estimated amount unspent in 2017, based on 2016). Conversation with Karen Heck, Senior Program Officer, Bingham Program.

⁸⁹ Russell, Eric. <u>Portland Press Herald</u>. "Gov. LePage's threat risks suspension of food stamp assistance," June 21, 2016. Available: http://www.pressherald.com/2016/06/21/spokesperson-says-gov-lepage-has-threatened-to-end-food-stamp-program/. Note: Maine saw a decline in SNAP beneficiaries/federal dollars as a result of a number of state changes to program that reduced eligibility, including refusal to request waiver from federal work requirement even in rural Maine with higher unemployment rates. Data assumption: Maine's decline in use of SNAP was greater than the NE avg of 4%; MECEP assumed the drop in SNAP beneficiaries beyond 4% is attributable to state policies that reduce eligibility in Maine.

⁹⁰ Russell, Eric. <u>Portland Press Herald</u>. "Maine sits on millions in federal welfare dollars, yet poverty rises," October 23, 2016. Available: http://www.pressherald.com/2016/10/23/maine-sits-on-tens-of-millions-in-federal-welfare-dollars-even-with-extreme-childhood-poverty-on-rise/ and Center on Budget and Policy Priorities. Maine TANF Spending, undated. Available: http://www.cbpp.org/sites/default/files/atoms/files/tanf spending me.pdf. Data: MECEP estimated numbers for 2016 and 2017 based on previous years.

PaS uses TANF funds to cover tuition and other costs. The program is badly underutilized. Enrollment has declined by 90% over the past decade. This has resulted in lost opportunity for hundreds of low income parents seeking to improve their family's economic stability. Source: Maine Equal Justice Partners analysis of Maine Department of Health and Human Services data.

⁹² Maine did not apply for funds and closed its Head Start Collaboration Office and is the only state in the country without one. Matthew Stone, <u>Bangor Daily News</u>. "Maine got millions to help moms and babies, but has little to show for it," Aug. 15, 2016. Available: http://bangordailynews.com/2016/08/15/mainefocus/maine-got-millions-to-help-moms-and-babies-but-has-little-to-show-for-it/ and Office of the Administration for Children and Families Early Childhood Learning and Knowledge Center. Website. "Maine Head Start Collaboration Office." Available: https://eclkc.ohs.acf.hhs.gov/hslc/states/collaboration/map/me.html.

⁹³ Canfield, Clarke, The Associated Press, <u>Bangor Daily News</u>. "Maine loses out in bid for 'Race to the Top' education grant," Dec. 16, 2011. Available: http://bangordailynews.com/2011/12/16/education/maine-loses-out-in-bid-for-race-to-the-top-education-grant. Note: Maine applied unsuccessfully in round 1 and round 2, chose not submit in round 3 of grant proposals.

⁸² Maine received a renewal of this grant state, but the contract for services ended on 12-31-15 and no services were provided in 2016. MECEP was unable to confirm if services are being provided in 2017 or how the funds are being used. Conversation with Malory Otteson Shaughnessy, MPPM, Executive Director, Alliance for Addiction and Mental Health Services & Maine Behavioral Health Foundation.

⁸³ Stone, Matthew. <u>Bangor Daily News</u>. "With no explanation, Maine rejects scarce funds for young people with mental illness," Sept. 08, 2016. Available: http://bangordailynews.com/2016/09/08/mainefocus/with-no-explanation-maine-rejects-scarce-funds-for-young-people-with-mental-illness/. Note: Maine halted this federal grant with 3 years remaining on a 5-year grant; the state will also lose this funding in years 2018 and 2019.

⁸⁴ This grant was written by project staff and the department refused to submit it. Conversation with Marjorie Withers, retired director, Community Caring Collaborative, Washington County.

While initially supportive of this project, DHHS leaders changed their mind and chose not to apply to renew these funds. The grant was for \$4 million over 5 years and the state will also lose this funding in 2018. Conversation with Marjorie Withers, retired director, Community Caring Collaborative, Washington County.
The grant was completed by project staff, but when DHHS submitted it, they did not include additional pieces needed from the state and it was discarded by the federal agency as an incomplete grant. The grant was for 4 years for up to \$4 million and the state will also lose this funding in 2018. Conversation with Marjorie Withers, retired director, Community Caring Collaborative, Washington County.

⁹⁷ Gagne-Holmes, Christine Hastedt, and Garrett Martin. Maine Center for Economic Policy and Maine Equal Justice Partners. Federal Health Care Funding Makes Dollars and Sense for Maine, March 2013. Available: http://www.mecep.org/wp-content/uploads/2013/09/Accepting Federal Health Care Funds Report FINAL-3.pdf. Data Note: 2017 dollars lost are 95% of previous year as federal match declines.

98 Martin, Garrett. <u>Unprecedented Opportunity: Federal Health Care Funds Will Deliver 4,400 Jobs and</u> \$500,000,000 in Annual Economic Activity to Maine by 2016. Maine Center for Economic Policy: Augusta, ME, January 2014. <u>Available: http://www.mecep.org/wp-content/uploads/2014/06/Unprecedented Opportunity - FINAL 1-14-2014.pdf</u>.

The state did not raise adequate state match to draw down all the available federal funds to Maine. MECEP's analysis is based on OFPR's fiscal note for LD 633 fiscal note (127th legislature). Available: http://www.mainelegislature.org/legis/bills/bills 127th/fiscalpdfs/FN063302.pdf. Data are only available through 2015; MECEP estimated numbers for 2016 and 2017 based on previous years.

¹⁰⁰ Farwell, Jackie. Bangor Daily News. "LePage won't 'lift a finger' to set up Maine's health insurance exchange," Nov. 15, 2012. Available: https://bangordailynews.com/2012/11/15/health/lepage-wont-lift-a-finger-to-set-up-maines-health-insurance-exchange/?ref=storyPrevNextLinks. Note: Maine received federal funds to set up its state health exchange, but refused to set up the exchange and returned the funds.

¹⁰¹ Maine had been receiving this grant a decade, 2002-2011. Funding to Maine stopped, while continuing to be awarded to others states. MECEP research of grant awards available at: https://www.epa.gov/p2/grant-programs-pollution-prevention. MECEP used a 10-year average of funds received previously to estimate funds lost during the time period covered in this report.

¹⁰² A.J. Higgins, Maine Public. <u>Bangor Daily News</u>. "Maine won't participate in Forest Legacy program," Nov. 09, 2015. Available: http://bangordailynews.com/2015/11/09/politics/maine-wont-participate-in-forest-legacy-conservation-program/; and conversation from Wolfe Tone, project manager, Trust for Public Lands. Note: Maine competes very well for these funds; the governor refused needed state support for the project and the state could not apply.

http://www.maine.gov/sos/cec/elec/results/index.html. Maine lost federal funds from reduced state bonding. MECEP calculated the average amount federal funds identified as match in Maine's ballot questions, 1997-2015 and compared the average federal funds received in years 1993-2010 compared to 2011-2015.

Maine Children's Alliance. Candidate Briefing Book, Fall 2012. Available: http://mainechildrensalliance.org/assets/files/policy/voter candidateguide.pdf, and conversation with Rick McCarthy, consultant with Eaton Peabody about his conversations with DHHS personnel, and Maine Childcare Advisory Council. Child Care Matters, Report to the Legislature, 2016. Available: http://www.maine.gov/dhhs/ocfs/ec/occhs/documents/CCDF%20REPORT.pdf. Note: Maine's legislature cut \$1.9 million in state funds that would have drawn down \$3 million in federal funds; it partially restored state funds in 2013 and maximized all match 2014 and 2015. MECEP does not think the state is drawing down as much as it could in 2016-2017, but was unable to confirm it. In FFY 2015, Maine had an accumulated \$4 million in unspent CCDBG unspent, mostly state money.