

LIVE UNITED



An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025

Testimony in Support of the Governor’s proposed initiative related to NEW VENTURE MAINE funding found on page Part A-647 of your printed materials.

February 10, 2023

Senators Rotundo, Tipping, Representatives Sachs, Roeder, and honorable members of the Joint Standing Committees on the Appropriation and Financial Affairs (AFA) and Labor and Housing, my name is Ninette Irabaruta, Director of Public Policy and Advocacy at United Way of Southern Maine (UWSM). I testify today on behalf of UWSM in support of LD 258 – specifically, the provision related to “providing ongoing funding to support a coalition of 50 organizations providing free volunteer tax assistance and other financial education services to thousands of low-income individuals and families statewide,” found on page A-647 of the budget materials.

UWSM is the fiscal agent for the IRS Volunteer Income Tax Assistance (VITA) grant, supporting the nine CA\$H coalitions across the State of Maine. UWSM also leads the Greater Portland CA\$H Coalition.

As you may know, CA\$H stands for Creating Assets, Savings, and Hope.

Through our work with low to moderate-income tax clients, we get to hear the challenges individuals and families face in maintaining their financial stability. The past two tax seasons, during a global pandemic, have helped us better understand how fragile financial stability can be. Many families are just one car repair or one unexpected medical bill away from slipping into a financial crisis. Fifty-eight percent of CA\$H Maine clients indicate that they could not withstand a \$400 unexpected expense.

CA\$H Greater Portland, through funding from NVME, can now assist more low-income individuals and families, to ensure that they receive State tax credits, access financial education, and asset-building (FEAB) resources to improve their economic security.

The funding supports outreach efforts to connect individuals to CA\$H services. Particular attention has been paid to target populations, such as very low-income individuals and older adults, who do not need to file a federal tax return. Last summer, CA\$H Greater Portland helped more than 150 new clients access their \$850 relief checks by filing a “state-only” return. This process also helped eligible clients access the Sales Tax Fairness Credit (STFC) and the Property Tax Fairness Credit. These efforts, supported by NVME funding for CA\$H, resulted in more than \$182,000 being returned to residents of Cumberland County.

CA\$H is a critical vehicle to making Thrive2027’s Goal 2 happen. Thrive2027 is a community initiative that comprises more than 300 community partners that include some of the largest businesses, nonprofit organizations, and municipalities in the state. This broad range of

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community members across all sectors work to achieve three 10-year goals – (1) to give kids a strong start; (2) to empower neighbors to thrive – not just survive; and (3) to help us all live longer, and better.

This modest investment of \$100,000 will give CASH Coalitions across the state the much-needed resources to support staff needed to do the state-only return and to provide Financial Education and Asset Building.

The funding will also ensure that tax clients are connected to services in their communities so they can pay their rent, medical bills, and put food on the table; they can save for emergencies; pay their debts; buy a house; pay for college; and save for retirement.

Thank you for your leadership and service.