

MECEP Matters

July 2017



State Budget:

Tax fairness and stable education funding struck down

Facing a state shutdown crisis, the Maine legislature passed a 2018-19 budget that leaves education funding in the balance and ignores the will of Maine voters. The legislature overturned in its entirety the voter-approved measure that would have put a 3% tax surcharge on the super wealthy to ensure that Maine children have the text books and teachers they need to thrive.

In the end, \$162 million more was added to the state's share of K-12 education for the biennium, but the question of how to fund education in the future without the ongoing revenue source that the surcharge would have provided is left unanswered.

MECEP's work moving forward is to find stable education funding that does not put the tax burden on low- and middle-income families and property-poor communities.

[Read MECEP's analysis](#)



Affordable Care Act Survives...for now

After months of fearmongering, Congress defeated multiple pieces of terrible health care legislation, which would have left 111,000 Mainers, including 11,000 children, without insurance coverage.

Congress' attempts to repeal the Affordable Care Act (ACA) failed because Maine people spoke out. And Mainers were informed by MECEP's analyses. In the end, MECEP assessed the impact for three federal bills that claimed to reform the ACA. We found that in every case these bills would have:

- Taken health coverage away from Maine families.
- Gutted Medicaid for seniors, people with disabilities, and kids.
- Ended the Medicaid expansion and with it Maine's ability to benefit from these federal dollars.
- Raised premiums and deductibles.
- Eliminated protections for Mainers with pre-existing conditions.
- Cut taxes for the wealthy, pharmaceutical companies, insurers, and other corporations.

While we are hopeful that Congress will now move on to other issues, there is still one lingering repeal proposal (Cassidy-Graham proposal) being discussed among Republicans. And President Trump is still pressuring Congress on repeal the ACA.

MECEP and our health care allies will continue to encourage Maine's Delegation to take a bipartisan approach to strengthen our health care system. And MECEP will continue to do what it does best—examine the numbers and analyze the impact on Maine people.

[Read MECEP's latest report](#)



MECEP Welcomes Marpheen Chann



Marpheen Chann joined MECEP's staff in July as our digital communications and campaign coordinator.

Marpheen recently obtained his law degree from Maine Law and is completing his M.A. in public policy at the Muskie School of Public Service. He has provided communications assistance to a number of candidates running for local and state office in Maine and worked previously at the Consumer Financial Protection Bureau in Washington, DC. Marpheen coordinates our issue campaign strategies and communications to a variety of audiences. He's already upgrading the look and reach of our social media content. Stay tuned for future improvements and increased social media activity.



Featured Blog Post

James Myall's July 31 blog post shows that Maine still has a long way to go to recover from the recession, and that rural Maine is being left behind.

[A New Great Depression in Rural Maine](#)

[Visit MECEP's Blog](#)



Who pays for our kids' education?

Facts and Figures

Tax cuts for the wealthy come at the expense of good schools and healthy kids.



3%

[income tax surcharge on top 2% of Maine earners approved by Maine voters](#)

0

[income tax surcharge on top 2% of Maine earners after the legislature votes in the budget](#)

7.3%

[state and local effective tax rate on top 1% of Mainers \(earners of over \\$362,000 per year\)](#)

9.3%

[state and local effective tax rate on those earning between \\$33,000 and \\$52,000 per year](#)

49.1%

[percent of statewide education costs paid by state out of the mandatory 55%](#)

50.9%

[percent of statewide education costs paid by local property taxpayers](#)



MECEP in the News

In case you missed them, MECEP's analyses were used by journalists and bloggers and television and radio news to inform public debate:

[MECEP Talks Health Care on The Pulse AM 620](#)

MECEP Policy Analyst James Myall talks about the recent health care repeal efforts and the financial strain on Maine hospitals.

July 26, 2017 | WZON-AM

[PRESS RELEASE: Health care repeal has already been debated and the research is a resounding "NO!"](#)

Under the repeal plans proposed thus far, nearly 100,000 Mainers would lose their health insurance in the first year, and tens of thousands more would follow," said James Myall, a MECEP policy analyst. "Efforts to repeal have already created enough uncertainty for Mainers and the health care market, which is bad for business and bad for Mainers already struggling to make ends meet."

July 25, 2017 | Maine Center for Economic Policy

[Demographics, Geography Make for an Uphill Battle](#)

One lesson observers can take from Maine's experience is that tinkering with any health reform program is necessary to make it sustainable, says Garrett Martin, MECEP's executive director. "Unless everyone is willing to tweak it and improve it, then any problems you have will be magnified over time and become a series of Achilles' heels that opponents can harp on to drag the thing down."

July 20, 2017 | Managed Care magazine

[PRESS RELEASE: Trump Tax Plan Would Give Richest Maine Taxpayers an Average \\$53,000 Tax Cut and Trigger Deep Cuts to Federal Dollars for Maine](#)

"All too often, federal and state policymakers talk about tax cuts as if they don't have consequences," said Sarah Austin, policy analyst at the Maine Center for Economic Policy. "But the truth is, tax cuts that largely benefit the wealthy would come with a heavy cost. Reducing investments in health care, education, food assistance, disability insurance, and other programs is too steep a price to pay just so the richest one percent can get a tax cut that is larger than the household income of the average working family."

July 20, 2017 | Maine Center for Economic Policy

[Press Release: U.S. House GOP Aims for Cuts that Cost Working Families and Those Struggling to Make Ends Meet](#)

"The House GOP budget resolution casts a harmful vision for the nation's future: tax cuts for the wealthy and rolling back opportunity in America," responded Sarah Austin, policy analyst at the Maine Center for Economic Policy. "Maine people cannot withstand having basic services like public education, health care and food assistance for families gutted to give enormous tax cuts to millionaires and billionaires."

July 19, 2017 | Maine Center for Economic Policy

[Lawmakers seek tax on pot that raises revenue but keeps buyers off black market](#)

Using the 10 percent tax rate approved by Maine voters, the state is likely to bring in about \$18 million a year once the market is established, in two or three years or so, said James Myall, a policy analyst for the Maine Center for Economic Policy. While some advocates

expect Maine to benefit from its vibrant tourism industry, Myall notes that a lot of Maine's 36 million tourists come from Canada and Massachusetts, where marijuana also is going to be legally available.

July 13, 2017 | Portland Press Herald

[Maine legislators ponder taxes on legal marijuana](#)

James Myall, a policy analyst for the Maine Center for Economic Policy, said the bigger the gap between the legal price of marijuana, after taxes, and the street price of black market marijuana, the more people will turn to illicit suppliers.

July 13, 2017 | Lewiston Sun Journal

[Defunding Planned Parenthood takes away women's control of their economic futures](#)

In Maine, nearly 60 percent of public family planning funding is from Medicaid—the very funding Congress is threatening to withhold from Planned Parenthood—and 49 percent of the revenue for services provided at the health centers come from federal sources, primarily Medicaid.

July 12, 2017 | Bangor Daily News, MECEP op-ed

[Interview with Sarah Austin about looming state government shutdown](#)

Sarah Austin talks about the threat of a state government shutdown should the governor and legislators fail to reach a budget agreement by July 1.

June 26, 2017 | WZON-AM



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