

Testimony of the Office of the Governor
Before the Joint Standing Committee on Health and Human Services
in Support of

LD 1815, 1820, 1822, 1842

**An Act to Require a Work Search for Job-Ready Applicants for Benefits under the
Temporary Assistance for Needy Families Program**
**An Act to Reduce Abuse of the Temporary Assistance for Needy Families program through
Restriction of Electronic Benefit Transfers**
**An Act to Act to Increase Integrity in the Temporary Assistance for Needy Families
Program through Restriction of Expenditures**
**An Act to Amend the Laws Governing the Temporary Assistance for Needy Families
Program**

Public Hearing: March 25, 2014

Senator Craven, Representative Farnsworth, and members of the Joint Standing Committee on Health and Human Services. I am Holly Lusk, Senior Health Policy Advisor in the Office of the Governor. I appreciate this opportunity to testify in support of the Governor's welfare reform bills: LDs 1815, 1820, 1822, and 1842.

LD 1815: An Act to Require a Work Search for Job-Ready Applicants for Benefits under the Temporary Assistance for Needy Families Program

This bill requires that job-ready TANF applicants submit three applications for employment before they start receiving benefits. The purpose of this bill is to ensure that someone who needs financial assistance is taking a multi-pronged approach—looking for employment at the same time as applying for taxpayer-funded help. Currently, 18 other states and the District of Columbia have job search requirements as a condition of eligibility before or during the application process.

As the bill states, these applications would need to be submitted at any time during a three-week period starting one week prior to the TANF application date to two weeks after the TANF application is submitted. The reason we picked this time frame was so as not to lengthen the existing period of time between application date and the time an applicant begins receiving benefits.

This bill complements the work DHHS is already doing with the Department of Education and the Department of Labor to focus on getting TANF recipients back to productive employment if they face barriers. The Department has some excellent ideas on how to implement this bill so that folks coming in to apply can immediately sign up and apply through the DOL Job Bank. This bill emphasizes the important value of employment and remaining in the workforce, and encourages self-sufficiency before dependency. We are pleased to submit this legislation, and are thankful to Rep. Fredette for putting this idea forth originally before Legislative Council.

LD 1820: An Act to Reduce Abuse of the Temporary Assistance for Needy Families Program through Restriction of Electronic Benefit Transfers

This bill limits electronic use of the EBT card, whether through ATMs or point of sale devices, to access TANF benefits outside the state. DHHS data indicates that many individuals who have Maine EBT cards are accessing their TANF benefits for consistent periods of time outside the state—sometimes upwards of a year.

States have taken varying approaches to ensure that recipients who have left their state do not stay on their TANF programs. For example, they limit the period of time a card can be used out of state before it will be shut off due to a rebuttable presumption of lack of residency. Other states have taken a similar approach in examining geographic restrictions on use of the cards. Minnesota, for example, has implemented a geographic restriction to that state and those that border it.

DHHS data indicates EBT cards have been used across the United States, and even in some U.S. territories like the Virgin Islands. I know many constituents take issue with paying for the travel of these temporarily needy families. This bill would not prohibit withdrawal of cash benefits to be taken across state lines. A TANF recipient can still use their cash all across the country—this bill helps to ensure that the people in our TANF program are Mainers.

Additionally, I would add that we have been contacted many times regarding the appearance of Maine EBT cards at drug busts in Maine. If an individual traffics their EBT card to purchase something like drugs, which is illegal, they need to understand the individual to whom the card is given may take it across state lines, and the recipient could suffer the consequences of an out of state use.

LD 1822: An Act to Act to Increase Integrity in the Temporary Assistance for Needy Families Program through Restriction of Expenditures

This bill restricts use of TANF benefits from being spent on certain items: alcohol, tobacco, lottery tickets, gambling activities, or bail. Federal law has outlined goals for the TANF program, which include assisting needy families to care for children, and to promote work and marriage in order to reduce dependency. Because federal TANF funds are issued in block grants, states are allowed flexibility in administering the program. States also are responsible for ensuring program integrity.

We believe that spending TANF dollars on alcohol, tobacco, lottery tickets, gambling activities, and bail does not further the goals of the TANF program. Indeed, this is why many states are restricting how TANF funds are spent. These efforts are a complement to state and federal efforts to limit where TANF funds are accessed through ATMs. Currently, Maine is in the process of restricting access to TANF funds at ATMs in locations such as liquor stores, casinos, and strip clubs.

We believe this bill is an effective next step in deterring TANF recipients from using funds inappropriately, and to encourage those dollars to be spent on the true needs of the family.

LD 1842: An Act to Amend the Laws Governing the Temporary Assistance for Needy Families Program

This bill attempts to address a problematic disconnect between state and federal TANF regulations. For nearly the last 20 years, the federal government has required that TANF recipient parents participate in approximately 30-35 hours per week of work activities. There are very few federal exceptions to this work requirement. Soon after the federal welfare reform was enacted, Maine legislated a series of state exceptions to eliminate sanctions for failure to meet the federal work requirement. Under Maine law, TANF recipients could not be sanctioned for failure to abide by the federal work requirement if they met one of many state exceptions: inclement weather kept them from going to work, they were victims of domestic violence, they were incarcerated, they had some other good cause, etc.

For most of the time these state exceptions have been in place, the federal government did not truly enforce the work requirement. That has changed. Maine has received communication from the federal government that it is now imposing financial penalties on states whose TANF populations fail to meet the work participation rate requirements. The federal government intends to impose a penalty on Maine for years 2007-2010 in the total amount of approximately \$13 million. For each successive year the state fails to meet the requirements, a fine is assessed.

In order to ensure our TANF work participation rate meets federal requirements, we need help from the Legislature in bringing our TANF laws back in line with the federal law. That is the essence of this bill—eliminating provisions that negatively affect our work participation rate. This includes elimination of the state work exceptions, and of a program called Parents as Scholars. Parents as Scholars is a program that was developed to assist TANF recipients to obtain 2- or 4-year degrees. While federal law only permits vocational educational work to fulfill the work participation requirement for 12 months that an individual is on TANF, the state law allowed Parents as Scholars to count educational work for up to 24 months. Therefore, unfortunately, the federal government counts the individuals in Parents as Scholars against the state's work participation rate once they pass the 12-month lifetime threshold. This does not mean that these individuals have to cease going to school, nor does it mean that they will have no job training. What it means is that the federal government holds them to the same standard as everyone else in the TANF program, and in addition to going to school, they must meet the federal work requirement.

I am pleased to report that we do believe that the domestic violence exception can be retained in state law because the Governor has asked the Department to submit a domestic violence waiver request to the federal government. This would allow those claiming the domestic violence exception under Maine law not to count against the work participation requirement. I encourage the Committee through its amendment process to remove the domestic violence exception from the current bill, meaning that the exception would remain in law.

I would be happy to answer any questions you may have and to provide any additional information at the work session.