

**Testimony of  
Department of Health and Human Services  
Mary C. Mayhew, Commissioner**

**Before the Joint Standing Committee on  
Health and Human Services**

**In Support of LD 1815**

**An Act to Require a Work Search for Job-ready Applicants for Benefits under the Temporary Assistance for Needy Families Program**

**In Support of LD 1820**

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

**In Support of LD 1822**

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

**In Support of LD 1842**

**An Act to Amend the Laws Governing the Temporary Assistance for Needy Families Program**

**Hearing Date: March 25, 2014**

Senator Craven, Representative Farnsworth, and members of the Joint Standing Committee on Health & Human Services, my name is Mary Mayhew and I am the Commissioner of the Maine Department of Health and Human Services. My testimony today is in support of all four bills being discussed today that reform Maine's welfare programs.

These bills support our desire to move people back to work and self-sufficiency, while also ensuring that taxpayer dollars are used for the essentials of everyday living.

LD 1822 makes it illegal to use TANF cash to pay for alcohol, tobacco products, lottery tickets, gambling, or bail. You may recall that previously passed legislation prohibits the use of EBT cards in businesses where alcohol accounts for more than 50 percent of the sales revenue; as well as at strip clubs and gaming facilities.

LD 1815 requires job-ready TANF applicants to verify that they have looked for three jobs before receiving taxpayer-funded welfare benefits, while LD 1820 prohibits the use of a TANF EBT card out of state. Finally, LD 1842 eliminates a loophole in the TANF program that provides far too many exemptions that allow TANF recipients to avoid working.

Limiting the use of TANF funds for the basics of everyday living for a family in need aligns Maine's laws with the program's intent and makes common sense. Every dollar spent on alcohol, tobacco, lottery tickets, or bail is a dollar taken away from a child in need.

Clearly, limiting purchases to within Maine State lines will prevent abuse by people living out of state and ensure that in-state residents are receiving benefits and tighten oversight of TANF cash assistance. Early analysis of data supports this legislation. When looking at benefits spent out of state by individuals for more than two consecutive months, more than \$1.5 million was expended over 18 months.

In addition, more than 2,600 transactions were made with a TANF EBT card out of state for six consecutive months, totaling \$835,000. We can eliminate all of these transactions with legislation that does not allow out-of-state purchases.

The requirement for job-ready applicants to complete a work search before getting benefits and the elimination of the loosely structured exemptions support the goal of this Administration to help people find meaningful work that can support their families.

Work participation is a federal requirement of the TANF program and has been for nearly two decades. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established sweeping reforms of all welfare programs and established many mandates around work participation.

Currently, the Department allows for a 13 different exemptions from meeting this requirement. In addition, Maine statute currently allows TANF participants to pursue a four-year college degree and not meet the required federal work activities.

Federal requirements allow very few exemptions that include caring for a disabled family member, being a recipient of Social Security Disability Income, or being a VISTA volunteer. When it comes to education, the federal government permits just one year of exemption from work participation over the course of a person's lifetime.

I want to make it clear that we are committed to encouraging and supporting education and skills development of our TANF recipients. However, failure to meet federal work participation rates comes at significant cost to our State in terms of federal penalties. The work that we do supporting education must align with federal rules.

For the years 2007 to 2010, the federal government notified Maine that it faced more than \$13 million in penalties for failure to meet work participation rates. We did not meet work participation rates in 2011 and 2012 and have not met the two parent rate for 2013. We are now facing additional federal sanctions for these years as well.

Here in Maine, just one out of every nine two-parent TANF households meets the workforce participation requirements.

We need to do better and must continue to use all the tools available to us to assess TANF recipient's skills, identify training and work opportunities and provide support that ultimately leads to a rapid return to the workforce.

DHHS has been working with the Department of Labor, the Department of Education, Adult Education and other local and regional partners to move applicants back to work as soon as they are ready. All TANF recipients now receive a vocational assessment and we have seen early successes in finding work for those who are ready. These vocational assessments are providing an individualized pathway that identifies the individual's strengths, interests, abilities, as well as the barriers that need to be addressed such as substance abuse, mental illness. These targeted assessments will allow DHHS to better serve these individuals and to provide a warm hand-off to the career centers. Additionally, we are partnering with the Department of Labor to develop an individual's critical employability skills and help them successfully transition to employment. Work-experience opportunities focus on an individual's vocational interests, and develop essential employability and

occupation-specific skills. This will involve efforts with the worksite development specialist and worksite supervisors to design, implement and manage a work experience plan.

Employment First legislation underscores the value of work in terms of self-esteem, community engagement, family stabilization and independence. We are working on eliminating barriers for some of those whom we help, including people in recovery and those with disabilities. Our culture is transforming to one that focuses on strengths and what a person *can* do. This legislation offers one more incentive and requirement for those who are work-ready to pursue employment.

We plan to strengthen our partnership with the Department of Labor and help TANF applicants create a profile within the Job Bank as soon as they apply for benefits. At last check, 6,900 jobs were available through the Job Bank, so clearly, there are opportunities currently available.

We must continue to move our welfare program to one that offers a helping hand up and our scarce resources should support those who are doing all they can to move out of poverty and into independent living. At the same time, we must improve the integrity of our public assistance programs and reduce fraud, waste and abuse.

I urge you to vote in support of these bills, as they collectively help us to achieve the above-mentioned goals and will further the good work that is already under way across State government.

Thank you