



131st MAINE LEGISLATURE

LD 498

LR 1680(01)

An Act to Prohibit the Use of the Electronic Benefits Transfer System Outside of Maine, Massachusetts or New Hampshire to Obtain Temporary Assistance for Needy Families Program Benefits

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Brakey of Androscoggin

Committee: Health and Human Services

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Potential loss of federal funding - Federal Block Grant Fund
Contingent future biennium savings stay in program - Federal Block Grant Fund

Fiscal Detail and Notes

The bill prohibits a recipient of benefits under the Temporary Assistance for Needy Families program, or TANF, from using the electronic benefits transfer system to access those benefits outside of Maine, the state of Massachusetts or the state of New Hampshire. Any additional costs to the DHHS to adopt these changes are expected to be minor and can be absorbed within existing budgeted resources. However, the department suggests that this change would not be in compliance with 42 U.S.C. 602 (a)(1)(A)(vii), which requires that States must have "a plan to ensure that recipients of the assistance have adequate access to their cash assistance." If the program is not in compliance with the federal rules, the State would lose the entire Federal Block Grant funds. The Temporary Assistance for Needy Families Block Grant funding for the most current grant period is \$77,863,090.

If this change is allowed under the current federal rules, any savings achieved by prohibiting certain activities would likely not accrue to the General Fund due to the Maintenance of Effort spending required of the State to receive the TANF Federal Block Grant funds and would thus accrue to the TANF Federal Block Grant Fund.