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4/3/2025

Senator Ingwersen, Chair  
Representative Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 938 – *An Act to Implement Certain Local Spending and Sourcing Requirements Regarding the Statewide Supplemental Nutrition Assistance Program*

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition to LD 938, *An Act to Implement Certain Local Spending and Sourcing Requirements Regarding the Statewide Supplemental Nutrition Assistance Program*.

This bill includes two major components. First, it would require SNAP recipients to use at least 10% of their benefits within 50 miles of their residence. Second, it would require retailers who accept SNAP to obtain 10% of their perishable food from Maine sources. Both components aim to support the local economy but would be administratively challenging and likely impermissible based on federal regulations.

In general, the Department recommends that any laws related to federal programs include the language, “to the extent permissible under federal law” to avoid any direct conflicts.

Section 1 of this bill, which requires SNAP recipients to use at least 10% of their monthly benefits within 50 miles of their residence, is problematic for several reasons. These reasons include impermissible limits to access, conflict with the allowability for SNAP recipients to be temporarily out of state, and technical challenges of tracking each SNAP household’s monthly spending.

The overarching goal of SNAP is to increase food security and reduce hunger by enhancing food purchasing power for low-income households to afford nutritious food. This bill, as written, will reduce access to nutritious foods for SNAP recipients as there are municipalities in Maine that do not have a SNAP retailer within 50 miles. Residents of these towns would be excluded from SNAP access with no regard to their need for such support. Additionally, there is nothing in federal law or regulation that allows for these proposed limitations. Maine would need to seek a waiver from the SNAP federal funding partner, the United States Department of Agriculture (USDA), Food and Nutrition Services (FNS), which would likely be denied due to the limiting effect on access to Mainers in need.

There is conflict with this proposal and current Maine SNAP rules which would require rule-making and federal approval for change. Currently, it is permissible for Maine SNAP recipients to be out of state for a month or more for any number of reasons, including seeking medical care, or caring for a sick relative. In these circumstances if this bill passes as written those recipients may be unable to utilize all or any, of their monthly SNAP benefit. Should this bill pass as written and a federal waiver not approved, which should be anticipated, the Department would be in violation of either federal or state law.

This proposal will require tracking of usage of each SNAP household's monthly benefit to ensure that 10% of each monthly benefit is spent at a retailer within 50 miles of the household residence. This month-over-month tracking requirement is problematic. There is no requirement that a SNAP household spend their full monthly benefit within any specific time frame. The type of tracking required to implement this proposal could only be done through Maine's electronic benefit transfer (EBT) technology system, EPPIC, which houses usage details of all EBT transactions. Currently we can see lists of transactions and individual case transaction detail, but there is no automated functionality to monitor for particular activity and automatically flag a case for any type of investigation. The system holds address information for the household and for the location of each transaction but has no integration with any type of mapping software that may be necessary to determine the distance between the two. Any type of integration would need to comply with strict confidentiality and data security guidelines. A technology solution to implement this required tracking and specialized staffing resources would be required. Furthermore, online SNAP purchases have been authorized specifically to allow for additional purchasing options which can be critical for SNAP recipients with mobility and transportation needs. One popular example includes the retailer, Walmart, whose grocery purchases made through their online portal reflect as transactions from Bentonville, Arkansas even when the purchase is scheduled for a home delivery or pick up at a physical retailer location which may be within the proposed required 50 miles of the recipient's residence in Maine.

A system and process would need to be designed by the Department and its vendors to potentially expunge SNAP benefits from households that are unable to spend 10% of their monthly benefit at appropriate retailers, per this bill. It's unclear if the intent is to close a SNAP benefit for failure to meet this requirement, to pursue benefit overpayments, or expunge the benefits not utilized due to this proposal. If closure or overpayments is intended then OFI staff engagement in such processes will require additional resources for training, technology changes and oversight and monitoring. Likewise, actively investigating or monitoring the inventory of the 1,500 Maine SNAP authorized retailers would require staff to engage in activities and have a knowledge base far outside current expectations. Either of these efforts would draw financial, technological, and human resources away from the current work of ensuring the accessibility, efficiency, and integrity of OFI administered programs.

Section 2 of this bill sets specific limits on SNAP retailers. Retailers are authorized to accept SNAP benefits through an application and approval process with the USDA. The Department is not involved in this SNAP retailer application process and relationship. Federal regulations are clear that the only input states have in authorizing retailers is their ability to license the retailer in general. One method to potentially implement the retailer requirement proposed in this bill could include the USDA, the SNAP retailer authority, to apply the 10% local sourcing standard to all

SNAP retailers in the state prior to application or subsequent renewals. It is unclear if the USDA could consider and enforce such a state-specific requirement.

The Department values and supports local retailers and producers. To this end, we have used grant funding to provide point of sale technology for farmers' markets, farms and cooperatives, and provide promotional support for Harvest Bucks and Farm Fresh Rewards. The requirements detailed in this bill, however, will, most likely, not be federally permissible, and, if they can be implemented, will have an administrative cost that may outweigh any local gain.

Please feel free to contact me if you have any questions during your deliberation of this bill and thank you for considering this information.

Sincerely,

A handwritten signature in blue ink that reads "Ian Yaffe" with a horizontal line extending from the end of the name.

Ian Yaffe, Director  
Office for Family Independence