

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1494

6
7 H.P. 1126

House of Representatives, April 15, 1983

8 Referred to the Committee on Health and Institutional Services. Sent up
9 for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Diamond of Bangor.

Cosponsors: Representative Allen of Washington, Representative
11 Connolly of Portland and Representative Higgins of Portland.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Establish Rules to Minimize the
18 Negative Effects of Monthly Reporting
19 and Retrospective Budgeting in the Aid
20 to Families with Dependent Children
21 and Food Stamp Programs.
22

23 Be it enacted by the People of the State of Maine as
24 follows:

25 Sec. 1. 22 MRSA §3104, sub-§6, as enacted by PL
26 1979, c. 386, is amended to read:

27 6. Bilingual requirements. The department shall
28 print and distribute brochures or pamphlets concern-
29 ing the food stamp program in other languages as it
30 deems necessary. The department shall prepare public
31 service announcements in French for distribution to
32 appropriate newspapers and radio and television sta-
33 tions.

1 The department shall include on all monthly report
2 forms and other notices involving the monthly report-
3 ing system a statement in the French language
4 instructing people to call a department office if
5 they need help understanding the form.

6 Sec. 2. 22 MRSA §3104, sub-§11 is enacted to
7 read:

8 11. Monthly reporting and retrospective budget-
9 ing. The department shall:

10 A. Determine eligibility and allotment amount
11 prospectively during the first 2 months of pro-
12 gram eligibility;

13 B. Exclude from monthly reporting households
14 whose adult members are all without earned income
15 and are at least 60 years of age or receive
16 Supplemental Security Income benefits under the
17 United States Social Security Act, Title XVI, or
18 disability and blindness payments under the
19 United States Social Security Act, Titles I, II,
20 X, XIV and XVI;

21 C. Provide any eligible household, which has
22 been terminated for failure to file a complete
23 report, but who does file a complete report after
24 the extended filing date but before the end of
25 the issuance month, with an opportunity to par-
26 ticipate in the program for that issuance month;
27 and

28 D. Ensure that all notices of termination or
29 reductions resulting from information received on
30 monthly reports be both timely, meaning that the
31 notice shall be mailed at least 12 days before
32 the intended change would be effective, and ade-
33 quate. The notice shall contain information on
34 the availability of free legal representation,
35 including the address and telephone number of
36 these services.

37 Sec. 3. 22 MRSA §3759 is enacted to read:

38 §3759. Aid to Families with Dependent Children eli-
39 gibility and program operation

1 1. Regulations required. The department shall
2 adopt regulations for the operation of the Aid to
3 Families with Dependent Children Program consistent
4 with the United States Social Security Act, any
5 amendments and additions thereto, and the revised
6 statutes, and any amendments and additions thereto.

7 2. Nonrecurring lump sum income. Where the
8 receipt of nonrecurring lump sum income causes a
9 period of ineligibility for an assistance unit, that
10 period shall be shortened when the department finds a
11 life-threatening circumstance exists and the assis-
12 tance unit has no other income or resources suffi-
13 cient to meet the life-threatening circumstance.

14 3. Monthly reporting. The department shall:

15 A. Seek approval from the Secretary of the
16 United States Department of Health and Human Ser-
17 vices to exempt from the requirement of monthly
18 reporting those cases which are unlikely to incur
19 a change in circumstances from month to month
20 which would impact on their eligibility or amount
21 of assistance, including all families whose sole
22 source of income, other than aid provided under
23 this chapter, is from social security benefits or
24 Supplemental Security Income;

25 B. Include on all monthly report forms and other
26 notices involving the monthly reporting system a
27 statement written in the French language
28 instructing people to call a department office if
29 they need help understanding the form;

30 C. Include in the definition of good cause for
31 late filing of a monthly report those circum-
32 stances in which the person is without fault, as
33 defined in the United States Supplemental Secur-
34 ity Income Program, in filing a late report;

35 D. Ensure that all notices of termination or
36 reductions resulting from information received on
37 monthly reports be both timely, meaning that the
38 notice shall be mailed at least 12 days before
39 the intended change would be effective, and ade-
40 quate. The notice shall contain information on
41 the availability of free legal representation,

1 including the address and telephone number of
2 these services.

3 STATEMENT OF FACT

4 As part of the federal changes required by the
5 Omnibus Budget Reconciliation Act of 1981, the State
6 has implemented a new system in Aid to Families with
7 Dependent Children and will for food stamps in Octo-
8 ber, 1983, call for monthly reporting and retrospec-
9 tive budgeting.

10 "Monthly reporting" requires recipients in these
11 programs to mail a written form report, like a
12 one-page tax return, to the department every month
13 regarding their family circumstances and any outside
14 income, etc., in the preceding month. Failure to make
15 a complete and documented report within 6 days
16 results in termination of benefits. Evidence from
17 other states demonstrates that 85% of the recipients
18 closed in this manner were in fact still in need and
19 eligible but were confused and discouraged by the
20 monthly reporting requirements.

21 "Retrospective budgeting" refers to the system of
22 calculating the amounts of grants for the next month
23 based on the family's circumstances and income based
24 on the past month. The benefits families receive
25 always reflect the level of need the family experi-
26 enced 2 months previously, not the current month in
27 which they get the check. When the family loses out-
28 side income, their assistance is not adjusted to
29 reflect that loss for 2 months.

30 Increase evidence nationally confirms Maine's
31 initial experience that monthly reporting is not cost
32 effective and that the administrative costs far out-
33 weigh any savings from reducing "overpayments."

34 While the essence of this system is required by
35 federal law, there are many options available to the
36 State which can make it work more fairly. This bill
37 provides that the department adopt the most favorable
38 options available within federal law and regulations.

39 This bill will:

1 1. Provide an exception from the disqualifica-
2 tion for receipt of nonrecurring lump sum income in
3 the Aid to Families with Dependent Children Program
4 if the family faces a life-threatening situation;

5 2. Require that a waiver be sought from the
6 United States Secretary of Health and Human Services
7 to exclude persons receiving social security or
8 Supplemental Security Income from the requirements of
9 monthly reporting in the Aid to Families with Depend-
10 ent Children and food stamp programs;

11 3. Include instructions in the French language
12 on all monthly report forms directing people in need
13 of translation assistance to the appropriate depart-
14 ment office for help;

15 4. Define good cause for failing to file an Aid
16 to Families with Dependent Children monthly report to
17 include those who are without fault as defined in the
18 United States Supplemental Security Income program;

19 5. Ensure that notices of termination resulting
20 from failure to comply with the requirements of
21 monthly reporting are received at least 12 days prior
22 to the termination so that families will have the
23 chance to correct the problem without interruption in
24 their benefits;

25 6. Ensure that eligibility and allotments for
26 the first 2 months of program eligibility be the same
27 for both food stamps and Aid to Families with Depend-
28 ent Children; and

29 7. Allow food stamp households filing a monthly
30 report at any time in the month in which that report
31 is due an opportunity to participate in the program
32 for that month.

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