

# MAINE STATE LEGISLATURE

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BWG  
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Date: 6/14/13

Minority

(Filing No. H-518)

HEALTH AND HUMAN SERVICES

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
126TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 725, L.D. 1030, Bill, "An Act To Require That Electronic Benefits Transfer System Cash Benefits Are Used for the Purpose for Which the Benefits Are Provided"

Amend the bill by striking out the title and substituting the following:

**'An Act To Prohibit the Use of TANF Benefits for the Purchase of Alcohol and Tobacco Products and To Allow for the Random Audit of Cash Expenditures'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 22 MRSA §3763, sub-§§11 and 12** are enacted to read:

**11. Prohibited purchases.** A recipient of TANF may not use TANF cash benefits for the purchase of alcoholic beverages or tobacco products. If the department determines in an audit pursuant to subsection 12 that a recipient of TANF has used TANF cash benefits to purchase items prohibited under this subsection, the department shall deduct the amount of the transaction from the recipient's benefits under the electronic benefits transfer system for the month subsequent to the determination of the prohibited purchases.

**12. Retention of receipts for 12 months; random audits by department.** A recipient of TANF shall retain, for 12 months, a receipt for every cash transaction the recipient makes using the cash benefits of an electronic benefits transfer system card, including receipts for purchases made with cash withdrawn from the electronic benefits transfer sytem card. The department may randomly audit the receipts for the period from January 1st to June 30th or July 1st to December 31st, whichever period is most recent, for up to 1% of TANF recipients each year.

**Sec. 2. Appropriations and allocations.** The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)  
Division of Audit Z157**

**COMMITTEE AMENDMENT**

12.13.13

1 Initiative: Provides funding for 2 Auditor II positions and one Accounting Associate I  
2 position and related costs to audit Temporary Assistance for Needy Families (TANF)  
3 recipients. Assumes having to complete between 85 and 90 audit cases annually.

|   |                               |                 |                  |
|---|-------------------------------|-----------------|------------------|
| 4 | <b>GENERAL FUND</b>           | <b>2013-14</b>  | <b>2014-15</b>   |
| 5 | POSITIONS - LEGISLATIVE COUNT | 3.000           | 3.000            |
| 6 | Personal Services             | \$84,502        | \$115,739        |
| 7 | All Other                     | \$5,304         | \$7,071          |
| 8 |                               |                 |                  |
| 9 | <b>GENERAL FUND TOTAL</b>     | <b>\$89,806</b> | <b>\$122,810</b> |

|    |  |                 |                 |
|----|--|-----------------|-----------------|
| 10 | <b>OTHER SPECIAL REVENUE FUNDS</b>       | <b>2013-14</b>  | <b>2014-15</b>  |
| 11 | Personal Services                        | \$56,335        | \$77,159        |
| 12 | All Other                                | \$3,536         | \$4,714         |
| 13 |  |                 |                 |
| 14 | <b>OTHER SPECIAL REVENUE FUNDS TOTAL</b> | <b>\$59,871</b> | <b>\$81,873</b> |

|    |                                     |                  |                  |
|----|-------------------------------------|------------------|------------------|
| 15 | <b>HEALTH AND HUMAN SERVICES,</b>   |                  |                  |
| 16 | <b>DEPARTMENT OF (FORMERLY DHS)</b> |                  |                  |
| 17 | <b>DEPARTMENT TOTALS</b>            | <b>2013-14</b>   | <b>2014-15</b>   |
| 18 |                                     |                  |                  |
| 19 | <b>GENERAL FUND</b>                 | <b>\$89,806</b>  | <b>\$122,810</b> |
| 20 | <b>OTHER SPECIAL REVENUE FUNDS</b>  | <b>\$59,871</b>  | <b>\$81,873</b>  |
| 21 |                                     |                  |                  |
| 22 | <b>DEPARTMENT TOTAL - ALL FUNDS</b> | <b>\$149,677</b> | <b>\$204,683</b> |
| 23 |                                     |                  |                  |

24 **SUMMARY**

25 This amendment, which is the minority report of the committee, replaces the bill. It  
26 prohibits recipients of Temporary Assistance for Needy Families, or TANF, benefits from  
27 using benefits to purchase alcoholic beverages or tobacco products. The amendment also  
28 requires recipients of TANF to retain receipts for cash transactions, including those made  
29 with cash withdrawn from the electronic benefits transfer system card, for 12 months.  
30 The Department of Health and Human Services may audit the receipts for a 6-month  
31 period for up to 1% of all TANF recipients to determine if a recipient has spent TANF  
32 cash benefits on prohibited items. If the Department of Health and Human Services  
33 determines that such a purchase has been made, the department is required to deduct that  
34 amount from the recipient's TANF benefits for the following month.

35 The amendment also adds an appropriations and allocations section.

36 **FISCAL NOTE REQUIRED**  
37 (See attached)

**COMMITTEE AMENDMENT**



# 126th MAINE LEGISLATURE

LD 1030

LR 1163(02)

**An Act To Require That Electronic Benefits Transfer System Cash Benefits Are Used for the Purpose for Which the Benefits Are Provided**

Fiscal Note for Bill as Amended by Committee Amendment *A (H-518)*

Committee: Health and Human Services

Fiscal Note Required: Yes

## Fiscal Note

Minor savings - Federal Block Grant Fund

|                                   | FY 2013-14 | FY 2014-15 | Projections<br>FY 2015-16 | Projections<br>FY 2016-17 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |            |            |                           |                           |
| General Fund                      | \$89,806   | \$122,810  | \$126,282                 | \$129,858                 |
| <b>Appropriations/Allocations</b> |            |            |                           |                           |
| General Fund                      | \$89,806   | \$122,810  | \$126,282                 | \$129,858                 |
| Other Special Revenue Funds       | \$59,871   | \$81,873   | \$84,188                  | \$86,572                  |

### Fiscal Detail and Notes

Provides appropriations of \$89,806 in fiscal year 2013-14 and \$122,810 in fiscal year 2014-15 for the Division of Audit in the Department of Health and Human Services for two Auditor II positions and one Accounting Associate I position and related costs to audit Temporary Assistance for Needy Families (TANF) recipients. Any savings in Temporary Assistance for Needy Families (TANF) Block Grant spending are expected to be minor.