



MAINE EQUAL JUSTICE

Finding solutions to poverty and improving the lives of people with low income in Maine.

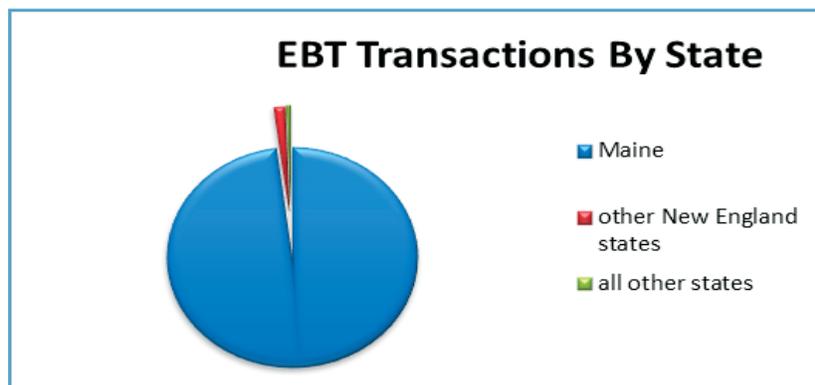
Governor Recycles So-Called “Welfare Reform” Strategy

Ban on using EBT cards out of state: Should spending money in another state be a crime? Of course not—imagine how offended people would be if such an idea was even proposed. But once again the Governor has proposed to penalize families receiving Temporary Assistance for Needy Families from spending even \$1 of their benefits out of state.

There is *no* reason to presume that when a family receiving TANF uses their EBT card in another state that transaction represents some kind of fraud or inappropriate purchase. All people in the United States—including families receiving TANF—are allowed to travel freely between states. They often do so to visit or care for relatives, shop, attend funerals, or look for a job or work. They may also be forced to leave their home state when fleeing domestic violence. Maine families that live near the border frequently travel from Maine to New Hampshire to work, shop, or go to school.

This proposal is unconstitutional. Responding to a similar proposal last year, the Attorney General’s Office indicated that blocking out-of-state EBT transactions raises constitutional concerns. This proposal undermines constitutionally protected interstate travel by preventing or forbidding transactions occurring outside of Maine.

The vast majority of TANF families use their EBT card in Maine and New England. Ninety-eight percent (98%) of EBT TANF transactions are made in Maine. Other *New England* states account for only 1.5% of all transactions. And only .005—one half of one percent—takes place in all of the other states combined.



Public policy should be based on the facts, not deceptive data. Proponents have claimed that the use of Maine EBT cards by people who are no longer residents is a widespread problem but have failed to present any evidence substantiating that claim. Last year, arguing to restrict TANF EBT use out of state, the administration cited irrelevant and deceptive numbers. It used numbers that included SNAP EBT transactions out of state, which greatly increase the number of transactions (130,000 households are enrolled in SNAP while only 7,000 families receive TANF). SNAP is not the target of this proposal as federal law requires that people be able to use their SNAP benefits wherever they are in the country. When you look at TANF EBT data only (data the administration has but presumably chose not to use because the numbers are so small) you get a very different picture:

- The Governor issued a press release that alleged that there were 1,857 EBT transactions in 2013 in Hawaii, St. John in the U.S. Virgin Islands and Puerto Rico. In fact, in 2013 there were **no** TANF transactions in Hawaii; **none** in the Virgin Islands and just **one** transaction in Puerto Rico.
- The Governor asserted that there were 16,000 transactions in California; in fact there were 30 in 2013.
- In addition, the Governor claimed there were 28,000 transactions in Florida in 2013. In fact, there were 318 TANF transactions in 2013.

There was NO evidence that any of these transactions were improper in any way.

If the administration is concerned that families that are no longer residents of Maine are using EBT cards issued here, the state has much better ways to address this issue. Other states use far more efficient and effective means to ensure that benefits are paid only to residents of the state without disrupting the lives of the great majority of law-abiding families receiving TANF.

- Proponents of this proposal have said this is a way to ensure that Maine provides TANF benefits only to state residents. But DHHS staff acknowledges they already have the authority needed under current law to go after non-residents who are using EBT cards illegally in other states. Last year when the Governor presented this same bill the Attorney General indicated that no such case had been referred to her for prosecution.
- Other states use existing technology to monitor cases in which a family may use their EBT card out of state for an extended period of time and investigate those cases in which such facts exist.
- The Missouri state auditor recently worked with their Department of Health and Human Services using technology to track cases in which EBT transactions occurred in another state for significant periods. As a result of this investigation, only 19 families were assessed an overpayment out of the 40,000 TANF cases that were reviewed. This represents 2/10ths of 1% of all Missouri TANF cases. It makes little sense to penalize *all* TANF families when data indicates the number of non-resident cases is so small.

The Governor proposes “welfare reform” strategies that do nothing to create opportunity and help people move into jobs and out of poverty. Instead he chooses to prevent parents from spending the temporary assistance they receive out of state.

**Real reform should create opportunity for families;
not push them deeper into poverty.**