

DSS ID # 13-07

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE November 27, 2013

SUBJECT MATTER OF REGULATION TFA EBT Transaction Restrictions

REGULATION SECTION NO. UPM 8570.32 STATUTORY AUTHORITY 17b-10

OTHER AGENCIES AFFECTED None

EFFECTIVE DATE USED IN COST ESTIMATE January 1, 2014

ESTIMATE PREPARED BY Marsha Goldberg

QUESTIONS SHOULD BE ADDRESSED TO Michael Gilbert TELEPHONE 860-424- 5841

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected General

	SFY 2014	SFY 2015
Number of Positions		
Personal Services		
Other Expenses		
Equipment		
Grants (Medicaid)		
Total Costs (Savings)	see below	see below
Estimated Federal Share		
Estimated State Share		

STATE IMPACT OF REGULATION:

This proposed regulation seeks to bring the state into compliance with the requirements of Section 4004 of Public Law 112-96, which requires that states maintain policies and practices to prevent individuals receiving assistance under the Temporary Family Assistance (TFA) program from using such assistance in an electronic benefits transfer (EBT) transaction in a liquor store, casino, gambling casino, gaming establishment, or retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

The proposed regulation prohibits individuals receiving assistance under TFA from using such assistance in an EBT transaction in a liquor store, adult-oriented entertainment establishment, casino, gambling casino or gaming establishment. Previously, the Uniform Procedural Manual set forth no such prohibition.

It also authorizes the Department of Social Services to audit TFA recipients' EBT transaction history for indications of prohibited transactions and to impose penalties that gradually increase in severity with each additional violation.

The proposed amendment requires the department to provide a recipient with notice of its intent to impose a penalty resulting in a reduction, suspension or termination of benefits at least ten days prior to the imposition of such penalty, and provides a recipient the right to contest such a penalty at a hearing.

Finally, the proposed amendment requires the department to provide information about the new restrictions to all TFA recipients before imposing any penalties.

A report is due to the Administration of Children and Families by February 22, 2014 indicating that the State has implemented these procedures.

FINANCIAL IMPACT:

An initial cost of approximately \$8,300 will be incurred in sending out notification to about 19,000 TFA recipients regarding the change in usage for the EBT card.

The EBT brochure will be edited internally to include these new restrictions. A small cost (indeterminate) will be incurred to translate the new section on these restrictions into Spanish. On-going costs will be minimal as the EBT brochure is included in mailings to new recipients. The costs will be absorbed in the Department's operating budget.

It is assumed that there will be minimal impact from implementation of these new regulations.

EXPLANATION OF MUNICIPAL IMPACT OF REGULATION: None.

SMALL BUSINESS IMPACT : None

Cost estimate to mail notices on EBT changes to TFA clients

# of letters	19,000
Envelopes	\$ 0.017
Postage	\$ 0.401
Paper (# of boxes)	4.00
Cost of paper box	\$ 38.00
Printing costs	\$ 0.007
Cost of Envelopes	\$ 323.00
Postage	\$ 7,619.00
Paper	\$ 152.00
Printing	\$ 133.00
cost	\$ 8,227.00