

Welfare Cash for Weed in Colorado

Recipients are withdrawing thousands in cash at pot dispensaries, and Republicans want to stop it.

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For the past six months, welfare beneficiaries in Colorado have repeatedly withdrawn their cash benefits at marijuana retailers and dispensaries, according to a new analysis by National Review Online. Such apparent abuses have caught the eye of Colorado's executive and legislative powers alike, and the state has launched an effort to curb them.

At least 259 times in the first six months of legalized recreational marijuana in Colorado, beneficiaries used their electronic-benefit transfer (EBT) cards to access public assistance at weed retailers and dispensaries, withdrawing a total of \$23,608.53 in Temporary Assistance for Needy Families (TANF) cash, NRO's examination found.

In 2012, the latest fiscal year available, Colorado used \$124 million in TANF money from the federal government, according to the Center for Budget and Policy Priorities. Withdrawals at marijuana establishments represented only a tiny fraction of the more than 500,000 total EBT transactions that have occurred since recreational weed became legal in Colorado on January 1. And it's impossible to determine how much of that welfare money actually was used to buy pot, given that cash benefits are fungible and some of these establishments also sell groceries.

Nevertheless, welfare withdrawals at weed stores are coming under increasing scrutiny, and Colorado's legislators and bureaucrats are beginning an effort to restrict abuses.

On July 11, the Colorado State Board of Human Services passed an emergency rule, effective immediately, restricting the use of TANF funds at marijuana shops, bars, liquor stores, gambling establishments, and other potentially inappropriate venues.

The Colorado Department of Human Services (CDHS), which oversees the TANF program, has begun to convene a task force on apparent misuse of cash benefits, joining with other state agencies to work out the details of enforcement, including how to monitor transactions, what constitutes wrongful usage, and whether withdrawals at medical-marijuana dispensaries should be considered a potential abuse of welfare money.

Todd Jorgensen, deputy director of the CDHS Office of Economic Security, says: "For the first time in Colorado, the rule will allow us to deactivate an EBT card if we identify misuse. . . . The department takes the appropriate use of TANF funds very seriously."

As the first state in the nation to allow recreational marijuana, Colorado is trailblazing such restrictions. Though federal law requires states to limit the use of cash benefits at liquor stores, gambling establishments, and adult-entertainment stores, it does not explicitly address marijuana retailers or dispensaries.

Last session, some Colorado legislators attempted to pass a bill banning TANF withdrawals at marijuana establishments, but Democrats blocked it. The state's Republicans did succeed, however, in passing a budget amendment that would preclude such use. Because of a legislative technicality, however, the amendment "doesn't have the power and teeth behind it that a statute does," says Colorado Springs representative Dan Nordberg, one of the key proponents of the ban. Republican lawmakers plan to re-introduce stronger legislation next session.