

NEIL ABERCROMBIE
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February 9, 2012

MEMORANDUM

TO: Honorable John M. Mizuno, Chair
Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2775 – RELATING TO ELECTRONIC BENEFITS TRANSFER
CARDS**
Hearing: Thursday, February 9, 2012, 8:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of H.B. 2775 is to require the Department of Human Services to submit a waiver to allow the placement of photo identification on electronic benefits transfer (EBT) cards and to fund a cost study regarding the inclusion of photo identification on EBT cards.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes this bill and offers the following comments.

Placement of a photo on the State EBT card is a state option and would not require a waiver of federal regulations. The Department of Human Services has sought guidance from the U. S. Department of Agriculture (USDA) on the issue of photo identification on EBT cards in the past. The USDA has advised that while this is a state option, participating states would need to ensure that all appropriate household members and any authorized representatives could access benefits. This would require multiple cards with different photo identifications. USDA further advised that states

would need to establish procedures to ensure that recipients had reasonable opportunity to complete the photo, that exemptions to the photo requirement for good cause were allowed, and that the cost of adding the photo was reasonable and necessary to the purposes of the program. Importantly, USDA cautioned that adding photo identification could potentially slow down the application process and decrease the timeliness rate. At a time when the State is experiencing a significant deficiency in application processing timeliness the photo requirement may be an unnecessary barrier to services.

The Department believes that imprinting photo identification on the State EBT card is not cost effective, will inconvenience clients and retailers, and be labor intensive for State personnel. There is no evidence that imprinting photos onto the EBT card will reduce fraud activities.

Thank you for this opportunity to comment on this legislation.