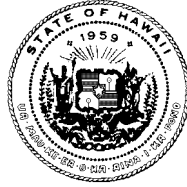


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LATE

February 8, 2016

TO: The Honorable Representative Angus McKelvey, Chair
House Committee on Consumer Protection & Commerce

FROM: Rachael Wong, DrPH, Director

SUBJECT: **HB 2487 – RELATING TO ELECTRONIC BENEFIT TRANSFER CARDS**

Hearing: Monday, February 8, 2016, 2:05 p.m.
Conference Room 325, State Capitol

DEPARTMENT’S POSITION: The Department of Human Services (DHS) opposes this measure as the suggested language conflicts with federal guidance provided to States regarding Supplemental Nutrition Assistance Program (SNAP) purchases and checking of identification of Electronic Benefit Transfer (EBT) card users to ensure that only an authorized person is transacting the benefit.

PURPOSE: The purpose of this measure is to establish procedures to require a person to present photo identification when using an electronic benefit transfer card.

SNAP is an exclusively federally funded program through the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). The USDA, FNS, in establishing national uniform standards of operation for the SNAP program, has provided the following statement regarding State legislative proposals to require retailers or other authorized outlets that accept SNAP benefits to check the identification of all EBT card users to ensure that only authorized person are transacting benefits:

“Currently, identification of certified household members is established primarily through Personal Identification Numbers (PINs) under 7 U.S.C. 2016 (h) (2). States may only impose additional identification requirements upon EBT card users as provided for by the Food and Nutrition Act of 2008 (Act), and implemented through

program regulations. Section 7(h) (9) of the Act (7 U.S.C. 2016(h)(9)) and 7 C.F.R. 274.12(h)(6), allows a State agency to require that an EBT card contain a photo of one or more members of a household.

If the State agency elects to require such photo identification, it must also establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card. No other forms of required identification are authorized by the Act or regulations. [underscore added]

FNS does not recommend that State legislatures pursue legislative proposals inconsistent with the requirements of the Act.”

EBT cards issued by the DHS currently do not contain a photo. Placement of a photo on the State EBT card is a State option and would not require a waiver of federal regulations. The DHS 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 placing photos on EBT cards is a State option, participating states 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 have reasonable opportunity to complete the photo, that exemptions to the photo requirement for good cause are 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. The photo requirement may be an unnecessary barrier to services.

The Department previously initiated a cost inquiry with the current vendor that provides the EBT cards. The estimated cost per photo card could be \$2.00 with a shipping cost of \$0.85 per card. The DHS would need to replace approximately 100,000 cards. Camera costs are estimated at \$3,000 per device. A minimum of one device would need to be installed at each of the 30 processing centers statewide. Other costs to consider include equipment, system modifications and possible upgrades, production costs, client notification, and increased mail processing at the very least. Currently, the EBT card has security features such as a signature panel at the back of the card and a personal identification number (PIN). The Department believes that imprinting photo

identification on the State EBT card is not cost effective and may serve as a delay or barrier to the timely access to benefits.

Further, there is no evidence that imprinting photos onto the EBT card will reduce fraud activities, and as indicated above, the Food and Nutrition Act of 2008 no other forms of required identification are authorized by the Act.

Thank you for this opportunity to provide comments on this bill.