TO: Representative Raymond E. Gallison Jr., Chair
House Committee on Finance

FROM: Kathleen S. Gorman, Ph.D.


DATE: Wednesday, April 30, 2014

40-6-8.1. Electronic benefit transfer cards for supplemental nutrition assistance program (SNAP)

As the Director of the Feinstein Hunger Center at the University of Rhode Island, I manage the contract for the SNAP Outreach Project with the RI Department of Human Services. As such, our staff is intimately familiar with the day to day challenges of people with low income and the difficulties they face in getting food assistance.

I am here today to testify against House Bill 7661, and offer the following comments.

1) There are several elements to the legislation that are unnecessary and redundant.
   - Federal law already requires that retailers that accept EBT post information about fraud at their stores
   - SNAP applications already indicate that SNAP benefits are for food items only and the application already specifies particular items that are prohibited (e.g., firearms, alcohol, tobacco, drugs) as well as the potential penalties for violating such rules. Additionally, the DHS website provides a list of items that can and cannot be purchased with SNAP.
   - DHS already has a policy in place that any SNAP recipient who requests more than 3 replacement EBT cards in a year is referred to the fraud unit for investigation.

2) SNAP is a federally regulated program and guidance about this type of legislation from the FNS/USDA is attached. The EBT card utilizes a PIN number which is the sole identifier needed to access benefits. It is important to know that EBT cards are issued to a household, and multiple members of a household, or someone outside of the household but authorized by DHS, may be legally authorized to use the card. The name, or in the proposed legislation, the photo on the card only identifies the head of household and not each member of the household. Therefore, even if an EBT card has a photo ID, there can be no requirement, and no expectation, that the person using the card would be the person whose photo is on the card.

3) Additionally, the proposed legislation would be costly: currently cards are issued to households rather than individuals. It is unclear whether the intended legislation would require that each SNAP household member would have their own card, but if so, that would likely double the number of cards (currently we have about 100,000 households and 180,000 recipients). While the cost of producing these cards is unclear, requiring that new cards be issued, and photos taken of large numbers of SNAP recipients would result in a significant administrative burden, resulting in personnel and administrative costs. Current business process encourages the use of

*The University of Rhode Island is an equal opportunity employer committed to the principles of affirmative action.*
phone interviews and mailing in documentation in order to decrease foot traffic in the offices and reduce workloads. EBT cards are frequently mailed to households after they have been determined eligible. The issuance of cards with photos on them will require individuals to have to come to the offices for their photos, increasing the need for staff and administrative support. This requirement would also create additional burden on SNAP recipients, who might have transportation difficulties getting to the office, particularly those offices where public transportation is not available, as well as the need in many cases to take time off of work to present to a DHS office to be photographed.

4) **Retailer burden**: Federal law requires that EBT recipients may not be discriminated against or treated any differently than any other customer. If retailers are required to check for photo ID on the EBT card, retailers will be required to ask any individual shopping with a Debit or Credit card to present a photo ID as well. Retailers must allow people to shop with EBT cards even if the name and photo ID do not match. This will effectively eliminate self-serve checkout lanes in grocery stores, and subject stores to civil rights violations if they selectively choose to card SNAP recipients. Attached is guidance issued by USDA to Maine upon consideration of similar legislation. The guidance outlines both the extensive federal requirements for retailers as well as for state departments should they decide to implement such legislation.

5) **Fraud prevention**: there is no evidence that the use of photos on EBT cards will reduce fraud. Most cases of fraud are at the retail level (a retailer agrees to swipe the card for a given amount and returns a portion of the amount to the cardholder in cash). In those instances, it is highly unlikely that the retailer would be concerned about the photo of the individual using the card. Additionally, issuing cards with photos does not change the cardholders’ rights to access their SNAP benefits. Individuals shopping with an EBT card, even if it does not match their name or face, cannot be denied use of the card. The EBT card is pin protected and the pin is the only requirement for its use.

The SNAP Outreach Project has been a vital part of the state’s ability over the last several years to increase SNAP participation by reaching out to potentially eligible individuals and families and providing them with the assistance they need to access benefits. Today, roughly 180,000 Rhode Island residents are receiving help from the Supplemental Nutrition Assistance Program (SNAP). And as the numbers continue to grow, we can all take comfort in knowing that that our SNAP participation reflects our commitment as a state to feed families struggling to make ends meet during these severe economic times of high unemployment. It is only through a combination of hard work by the Department of Human Services in managing SNAP with high integrity together with the successful efforts of the SNAP Outreach Project that we have been able to continue to meet the needs of low-income Rhode Islanders.

cc: House Finance Committee members