



Ohio Job and Family Services Directors' Association

37 West Broad Street, Suite 1120 ♦ Columbus, Ohio 43215

614-221-3688

Ohio Senate General Government and Agency Review Committee

Interested Party Testimony on Senate Bill 165

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Joel Potts, Executive Director

Ohio Job and Family Services Directors' Association

Chairman Schuring, Vice-Chair Rulli, Ranking Member O'Brien, and Members of the Senate General Government and Agency Review Committee: Thank you for the opportunity to provide interested party testimony on Senate Bill 165, which proposes a photo be required on many electronic benefit transfer (EBT) cards. EBT cards are the mechanism through which individuals receive food assistance, or Supplemental Nutrition Assistance Program (SNAP) benefits.

It is the county job and family service agencies' primary duty to ensure clients receive the services they need and are entitled to, as well as ensure program integrity. The counties constantly strive to provide a viable, safe, effective, efficient system while maintaining program integrity and operating as good shepherds of the public trust.

Despite no dedicated funding source for county agencies, Ohio is one of the leading states in the country in identifying fraud and collections. Fraud and abuse investigations can be extremely complex, involving local law enforcement, and requiring prosecutor and court actions. The success of adding photo identification to the EBT card as an anti-fraud tool would be dependent on adequate resources including equipment, training, information technology support and clear guidelines for clients, retail establishments and government workers.

As the representatives of the county departments of job and family services, who are responsible for collecting required information and verifying eligibility in a timely manner for Ohio's public assistance recipients, we have several questions around the program design and implementation for the proposed requirement.

As an interested party my comments are intended to highlight implementation questions and issues, including necessary system changes, funding concerns and staffing challenges, which would need to be addressed for successful implementation of this legislation. County agencies are responsible for administering the bureaucracy created by state and federal laws and therefore have a unique and vested interest in the development of policies that directly impact the delivery of public assistance benefits and the residents we serve.

SB 165 would require a color photograph of at least one adult member of the household for which the card is issued be placed on the front of the card. The bill also requires that on the back of the card, a telephone number that can be called to report suspected fraud under the SNAP program and the address of a web site where suspected fraud can be reported be placed.

The bill exempts the photo requirement for households that do not include any adult members, or in which each of the adult members of the household is sixty or older, blind, disabled, a victim of domestic

violence, or has religious objections to being photographed. It also provides that an adult who meets one of these exemptions may volunteer to have a photo included on his or her EBT card.

County information technology, systems and cost concerns include:

- The development and implementation of the Ohio Benefit eligibility system is the most significant information technology upgrade in Ohio's history. While the system is a vast improvement to the old CRIS-E system, there are still issues that are currently being addressed to ensure an efficient and effective eligibility system that meets all state and federal requirements and most importantly, provides the services Ohioans are entitled to receive. New mandates on the Ohio Benefits system should be considered in a priority order to safeguard the client eligibility process.
- Both the Ohio Department of Job and Family Services and the Ohio Legislative Services Commission have identified significant costs to implement the photo requirements included in the bill. With the exception of a statement in the LSC analysis that "Based on other states' experiences with requirements similar to those imposed by the bill, the Ohio Department of Job and Family Services (ODJFS) and county departments of job and family services (CDJFSs) could incur one-time and ongoing costs in the millions of dollars", to my knowledge no other mention or analysis to the potential financial impact of county agencies has been completed. Depending on the implementation criteria of the bill, impacts to counties could be significant. Costs could include equipment, casework, fraud investigations and training (including consumers and retailers).
- The legislation would allow the JFS system to utilize existing Bureau of Motor Vehicles (BMV) client photo data to be placed on EBT cards. Successful implementation of this provision could be extremely beneficial. However, operationalizing this provision would require significant system upgrades to both the Ohio Benefits eligibility system and BMV data base. This would be a costly and time-consuming undertaking. If this legislation becomes law the implementation timeframe should be contingent on the electronic transfer of data between these two computer systems. Without an electronic linkage, BMV photos would be of little use to the JFS system as waiting for a manual transfer of photos (including positive verification of the photos to be used) would significantly delay the SNAP eligibility process and put the state at risk of federal financial penalties for application timeliness.
- How much of this new system will be automated and how much will be a manual process? The answer to this important question will significantly impact ongoing cost estimates and the eligibility determination process. In addition to the SNAP program, county eligibility workers are also responsible for determining eligibility for many other programs including Medicaid, childcare and Temporary Assistance to Needy Families. In many counties these same workers are also responsible for operating work requirements in TANF and fraud investigations. Increases in workloads in one area could unintentionally impact other state and federally mandated services to other programs. We would like to work with the sponsor and committee to ensure adequate resources are provided to properly meet the needs of the residents of the State of Ohio while also meeting the expectations of the legislature in implementing the requirements of the bill.

Policy questions include:

- Will there be a standard process for deciding which adult member of a household must have his or her picture on the EBT card? Multiple family members and household residents may utilize the same card. Having one photo on a card has caused much confusion in other states when there is more than one legal card user on a case.
- Are any associated changes planned around the ability of an adult to authorize an individual outside of the household to use their card for the purchase of food? There are numerous instances where an “authorized representative” can purchase food on behalf of a client. In these instances, whose photo would be on the card?
- Which telephone number will be on the back of the card to report suspected fraud, and what are policymakers’ expectations for how such calls will be handled? If the calls are to be handled by the counties more resources will be needed for fraud investigation units. Currently there are no dedicated funds to counties for fraud investigators.
- Have there been estimates done on the amount of time the photo requirement and acquisition will add to the determination of eligibility for SNAP benefits? States are held to strict federal standards on timely benefit determination, and entities not in compliance can incur federal financial penalties if not in compliance.
- Ohio has made significant investments in modernizing the JFS delivery system so that individuals do not have to come into the office for business that can be conducted online or on the phone. An analysis should be conducted regarding the number of SNAP recipients who may need to physically come into the JFS for their photo, including the delay in issuing benefits while waiting to complete the photo process. (Studies have shown interview time for individuals who are physically in the agency take 45-60 minutes, compared to 15-20 minutes for individuals who are interviewed over the phone.)

Confidence in our public assistance program is paramount to successful administration of programs and open dialog is both necessary and meaningful to develop programs that meet the desires of the state and ensure our residents receive the services they need and are entitled to receive. County agencies welcome the opportunity to work with the sponsors and committee to develop legislation that helps ensure public trust in the system.

We appreciate the efforts of the bill sponsor to work with us on the issues we have raised. We respectfully ask that, should the legislature consider enacting this legislation, further stakeholder meetings occur with representation from all involved state and local agencies that may be responsible for operationalizing the photo identification concept to ensure there is a clear understanding of each entity’s role and responsibility in ensuring a smooth implementation both for the system and the people being served.

The goals of this legislation to ensure confidence in the system and to safeguard individuals who are not taking advantage of our SNAP system is laudable. The capacity to implement the mandates, including providing the necessary funds and making certain the needed computer system changes are in place,

along with a thorough understanding of both the intended, as well as the potential unintended consequences of the legislation need to be thoroughly vetted through the committee process.

Mr. Chairman and members of the committee, thank you for your time. I appreciate the committee holding this hearing and allowing OJFSDA the chance to discuss our views on the pending bill. I would be happy to answer any questions and look forward to working with you to address county concerns and develop legislation which meets the needs of the citizens we serve.