



October 11, 2013

Honorable Loretta Rush, Chair
Commission on Improving the Status of Children in Indiana

Comments submitted for the October 16, 2013 Commission Meeting

Thank you for the opportunity to present written comments for the dissemination and review of the Commission regarding the Legislative Council study topic assignments. Our interest rests with two recommendations originating with SEA 530-13 pertaining to the SNAP (Supplemental Nutrition Assistance Program) Program.

The first topic for study is to review whether Indiana should request distribution of SNAP benefits on a bimonthly basis by seeking a multiple issuance waiver. As the fiscal note of SEA 530-13 indicated, federal law prohibits multiple issuances of SNAP benefits in a single month to benefit recipients. The federal government has made exceptions to this prohibition for states that implement a longer SNAP distribution schedule, but only in the first month of implementing the longer SNAP distribution schedule. This is what FSSA will do in January when the change in SNAP disbursement will occur, also as a result of SEA 530-13.

The second and third topics for study are to review whether Indiana should require the following concerning the SNAP program: (1) a photograph of the SNAP recipient on the recipient's electronic benefits transfer (EBT) card; (2) a recipient to show federal, state, or locally issued photo identification when utilizing SNAP benefits with an EBT card.

Addressing the second issue, federal law requires that SNAP users receive equal treatment from retailers and that "no retail food store may single out [SNAP] users for special treatment in any way," (see citations below). The USDA has interpreted this law to mean that it is not permissible for a state to require SNAP recipients to show identification when making purchases unless all debit and credit card customers are also required to show ID.

7 C.F.R. §278.2

(b) Equal treatment for coupon customers. Coupons shall be accepted for eligible foods at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same store except that tax shall not be charged on eligible foods purchased with coupons. However, nothing in this part may be construed as authorizing FNS to specify the prices at which retail food stores may sell food. However, public or private nonprofit homeless meal providers may only request *voluntary* use of food stamps from





homeless food stamp recipients and may not request such household using food stamps to pay more than the average cost of the food *purchased* by the

public or private nonprofit homeless meal provider contained in a meal served to the patrons of the meal service. For purposes of this section, "average cost" is determined by averaging food costs over a period of up to one calendar month. Voluntary payments by food stamp recipients in excess of such costs may be accepted by the meal providers. The value of donated foods from any source shall not be considered in determining the amount to be requested from food stamp recipients. All indirect costs, such as those incurred in the acquisition, storage, or preparation of the foods used in meals shall also be excluded. In addition, if others have the option of eating free or making a monetary donation, food stamp recipients must be provided the same option of eating free or making a donation in money or food stamps. No retail food store may single out coupon users for special treatment in any way.

7 C.F.R. § 274.7

(f) Equal treatment. The EBT system shall be implemented and operated in a manner that maintains equal treatment for SNAP households in accordance with § 278.2(b) of this chapter. The following requirements for the equal treatment of SNAP households shall directly apply to EBT systems:

- (1) Retailers shall not establish special checkout lanes which are only for SNAP households. If special lanes are designated for the purpose of accepting other electronic debit or credit cards and/or other payment methods such as checks, SNAP customers with EBT cards may also be assigned to such lanes as long as other commercial customers are assigned there as well.
- (2) Checkout lanes equipped with POS devices shall be made available to SNAP households during all retail store hours of operation.

Finally, to address the proposal to require photographs on SNAP EBT cards. Our organization and members are wholeheartedly committed to program integrity. That being said, no state to my knowledge has been yet approved by waiver from USDA to include photo identification on SNAP EBT cards. Additionally, the complicated factors, costs and potential unintended consequences give us significant pause on the issue.

Limiting SNAP EBT use to one *cardholder* is prohibited by federal law. Currently, only one EBT card is issued per *household*, defined as people who live together who purchase and prepare food together. Federal law requires states imposing photo requirements to "establish procedures to ensure that all appropriate household members or authorized representatives are able to access benefits from the account as necessary." 7 C.F.R. § 274.8(b)(5)(iv)



From here, the question becomes how a state agency can either issue a single card with all appropriate household members and authorized representatives' photos, or the more involved process of issuing a card to every qualified member of a household. Both alternatives would require new cards. The second alternative of issuing more cards seems contradictory to program integrity in that it would make the program less secure.

The fiscal impact of either option is not known to our organization, but a proposal in Arizona to issues cards to every eligible recipient estimated that cost at \$20-25 million a year.

In addition, requiring photo identification on a SNAP EBT card would put the responsibility on retailers to verify the shopper's identity. We certainly do not wish to speak on the behalf of retailers, but it would in fact be adding another verification process to the utilization of SNAP benefits.

In conclusion, we would welcome the opportunity to work with FSSA, legislators, and other interested parties to enhance the program integrity of SNAP to ensure the more than one million Hoosiers at risk of hunger, and the more than 900,000 Hoosiers utilizing SNAP benefits, are appropriately served.

Sincerely,

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