

Food stamp bill focuses on welfare card photo, prohibited locations

By: [Rachel Leingang](#) March 3, 2016



The Arizona House of Representatives approved a bill Tuesday that would add a photo to welfare benefit cards after the sponsor promised to get rid of provisions that would drop as many as 120,000 from federal benefit programs.

But, opponents of the bill say, adding a photo to Electronic Benefit Transfer cards would limit access, and it's unclear what the benefits would be.

The bill's sponsor, Mesa Republican Rep. Justin Olson, said the photo would help prevent fraud and could tamp down on a "secondary market" for benefit cards.

As originally written, HB2596 would prohibit the state from applying for any waivers to federal requirements for the Supplemental Nutrition Assistance Program, commonly known as food stamps.

Federal law says able-bodied adults without kids can only get SNAP benefits for a maximum of 3 months within a 36-month time limit. But the state's Department of Economic Security has a waiver to this requirement due to unemployment rates of more than 10 percent in some parts of the state.

Currently, the agency has more than 78,000 people who are considered able-bodied adults without kids who would lose benefits after the 3-month limit, according to legislative analysts.

The bill also proposed to change the way DES could calculate income for SNAP. Now, the state uses a higher gross income level of 185 percent of the federal poverty level, then allows people to deduct payments for things like childcare or housing to arrive at net income. In general, people with a net income below 100 percent of the federal poverty level can receive SNAP benefits.

The bill as proposed would have changed the 185 percent to 130 percent of the poverty level, which would reduce or get rid of benefit payments for about 40,000 people, about half of whom are children.

After the bill was failing on the House floor during a final vote on Tuesday, Olson promised he would take out the waiver provision once the bill goes to the Senate. Later, he told the *Associated Press* he would take out the income calculation change as well. The House passed the bill on a 33-26 vote after Olson's promise.

Nearly 1 million people received SNAP benefits in the state in January 2016. The average benefit was \$120 per person, according to legislative analysts.

Olson said prohibiting the waiver wasn't designed to save the state money, but instead was meant to encourage people to find work and become financially independent.

DES estimates fraud amounted to about \$1 million in fiscal year 2015, though the agency noted the amount may be inflated because it doesn't account for potential administrative errors, according to DES spokeswoman Tasya Peterson. In 2014, the amount was about \$1.7 million, and it was \$1.1 million in 2013.

Though the bill would no longer drop the 120,000 from benefits, it would still require adding a photo to electronic benefit cards and includes prohibitions on using welfare dollars at certain places and for certain activities.

Legislative analysts projected the photo ID measure would cost \$12 million in the first year to get the system and equipment required, then \$8.4 million annually after that.

The bill says an EBT card should have a photo on it “unless the recipient declines to have the photograph included.” But, Democratic Rep. Stefanie Mach pointed out in committee and during debate, there’s no process in place for how a person would refuse the photo requirement or how they would be informed that it’s optional.

In Maine, which has an optional photo provision for EBT cards, [recent stories from the Portland Press Herald](#) say benefit recipients have been getting letters from the state telling them to add photos to their cards. The U.S. Department of Agriculture previously told the state it wasn’t being clear enough to recipients that the photo was an option and not mandatory, according to the *Portland Press Herald*.

In an emailed response to questions, Peterson said the photo ID option means the state would face additional scrutiny from the federal government to make sure state law comports with federal SNAP guidelines. There could also potentially be “financial implications if implementation imposes additional conditions of eligibility or adversely impacts the ability to access Nutrition Assistance,” she said. The state would also need to submit a plan to the feds that would need to be approved before implementing the photo policy, which has taken about two years for other states, she said.

There are also several provisions in the bill that would exclude using federal benefits at certain places and for certain purchases, like tattoo parlors, nail salons, tobacco stores, psychic businesses, public swimming pools, cruise ships, theme parks, lottery tickets and “sexually oriented adult materials.”

Peterson said EBT reports can identify the place that an EBT card is used and the amount of the purchase, but not the specific items that are purchased. In addition, while the EBT location information includes a business name, it is not always possible to determine what type of store it is based on the name or the name of the parent corporation.

Olson touted the bill as a fraud prevention measure and a way to encourage people to get back to work so they could climb the economic ladder. Olson said other states that have enacted similar reforms have seen people build stronger families and communities, and that marriage rates had even increased because of the reforms. He also mentioned several times that the bill stems from 1990s welfare reform measures signed into law by former President Bill Clinton.

“(Reforms) were enacted with that intent to move people from dependency to being productive members of society, and they had that impact. That’s a fact. That’s what occurred,” Olson said.

During debate in the House, Democrats lined up in opposition to the bill’s provisions, mostly zeroing in on people who would get dropped from the program and the cost of implementing the photo ID.

Rep. Charlene Fernandez, D-Yuma, noted how the bill would affect her district in Yuma County, which has one of the nation’s highest employment rates. In August 2015, unemployment reached 27 percent in the Yuma area, and preliminary numbers from December show an 18 percent unemployment rate, according to the Bureau of Labor Statistics.

She also noted that if some kids are dropped from SNAP benefits, it may affect how or if they qualify for free and reduced lunch programs at schools.

“Those kids would be losing that lunch and breakfast. What happens when kids go to school hungry? They can’t learn. ... How is this a hand up if we start cutting these kids from something as basic as a breakfast and a lunch?” Fernandez said.

Rep. Celeste Plumlee, D-Tempe, told about how, while she was in school getting her undergraduate degree and working full-time, she got a 50-cent raise in pay from \$12 to \$12.50, which made her ineligible for some of the benefits she was receiving.

“When I lost those benefits, I did not suddenly become a more responsible member of society. ... I simply became a mother who could no longer afford to adequately feed her children,” she said.

While voting against the bill, Rep. Lela Alston, D-Phoenix, said, “This is the first time I have ever heard of the economic theory that the path to prosperity and self-reliance and well-being and money was achieved through starvation.”

Service organizations pointed out that, even if the EBT card has a photo on it, the benefits go to an entire household. For instance, a child could use his/her parent’s EBT card to buy groceries, despite someone else’s photo being on the card. Olson admitted during the House committee of the whole that, according to federal law, a business can’t refuse to take an EBT card as long as the person has the proper PIN, even if the photo doesn’t match the person who’s using the card. But, he said, he’s try to crack down on a “secondary market” for the benefit cards by adding the photo. He directed people to turn to Craigslist to find people selling EBT cards illegally. A Craigslist search on Feb. 29 turned up a handful of results for people selling food stamps. “I have 400 on my EBT card my car broke today and am trading \$200 for the \$400 on my card,” one ad read.

[In the House Appropriations committee on Feb. 17, Gibson McKay, a lobbyist for Foundation for Government Accountability Action, which is backing the bill, said there’s anecdotal evidence across the country of EBT cards being seen in drug busts or crack houses, possibly indicating people are trading the cards for drugs.](#)

DES already has a robust fraud investigation program, and 99.9 percent of people who receive welfare follow the law, said Angie Rodgers, president of the Association of Arizona Food Banks, which opposes the bill.

“Are we sacrificing the good for the perfect to make this bill go forward? Are we trying to grab that last .1 percent? ... Or are we trying to implement a program that works well and feeds more than a half-million children every month?” Rodgers told the *Arizona Capitol Times*.

As for the remaining provisions, Rodgers said she’s not aware of people using SNAP benefits on a cruise ship or the other circumstances the bill bans, and she doesn’t see fraud within the welfare system as a rampant issue.

“We’re encouraged that the sponsor recognizes that those provisions (that would have dropped people from SNAP) aren’t necessary, and we hope he comes to the realization that the entire bill is unnecessary,” Rodgers said.

Sam Richard, executive director of Protecting Arizona’s Family Coalition, said it’s a “false pretense” that there’s a ton of fraud in the welfare system. He said DES is already catching the right people with its fraud detection unit, and there’s no evidence that people are using benefits at places like tattoo parlors, cruise ships or nail salons.

“The number 1 thing that individuals use SNAP dollars for is food. ... You’re not going out to buy large screen TVs and

Cadillacs with this money. This money is for food,” Richard said.

The bill now moves to the Senate.