

## PROGRAM DESCRIPTION

Department: Social Services

HB Section(s): 11.115

Program Name: Electronic Benefits Transfer (EBT)

Program is found in the following core budget(s): Electronic Benefits Transfer (EBT)

### 1a. What strategic priority does this program address?

Move individuals to economic independence

### 1b. What does this program do?

The Department of Social Services, Family Support Division is administering the Electronic Benefits Transfer (EBT) program to help low income Missourians by providing for the delivery of cash assistance and SNAP benefits through an EBT card.

The Family Support Division currently contracts with FIS/eFunds Corporation to provide a statewide delivery system for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance (TA) cash benefits. The EBT system allows recipients to use the same type of system used by other consumers completing transactions with debit and credit cards. This is a federal requirement for SNAP recipients. The Department of Social Services began contracting with FIS/eFunds Corporation in June 2011. The initial five-year contract ended in June 2016, however there was an option for an additional five one-year renewals. DSS is developing a new Request for Proposal (RFP), which is expected to be released early 2021. The final contract expiration date will be June 2021. This system also provides reports that are used to identify potential retailer and recipient fraud.

<u>Monthly cost per case</u>	<u>Current</u>
SNAP only cases	\$0.61
Temporary Assistance only cases	\$0.57
Cases receiving both SNAP and Temporary Assistance	\$1.17

As required by SB 251 (2013), the Department of Social Services, Family Support Division blocks Temporary Assistance transactions at inappropriate locations, such as liquor stores, casinos, gambling/gaming establishments and establishments which provide adult-oriented entertainment, using FIS/eFunds Corporations' Fraud Navigator. Fraud Navigator also analyzes SNAP and Temporary Assistance transactions for possible unallowable activity and provides alerts to the Division of Legal Services, Welfare Investigations Unit.

Missouri implemented additional fraud prevention methods. Missouri has added a level of security to EBT cards to protect consumers from the cloning of EBT benefit cards with the activation of Card Authentication Value (CAV). Customers are discouraged from using common pin numbers, such as 1111, 1234, 4444 for EBT transactions. Additionally, the Agriculture Improvement Act of 2018 states that Missouri must expunge SNAP Benefits from EBT online accounts that have not been accessed in 9 months or upon verification that all members of the household are deceased. The implementation of these requirements are in development and will be in place by October 2021.

As a response to the COVID-19 pandemic, Missouri received approval from Food and Nutrition Service (FNS) to allow online purchasing with EBT cards. Currently Missouri has three retailers, Amazon, Walmart, and Woods Supermarkets approved to accept online EBT purchases. Other retailers will be added upon Food and Nutrition Service (FNS) approval.

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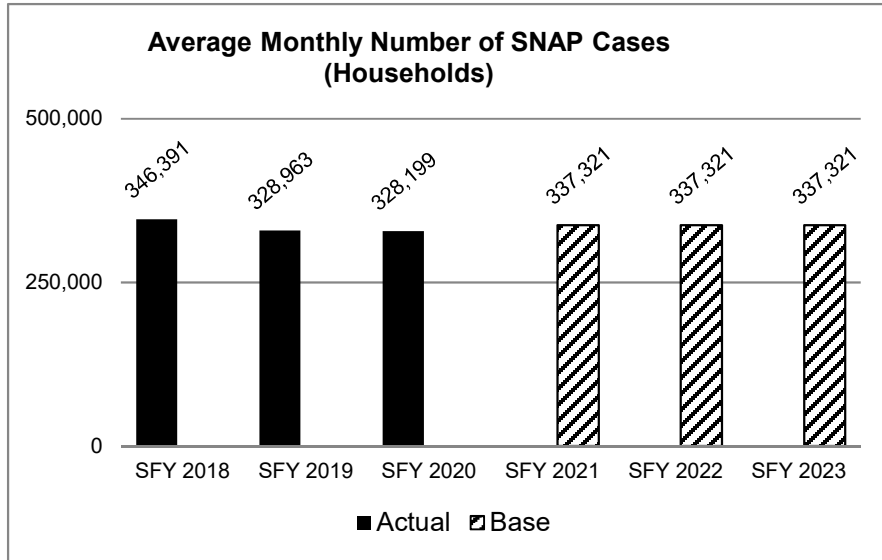
Department: Social Services

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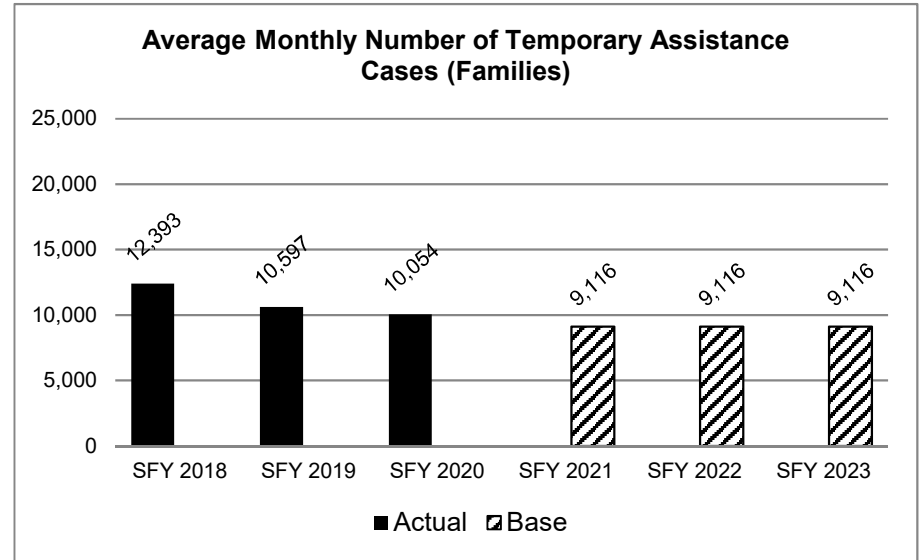
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**2a. Provide an activity measure(s) for the program.**



Projections are based on current caseload numbers.



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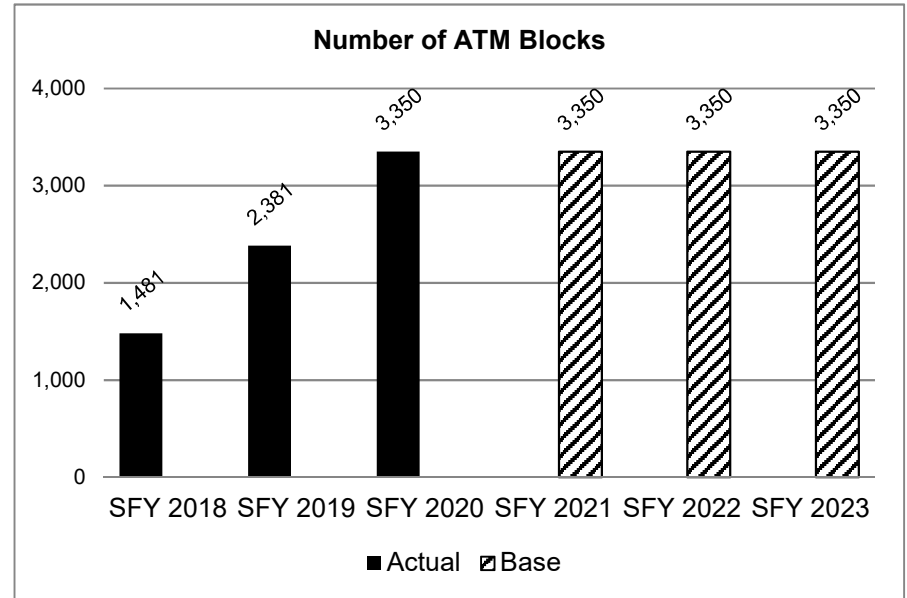
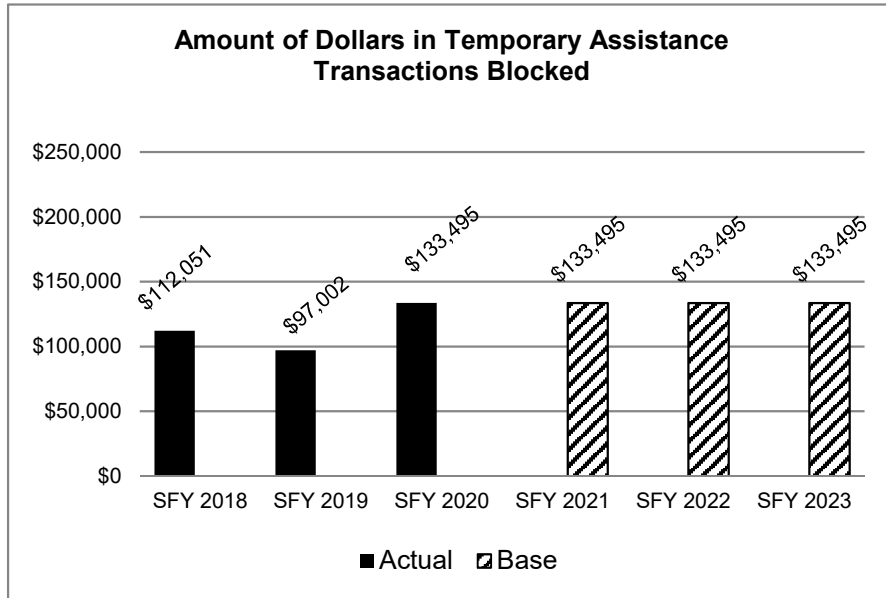
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**2b. Provide a measure(s) of the program's quality.**



As required by SB 251 (2013), the Department of Social Services, Family Support Division blocks Temporary Assistance transactions at inappropriate locations, such as liquor stores, casinos, gambling/gaming establishments and establishments, which provide adult-oriented entertainment, using FIS/eFunds Corporation's' Fraud Navigator. The initial push to block inappropriate locations has leveled off and projections were made based on the new transactions and dollars that are expected to be blocked over the next three years.

NOTE: The number of transactions blocked is determined by how many participants attempt to use their card at blocked locations. Participants may not be aware the location is blocked and often make multiple attempts at locations. The FSD receives additions to the list of block locations on a quarterly basis.

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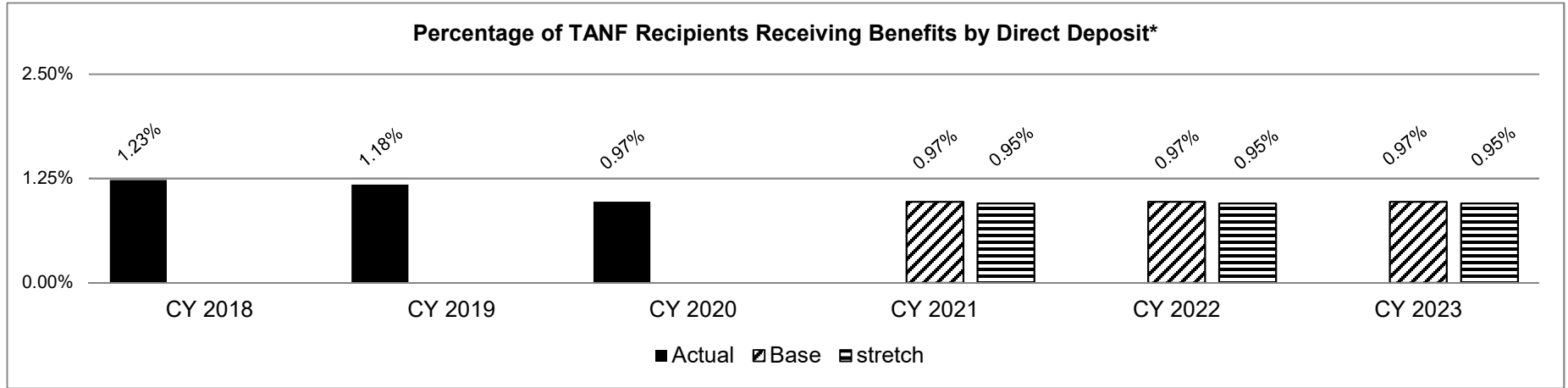
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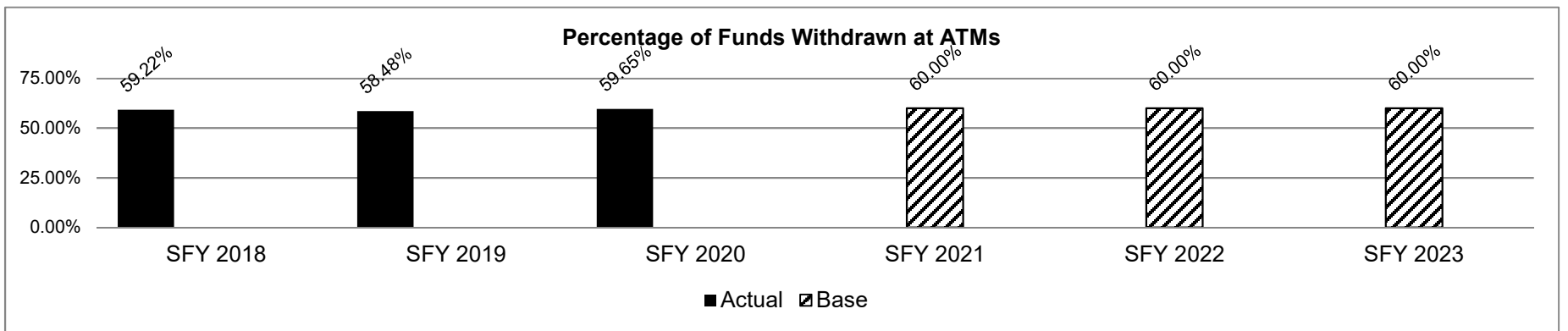
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**2c. Provide a measure(s) of the program's impact.**



\*Some people elect to not use the EBT card, and have TANF benefits directly deposited. The use of the EBT card is more efficient, and allows for ATM blocking, so the Department is working to decrease the percentage of Direct Deposits.

**2d. Provide a measure(s) of the program's efficiency.**



Funds withdrawn at ATMs are an efficient source of funding for recipients, compared with other ways to access cash benefits.

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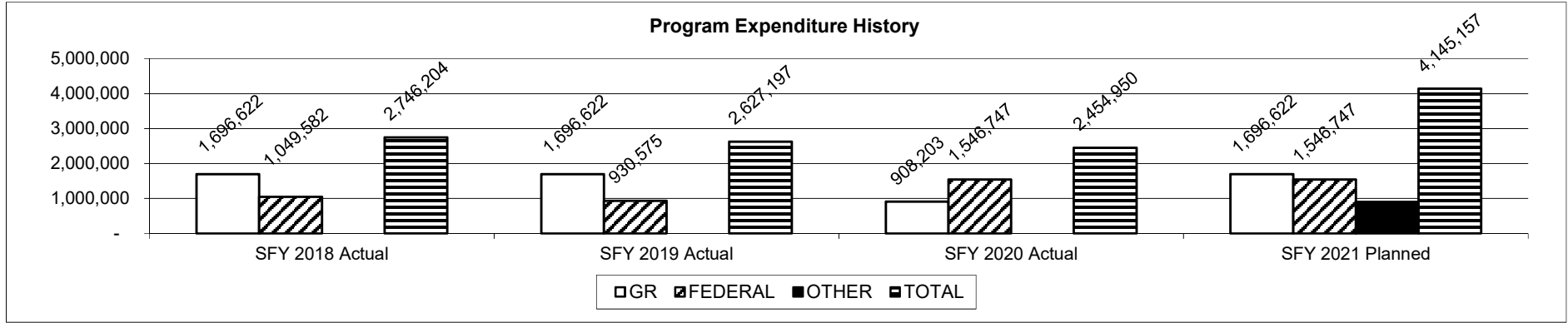
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**3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)**



SFY 2021 Planned is net of reverted and restricted.

**4. What are the sources of the "Other " funds?**

N/A

**5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State Statute: Section 208.182, RSMo. Federal law: Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996; PL 104-193; Code of Federal Regulations (CFR) Title 7, Subtitle B, Chapter II, Subchapter C, Part 274 Issuance and Use of Program Benefits.

**6. Are there federal matching requirements? If yes, please explain.**

EBT federal fund (FF) reimbursement is based on the type of expenditure. A portion of the EBT contract is claimed to SNAP Admin (50% FF and 50% State Match) and a portion of the EBT contract is claimed to TANF (100% FF).

**7. Is this a federally mandated program? If yes, please explain.**

Yes. PL 104-193, PRWORA of 1996. Distributing SNAP benefits through this method is a federal requirement.