

## 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 FSD currently contracts with FIS/eFunds Corporation to provide a statewide delivery system for SNAP and Temporary Assistance for Needy Families (TANF) 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 DSS 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. The final contract expiration date was to be June 2021, however, the contract is extended through December of 2022. A new contract was awarded to FIS/efunds in June 2022 and will be implemented January 2023. This contract is for five years with an option for five additional one-year renewals. This system also provides reports that are used to identify potential retailer and recipient fraud.

#### Monthly cost per case

#### New Contract Rates

SNAP only cases	\$0.43
TANF only cases	\$0.20
Cases receiving both SNAP and TANF	\$0.59

As required by SB 251 (2013), the DSS, FSD blocks TANF 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 TANF 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 now prohibited 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 unused SNAP Benefits from EBT online accounts after 9 months or upon verification that all members of the household are deceased. The expunging of unused benefits was implemented November 14, 2021 and the implementation of expunging benefits for deceased households was implemented April 24, 2022.

As a response to the COVID-19 pandemic, Missouri received approval from FNS to allow online purchasing with EBT cards. Currently Missouri has several small retailers, such as Hays Supermarket, Bratchers Market, Schnucks and Sliced Bread Market approved to accept online EBT purchases. Other Missouri retailers can apply to become online retailers and are added upon FNS approval. Missouri participants are also able to use online purchasing at any FNS approved online retailer.

In FY 2021, FY 2022 and FY 2023, federal stimulus appropriation and/or authority was granted to administer Pandemic EBT (P-EBT).

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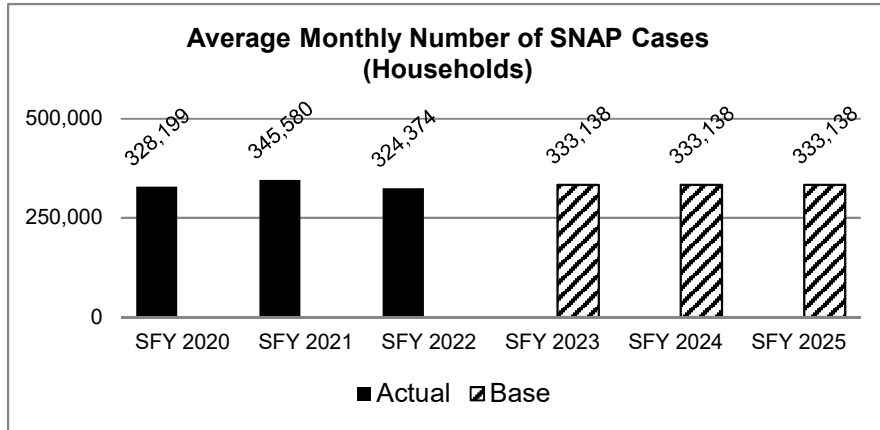
Department: Social Services

HB Section(s): 11.115

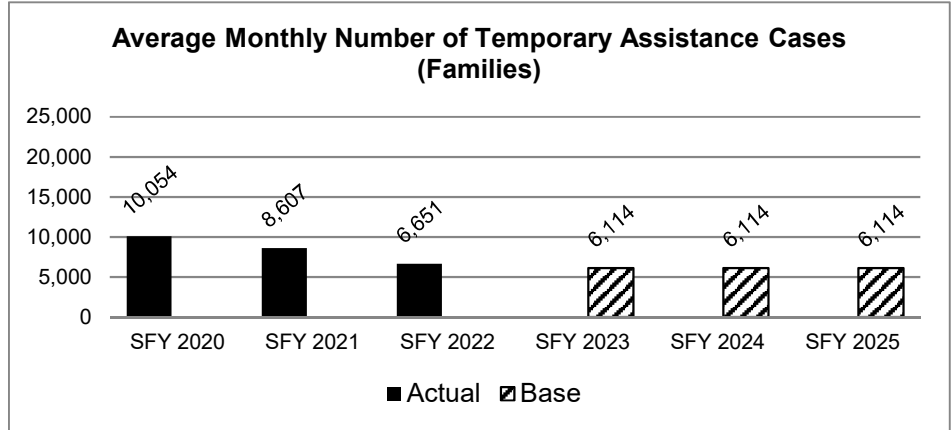
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**2a. Provide an activity measure(s) for the program.**

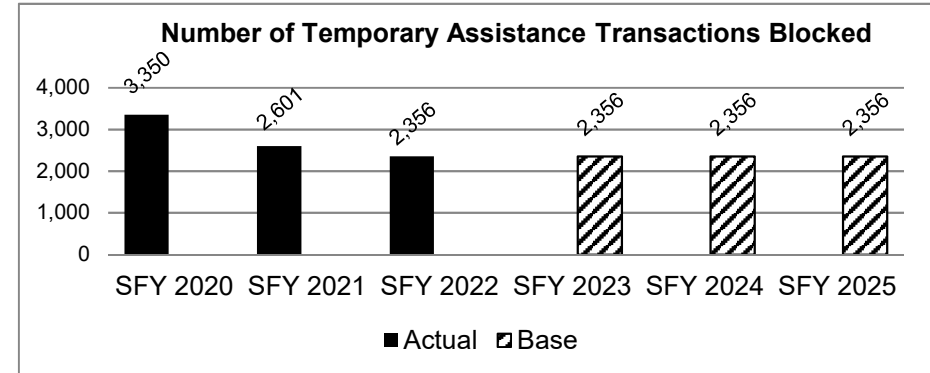
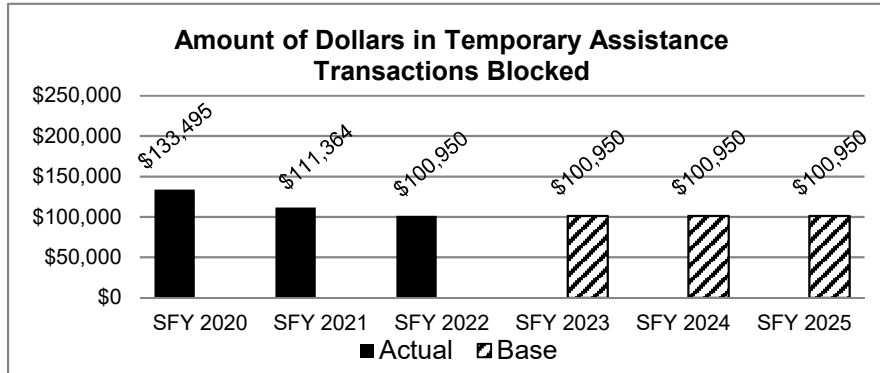


Projections are based on current caseload numbers.



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



As required by SB 251 (2013), the DSS, FSD blocks TANF 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 blocked locations on a quarterly basis.

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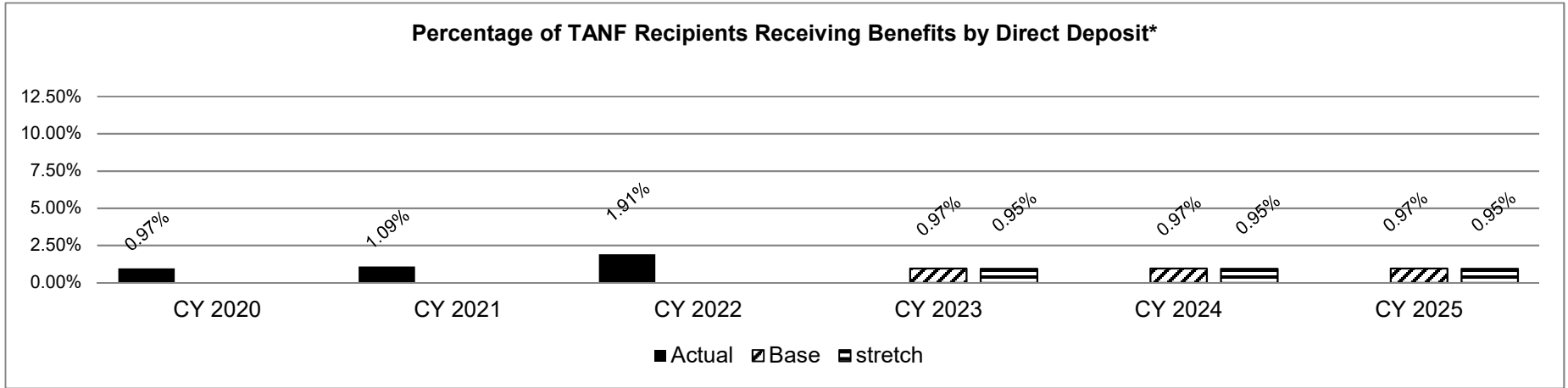
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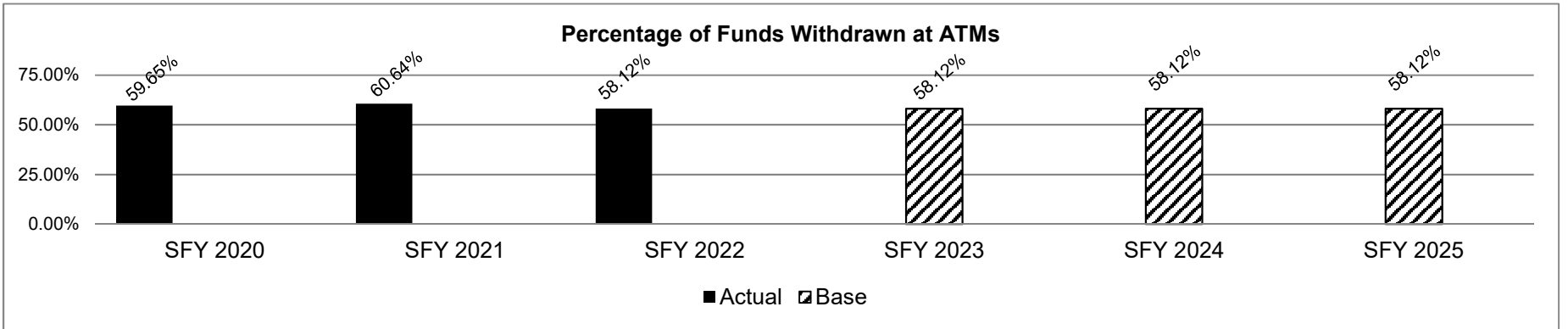
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**2c. Provide a measure(s) of the program's impact.**



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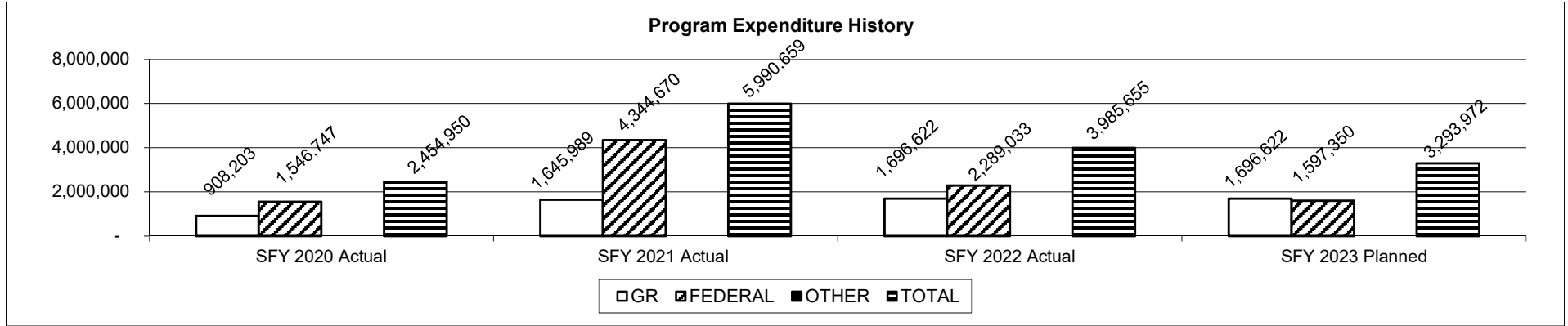
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**3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)**



SFY 2023 Planned expenditures are net of reverted.

**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.