

HOUSE BILL REPORT

HB 2896

As Reported By House Committee On:

Children & Family Services

Title: An act relating to circumstances when payment of public assistance benefits need not be paid through electronic funds transfer.

Brief Description: Describing when payment of public assistance benefits by electronic funds transfer is not required.

Sponsors: Representatives Ogden, Carlson, Tokuda, Dickerson, DeBolt, Schual-Berke, Radcliff, Eickmeyer, Edwards, Kagi and Santos.

Brief History:

Committee Activity:

Children & Family Services: 2/2/00, 2/3/00 [DPS].

Brief Summary of Substitute Bill

- The bill allows cash assistance recipients to choose to receive their grants as checks, rather than using Electronic Benefit Transfer (EBT) cards.
- The bill requires that the eligibility worker and the recipient jointly determine whether the use of the EBT card imposes a hardship due to: a physical or mental disability; a hardship due to a geographic, language, or literacy barrier; or a financial hardship.

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Majority Report: Do pass. Signed by 9 members: Representatives D. Sommers, Republican Co-Chair; Tokuda, Democratic Co-Chair; Kagi, Democratic Vice Chair; Campbell; Carrell; Dickerson; Eickmeyer; Kastama and Pflug.

Minority Report: Without recommendation. Signed by 1 member: Representative Boldt, Republican Vice Chair.

Staff: Deborah Frazier (786-7152).

Background:

Under current law, cash assistance and food stamp recipients are accessing their grants through the use of an EBT card.

Cash withdrawal transactions are conducted primarily at automated teller machines (ATM). The owners of the ATMs set cash withdrawal limits for each transaction and/or for the day. The machine owners also set surcharges for use of the machine. Cash limits and surcharges vary by machine and location. An 85 cent processing charge is made on every cash transaction.

Some grocery stores permit cash assistance recipients to receive cash from their EBT cards. In these transactions, the recipients are not subject to the 85 cent processing charge.

Food stamp recipients access grant monies at terminals in grocery stores to purchase food. No surcharges or processing fees apply.

Summary of Substitute Bill:

The bill allows cash assistance recipients to choose to receive their grants as checks rather than using the EBT cards. The bill requires that the eligibility worker and the recipient jointly determine whether the use of the EBT card imposes a hardship due to a physical or mental disability; a hardship due to a geographic, language, or literacy barrier; or a financial hardship.

Substitute Bill Compared to Original Bill: The original bill allowed cash assistance recipients to choose to receive their grants as checks, rather than using the EBT cards. The recipient was permitted to declare that use of the EBT cards imposes a hardship due to a physical or mental disability; a hardship due to a geographic, language, or literacy barrier; or a financial hardship.

The substitute bill requires that the eligibility worker and the recipient jointly determine whether the use of the EBT card is a hardship.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This option would be very helpful to people with visual or other disabilities. Remembering personal identification numbers (PINs) is difficult for people with brain injuries or for some elderly people. People with limited English skills have trouble using ATMs. Rural families sometimes have trouble getting enough cash out of an ATM to pay their rent because of the ATM cash withdrawal limits.

Testimony Against: The EBT users have their grant available on the first of the month, which would not be the case with checks. Use of EBT cards reduces theft and lost checks. The department is piloting a direct deposit program which is expected to go statewide in June. By August, people who prefer to not use EBT cards will have the option to have their grants deposited directly to their bank accounts.

Testified: (In support) Representative Val Ogden, prime sponsor; Mandy Ma and Ms. Lopers, My Service Mind; Aiko Schaefer, Washington Welfare Reform Coalition; and Gail Smith-Schilling.

(Opposed) Kathleen Brockman, Department of Social and Health Services.