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**Children & Family Services  
Committee**

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**HB 2230**

**Brief Description:** Creating a joint select committee to study improvements to the electronic benefit transfer system.

**Sponsors:** Representatives Orcutt, Holmquist, Tom, Hinkle, Dunn, Talcott and Walsh.

**Brief Summary of Bill**

- Creates a joint select committee for the purpose of reviewing the Electronic Benefit Transfer system and possible alternatives to the current system.

**Hearing Date:** March 2, 2005.

**Staff:** Sonja Hallum (786-7092).

**Background:**

The federal welfare reform law of 1996 required all states to convert food stamp benefits from paper coupons to Electronic Benefit Transfer systems (EBT). The EBT system is an electronic system that allows a recipient of public assistance to authorize transfer of their benefits from their EBT account directly to a retailer to pay for products received or to an automatic teller machine if they receive benefits that permit them to receive cash.

In Washington, the EBT system is called QUEST. QUEST may be used for two different types of public assistance accounts: food stamps and cash assistance payment for low-income people. The funds are added into separate accounts on the card. A person who is receiving food stamp benefits may only purchase approved food items with the food stamp benefits on the card. The food stamp program has very strict requirements regarding what may and may not be purchased with food stamp benefits.

If the person is also receiving cash assistance, the person may purchase non-food items, or may receive cash at the point of sale or at an automatic teller machine. The only current restriction on the use of cash benefits is that they may not be used for various gambling activities.

**Summary of Bill:**

A joint select committee on the study of improvements to the EBT system is established. The joint select committee will include two members from the House of Representatives and two members of the Senate.

The task of the committee is as follows:

1. Identify alternatives to the current procedure which permits public assistance recipients to receive cash back through the electronic benefit transfer system for the purpose of providing more accountability for the use of public funds;
2. Examine the feasibility, logistical considerations, and costs associated with alternatives to the current procedure as identified in (a) of this subsection; and
3. Identify methods and procedures for monitoring and oversight to reduce the inappropriate use of public funds.

The joint select committee may consult with individuals from the public or private sector, or may ask such persons to form an advisory committee.

The committee will report its findings and recommendations to the legislature by December 1, 2005.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.