



HB 2704 - SB 2592

February 28, 2020

SUMMARY OF ORIGINAL BILL: Deletes an obsolete requirement for the Department of Human Services (DHS) to submit quarterly reports to the General Assembly on the implementation of a suspicion-based drug testing program for applicants for Temporary Assistance for Needy Families (TANF) benefits.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014757): Deletes all language after the enacting clause. Requires the DHS to establish a system, or to amend an existing system, by which all Electronic Benefits Transfer (EBT) cards issued or reissued on or after January 1, 2021, shall be imprinted with a photograph of the recipient or protective payee who is authorized to use the card.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$2,885,800/FY20-21
\$118,800/FY21-22 and Subsequent Years**

Assumptions for the bill as amended:

- Based on information provided by the DHS, the proposed legislation cannot be accommodated within existing resources. The DHS will have to modify their Automated Client Certification and Eligibility Network for Tennessee (ACCENT) system and interface with the DHS county offices in order to meet the requirements of the proposed legislation.
- The DHS will contract with a vendor for required system modifications. An estimated 2,640 hours at approximately \$65 per contract hour would be required to implement all of the required changes to the ACCENT system, resulting in a one-time increase in state expenditures of \$171,600 (2,640 hours x \$65).
- All 99 of DHS' county offices will need to be outfitted with photographic capabilities. Assuming one computer at a cost of \$1,600 and one digital camera at a cost of \$48 per

office, the one-time increase in expenditures is estimated to be \$163,152 [(\$1,600 + \$48) x 99 offices].

- All computers will require desktop support and Local Area Network and Wide Area Network connections estimated to be \$100/month. The total recurring increase in expenditures associated with computer support needs is estimated to be \$118,800 (\$100 x 12 months x 99 offices).
- The DHS is required to notify Supplemental Nutrition Assistance Program (SNAP) benefit recipients of changes. Based on the cost of a previous mass mailing by the DHS, the one-time increase in state expenditures is estimated to be \$236,124.
- The DHS will train Family Assistance staff on the provisions of the proposed legislation. The one-time increase in state expenditures associated with the training is estimated to be \$21,700.
- The DHS contracts with an outside vendor for SNAP Electronic Benefit Transfer (EBT) card services. Required modifications to the vendor systems in order to meet the requirements of the proposed legislation will result in a one-time increase in state expenditures estimated to be \$200,000.
- The DHS is required to exempt the elderly, the disabled, children under 18, homeless households, and individuals that self-attest to being a victim of domestic violence from mandatory photo identification EBT cards.
- All EBT cards will have to be replaced whether or not the recipient of the card is required to have the photo ID or is exempt from the requirement due to the reformatting process required to allow a designated area for the photos on the card.
- There are an estimated 831,325 EBT cards issued in this state.
- The cost of an EBT card with a photo is \$2.75 and the cost without a photo is \$1.50.
- An estimated 30 percent or 249,398 (831,325 x 30.0%) of EBT recipients would be exempt from being required to obtain the photo ID. The one-time increase in state expenditures associated with the non-photo EBT cards is estimated to be \$374,097 (249,398 recipients x \$1.50).
- The remaining 70 percent or 581,928 (831,325 x 70.0%) of EBT recipients would be required to obtain the photo ID. The one-time increase in state expenditures associated with the photo EBT cards is estimated to be \$1,600,302 (581,928 recipients x \$2.75).
- All costs are funded under the DHS' federal SNAP administration award which requires a 50 percent state match in order to receive the remaining 50 percent in federal funds. However, according to DHS, all administrative funds within the SNAP administration award have been exhausted in the previous two fiscal years, and are assumed to be exhausted under current law in FY20-21 and subsequent years. Therefore, all costs will be funded in state dollars with no federal match.
- The total increase in state expenditures is estimated to be \$2,885,775 (\$171,600 + \$163,152 + \$118,800 + \$236,124 + \$21,700 + \$200,000 + \$374,097 + \$1,600,302) in FY20-21.
- The total recurring increase in state expenditures is estimated to be \$118,800 in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jpi