



JESSE KREMER

STATE REPRESENTATIVE • 59TH ASSEMBLY DISTRICT

**Assembly Committee on Public Benefit Reform
Public Hearing
Tuesday, August 18, 2015**

Good morning fellow committee members. AB 222 is a bill that aims to significantly reduce recipient FoodShare fraud in Wisconsin. This bill is not intended to harm those who are truly in need, but to end fraudulent behavior to ensure that aid remains available to the neediest in our communities.

To better understand the impetus for this bill, it's important to understand how the program is designed. The Wisconsin arm of SNAP, the federal Supplemental Nutrition Assistance Program, is called FoodShare. SNAP is administered by the Food and Nutrition Service (FNS), a division of the U.S. Department of Agriculture (USDA). In 1996, federal law mandated that states switch to electronic benefit cards, also known as EBT cards, to administer benefits instead of food stamp coupons. FoodShare EBT cards are called QUEST cards in Wisconsin, with new benefits added each month. Wisconsin QUEST cards currently include one layer of security through the use of a personal identification number (PIN). This bill would require an additional level of security for QUEST cards,

Some banks and our own UW system incorporate photo IDs on debit cards for an additional layer of security. The UW WisCard is no longer simply a college ID, but also a debit card with a photo ID. Bank of America states directly on its website that, although their cards currently have PIN numbers and computer chips, "your picture on your debit card helps protect you from fraudulent use if your card is lost or stolen."

FoodShare program costs are shared 50/50 by the state and federal governments. In 2014, Wisconsin taxpayers paid \$47.2 million to administer \$1.11 billion in benefits to 842,000 individuals (421,000 households), 14.5 percent of the state population.



When analyzing our public benefit programs, it is important to note that there are two types of fraud: recipient fraud and provider fraud. According to the USDA, the national average for provider fraud is 10.5 percent and recipient fraud is 1.3 percent. This bill would address recipient fraud in Wisconsin, approximately \$14.5 million.

However, to fully reap the fraud savings of this bill, QUEST card holders would need to present the new card to the cashier during the checkout process to verify identity. Permission to require EBT cardholders to present their photo ID EBT card has not been granted in any other state with such a program.

Other states currently utilize a photo ID EBT card system. Maine recently implemented a program in July 2014, and Massachusetts re-implemented their program under Democrat Governor Deval Patrick in 2013 after it was shut down by Governor Romney in 2004.

	Wisconsin	Maine	Massachusetts
SNAP Households in 2014	421,000	123,000	489,000
Individuals Covered in 2014	824,000	231,000	863,000
SNAP Dollars in 2014	\$1.11 billion	\$322 million	\$1.3 billion
Approximate Fraud/Year (1.3%)	\$14.5 million	\$4.2 million	\$16.5 million
Estimated Program Startup Costs	\$7 million*	\$166,000	\$5-7 million
Estimated Annual Costs	\$2 million*	\$41,000	\$4.4 million
Population in 2014	5.76 million	1.33 million	6.745 million

**state GPR portion would be 50 percent of this figure*

Although federal EBT regulations currently allow for photos, there are some situations that must be addressed in a DHS waiver request if this bill is signed into law. For example, those who could be adversely affected by a photo mandate such as the blind, disabled, victims of domestic violence and those under age 19 or over age 60 would not be required to have a photo on their card. Cards for these individuals would likely state "valid without photo."

Another design hurdle is that although an EBT card is only issued to the head of the household, any family member or household designee can make purchases with the card. Several options exist to deal with this situation, including issuing a photo EBT card to every member of the household or listing each household member's name alongside the head of household's photo.

If passed by the legislature and approved by FNS and USDA, this bill would then require final approval prior to implementation from the Joint Finance Committee. I believe that by implementing photos on QUEST cards, we will be adding one more layer of security on these cards and deterring fraud.

In closing, I would like to thank Governor Walker, Secretary Rhoades and Inspector General Alan White for the steps they have taken in recent years to curb much of the fraud and abuse occurring on Facebook, Craigslist, and e-Bay. While it is clear that majority of FoodShare users are not abusing the system, we need to continue to have open minds towards evolving our FoodShare program, pushing back on the federal government through thoughtful consideration of fraud and abuse wherever it occurs so as to ensure good stewardship of taxpayer dollars.



State of Wisconsin
Department of Health Services

Scott Walker, Governor
Kitty Rhoades, Secretary

August 18, 2015

Assembly Committee on Public Benefit Reform

2015 AB 222 relating to: photo identification cards for FoodShare recipients

WI Department of Health Services Position: testifying for information only

Chairman Born, and members of the Committee on Public Benefits Reform, thank you for the opportunity to testify on Assembly Bill 222, relating to photo identification cards for FoodShare recipients. My name is Bill Hanna, and I am the Assistant Deputy Secretary at the Department of Health Services. Sitting next to me is Kevin Moore, our State Medicaid Director and Jon Hoelter, our Legislative Advisor.

We take FoodShare fraud seriously in Wisconsin. Under the leadership of Governor Walker, the Department of Health Services Office of Inspector General (OIG) was established in October 2011. The OIG, since its inception and in conjunction with our county partners, has identified and is seeking to recover more than \$31 million of inappropriately allocated or fraudulently spent Medicaid and FoodShare benefits from recipients who received benefits to which they were not entitled. In addition, these actions prevented more than \$39 million in taxpayer dollars from being spent inappropriately. The OIG's efforts in reviewing data matches of people receiving benefits in multiple states prevented nearly \$5.5 million in overpayments and voided the issuance of more than \$2 million in Medicaid and FoodShare benefits. Furthermore, the Department would like to thank the legislature for including funding in the current budget to allow OIG to purchase a data analytics system and to allocate additional funding to county income maintenance consortia that will allow the Department to continue to identify fraud and prevent additional overpayments.

Assembly Bill 222 would require the Department of Health Services to prepare and submit a comprehensive implementation plan to the United States Department of Agriculture that meets food and nutrition service (FNS) guidelines allowing photos on FoodShare benefit cards. In addition, DHS would be required to submit a waiver of Title 7 CFR section 278.2 to the Secretary of the Department of Agriculture that would allow Wisconsin to require an individual to show identification containing a photograph when making purchases. In developing the implementation plan, Wisconsin will need to demonstrate how DHS will comply with Title 7 CFR 274.8(b)(5) that "if the State agency does require the EBT cards to contain a photo, it must establish procedures to ensure that all appropriate household members or authorized representatives are able to access benefits from the account as necessary." The state's implementation plan must address policy changes, system operational issues, civil rights, and information and outreach. Once the implementation plan and waiver are approved, the Department would be required to present both plans, along with any request for appropriations, to the Joint Committee on Finance for approval.

The fiscal estimate prepared for AB 222 includes the implementation costs associated with requiring photos on FoodShare cards. Some of the main costs include changes to the public assistance eligibility information system (CARES) to meet federal requirements, establishing a data exchange system with the Department of Transportation to obtain driver's license photos, costs associated with getting additional photos from people not currently in DOT's system, and the cost of printing and distributing new cards to all participants.

The Department is committed to enhancing fraud prevention in public assistance programs and welcomes the opportunity to work with members of this committee on this legislation or any other efforts to reduce fraud in our public benefits programs. Thank you again for the opportunity to testify. We would be happy to take any questions on this bill.

Hunger Task Force Position Paper

- AB222 targeting FoodShare recipients in the grocery line violates federal law.
- AB222 will fail to reduce fraud beyond current safeguards and brings back outdated, inefficient operations.
- AB222 is extremely costly and inefficient.
- AB222 will increase hunger, bringing about complex legal, operational and civil rights issues¹ that can adversely affect access for program participants.

Hunger Task Force OPPOSES AB222

Wisconsin lawmakers list placing photo ID on EBT cards as a priority in the 2015 legislative session. This policy paper discusses photo ID on Wisconsin's FoodShare Quest EBT card.

EBT cards are used to distribute SNAP/FoodShare benefits to authorized households. The implementation of EBT and the use of Personal Identification Numbers (PIN) eliminated the need for food stamp coupons. The EBT card allows Wisconsin DHS to track purchases and spot suspicious patterns.

FoodShare is required by federal law to be distributed only by EBT. Wisconsin has used EBT cards, commonly known as the Quest card, in the FoodShare program since October 2000. In order to accept EBT for FoodShare purchases, the retailer must meet all federal requirements and be authorized by the United States Department of Agriculture.

Currently one adult member's name is on the Quest card. Temporary Quest cards issued by the Department of Health Services do not have a name on the card.

FoodShare benefits cannot be used to purchase non-food items like alcohol, tobacco products, toiletries, vitamins and medicine. FoodShare benefits are exempt from sales tax and fees and cannot be exchanged for cash.

Federal law regulates the use of a photo ID on the EBT card. States that have passed a law requiring photo ID for EBT cards have faced a costly, ineffective and often illegal implementation process. Vendors that violate the program regulations and policies may be subject to monetary claims, civil penalties, suspensions, terminations or disqualification from the SNAP/FoodShare program or a combination of these sanctions. They must also be sanctioned from participation as a vendor in the Woman, Infant and Children program.²

¹ Including, but not limited to, the significant civil rights concern regarding taking photos of non-applicant heads of households or other non-applicant household members as this may violate Title VI of the Civil Rights Act of 1964.

² 7 CFR §246.12(g)(3)(iii).

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ANALYSIS

1. Targeting FoodShare recipients in the grocery line violates federal law. Federal rules regulate photo ID on Quest cards. The requirement that all states issue monthly benefits on EBT cards is further regulated by the federal government to ensure that all eligible participants have access to food aid.

- **7 CFR §278.2(b): Equal Treatment**

Federal rules prohibit retailers from treating SNAP/FoodShare participants differently than other customers. If retailers were required to check the photo on Quest cards, they would also be required to check the identification of all customers using a debit or credit card.

- ✓ Stores that selectively check the photo ID of FoodShare recipients could subject themselves to legal challenges.
- ✓ The Maine Grocers Association and Maine Merchants Association both testified in 2012 in opposition of EBT photo legislation in Maine.
- ✓ The Illinois Retail Merchants Association announced strong opposition to a state photo ID for SNAP recipients proposal in 2013.
- ✓ Wisconsin would be required to inform retailers that, even though a photo ID is on each Quest card, no retailer may deny use of the card if that photo does not match the cardholder.³

- **7 CFR §273.2(kn)(3): Allowing family members to use benefits**

A household may authorize any household member or nonmember to use its ID card and benefits to purchase food or meals for the household. A photo ID of one member of the family on the card must not prohibit any other authorized person from using the card. Any process that would deny benefits to a household member or authorized representative legitimately using the card would violate both the letter and the spirit of the law.

- **7 CFR §273.2(n)(1): Authorized Representatives**

A FoodShare household has the right to designate a trusted relative, friend or social agency to food shop for them. An authorized representative may be designated to obtain benefits. Even if the household is able to obtain benefits, federal rules encourage the household to name an authorized representative for obtaining benefits in case of illness or other circumstances which might result in an inability to obtain benefits. The name of the authorized representative must be recorded in the household's case record and on the food

³ 7 CFR §274.8(b)(5)

stamp identification (ID) card. A photo ID on the EBT card of the head of household must not prohibit an authorized representative from using the Quest card.

- **7 CFR §274.8(b) (10): Interoperability and Portability**

As FoodShare/ SNAP is a 100% federally funded benefit, state EBT (the Wisconsin Quest card) must be interoperable so FoodShare/SNAP recipients can use their EBT cards in any state in the country. The photo ID requirement may not interfere with EBT cards functioning seamlessly across state lines. Some states do not place names on the EBT cards for reasons of confidentiality. In this instance, identity verification at the point of purchase is impossible. However, SNAP clients must be able to use their EBT card in any state. SNAP recipients from states without a photo ID requirement must be able to use their EBT card in Wisconsin.

- ✓ Implementation in Maine has been rocky. The USDA issued a letter to Maine placing the State in corrective action for faulty implementation of its EBT photo ID program.
- ✓ Implementation in Massachusetts has been equally troublesome. The USDA issued a letter to Massachusetts indicating that they were in violation of federal regulations in their photo ID EBT implementation.

2. AB222 will fail to reduce fraud beyond current safeguards and brings back outdated, inefficient operations.

- Wisconsin has effective procedures and safeguards to prevent FoodShare fraud at both the retailer and customer level. Since the implementation of EBT and the use of Personal Identification Numbers (PIN) to identify authorized users, Wisconsin DHS can track and identify potential program violations perpetrated by retailers and participants.
- The use of identification cards has been limited across checkout lanes in the United States⁴. The electronic delivery of FoodShare/SNAP benefits has made trafficking much easier to trace, prevent and prosecute.
- Wisconsin has a well-run FoodShare program. The payment error rate, which is the percentage of FoodShare benefits overpaid or underpaid to program participants, has declined from 12.85% in 2008 to 2.40% in 2013. If a State is concerned about program

⁴ A 2012 study found, “. . .with the growing prevalence of self-checkout lanes, the value of photo ID is decreasing.” EBT Photo ID Study. Tennessee Department of Human Services, Public Chapter 466. January 15, 2014.

integrity, other actions such as data matches provide more effective solutions to integrity concerns.

3. AB222 is extremely costly and inefficient.

- The fiscal estimate for AB222 states the implementation would cost \$7.4M (\$3.7M GPR and \$3.7M FED) and ongoing costs are estimated at \$2M annually. However, this estimate is too low. The estimate is for 368,100 of the 794,869 FoodShare recipients. There are currently 402,882 FoodShare Households in Wisconsin.⁵
- Wisconsin has an online multi-program application (FoodShare, Childcare, and Badger Care). Telephonic interviews further reduces staff time and the need to visit the welfare office. The modernization of the program streamlines and reduces administrative costs. Requiring photo ID will increase visits to the welfare office, increase equipment and staffing costs, and have significant implementation costs.
- Modernization of the FoodShare programs requires fewer visits to the local welfare office. This initiative would require additional visits to the office. This may be difficult for persons with disabilities, seniors, people with inflexible work schedules, and may cause some of the most needy to drop off the program entirely.
- Placing a photo ID on the EBT will increase administrative costs. DHS would need to install photographic equipment at local county welfare offices, hire additional staff, and issue hundreds of thousands of new EBT cards. A study in Arizona found that it would take 10 minutes to prepare one photo EBT card.⁶ To process 400,000 new cards⁷, would take over 66,000 hours of worker time.

\$1.186 Billion in FoodShare benefits were redeemed by 3,890 Wisconsin retailers in 2013. 14% of Wisconsin's population receives FoodShare. In 2014, the average monthly benefit per person was \$111 and the average monthly benefit per households was \$220. FoodShare not only works to feed Wisconsin families, but this federal benefit is spent in Wisconsin retail establishments, stimulating economic activity. In 2014 the USDA reported an economic benefit of \$1.80 for every \$1 spent on SNAP⁸. Asking retailers to

⁵ DHS, FoodShare at a Glance: 2015. <https://www.dhs.wisconsin.gov/foodshare/ataglance201501.pdf>

⁶ HB2675 Will Deny Access to Food Stamps, May Cause Discriminatory Treatment and Unnecessary Increases DES' Administrative Costs. William E. Morris Institute to Justice.

⁷ Wisconsin had over 420,000 FoodShare cases in October 2014.

⁸ USDA Economic Research Service report: Food Assistance and Nutrition Research Report Number 26-6

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individually request identification from FoodShare recipients is without merit and burdensome on Wisconsin businesses.

4. AB222 will increase hunger, bringing about complex legal, operational and civil rights issues⁹ that can adversely affect access for program participants.
 - There are valid reasons that FoodShare applicants and recipients may not want their photo ID on an EBT card. Victims of domestic violence may have safety concerns, seniors or persons with disabilities may not have transportation or have difficulty getting to the welfare office to take a photo for the EBT card. Failure to comply should not result in the loss of FoodShare benefits.
 - The State may not deny or terminate a household based upon a household member's noncompliance with the State's photo EBT program. Implementation of photo ID requirements on SNAP/FoodShare EBT cards have been troublesome across the country. Maine recently mandated a photo on the State EBT card. Many issues surfaced during implementation, including program access and civil rights concerns. Massachusetts is denying new applications unless a non-exempt applicant complies with the State's photo EBT policy in violation of federal law. Additional problems have occurred upon the deactivation and reissuance of new EBT cards, cutting thousands inadvertently off of aid.

Hunger Task Force works to feed hungry people with respect and dignity. Hunger does not respect age, sex, race or background. Many visitors to local pantries and soup kitchens never would have anticipated the unforeseen circumstances that put them in the position of asking for help. We do not believe that people struggling to feed themselves are second class citizens. One of the benefits of the FoodShare program is it gets people out of the food pantry system and into the grocery store. Placing photos on FoodShare EBT cards would create a hardship for people with disabilities¹⁰, working parents whose children use the food stamp card to get the family groceries, seniors, people with chronic illnesses, and the mentally ill who rely on authorized representatives to help shop for their households.

⁹ Including, but not limited to, the significant civil rights concern regarding taking photos of non-applicant heads of households or other non-applicant household members as this may violate Title VI of the Civil Rights Act of 1964.

¹⁰ The Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 require states to ensure that persons with disabilities have the same opportunity to participate in federally funded programs as others. Mandating visits to the welfare office may violate these federal protections.

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AARP Wisconsin comments on AB 222

Good afternoon. My name is Helen Marks Dicks and I am the State Issues Advocacy Director for AARP Wisconsin. Today I am testifying for informational purposes only.

AARP looks at the impact of legislation on the 50+ population. Our legislative work usually deals with the issues of health, safety and the financial security of older adults. This bill raises a red flag for me which I wanted to draw to the attention of the committee. This bill, while not intending this outcome, could make it much harder to be a good neighbor, a good friend or a good child in assisting older adults and people with disabilities. It could serve as a barrier to caregiving and make sharing the care even more difficult.

Older adults are often dependent on the help and support of family, friends, neighbors and other more formal caregivers. In Wisconsin alone there are almost 560,000 unpaid caregivers assisting others with a variety of chores. This often includes shopping for them. Shopping is something relatively easy to do for a neighbor or a family member. You do their shopping when you are doing yours. And it is a support chore that can be divided among friends and neighbors. It is something the church ladies can do to help the home bound, or to assist people during our treacherous winters when some people may not wish to drive or even walk across an icy parking lot to do their shopping. It is a chore that can be rotated among grandchildren who wish to help but are unprepared or untrained to do other kinds of caregiving.

I would remind you there are many reasons people might want to have others do their food shopping. The most obvious is that you are home bound due to health restrictions or lack of transportation. It could be a temporary condition, due to recovery from surgery or short term illness or very bad weather conditions. There are many reasons and they are as individual as the circumstances that people find themselves in.

And who shops for the older person or the person with disabilities? It can be a friend, a neighbor, family or even someone from the church or the senior center chore program. But in an atmosphere of sharing the care and helping your neighbor, that job will not go to the same person in a reoccurring manner.

The older adults and people with disabilities make up a significant number of people receiving food benefits. Many need help and have others doing their shopping. In a world where we all get by with a little help from our friends we should not create a barrier for people to be good friends, good neighbors and good family caregivers. Please, in your deliberations be mindful of the unintended consequences of this bill.

Thank you.



Wisconsin Council of Churches

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August 18, 2015

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**Rev. Scott D. Anderson,
Executive Director**

TO: Assembly Committee on Public Benefit Reform
FROM: Peter Bakken, Coordinator for Public Policy
Wisconsin Council of Churches
RE: Opposition to Assembly Bill 222, Photo Identification Cards
for FoodShare Recipients.

Thank you for taking my testimony in opposition to Assembly Bill 222.

The Wisconsin Council of Churches (WCC) is a community of Christian denominations that covenant to pray and work together for the unity and renewal of the church and the healing and reconciliation of the world. The Council encompasses 18 denominations with approximately 2,000 congregations and over one million church members.

Assembly Bill 222 is one of a number of proposals that have come before this committee that purport to improve the stewardship of public funds while helping the truly needy, but which will likely have the opposite effect.

Implementing this proposal would be very costly, while doing little if anything to reduce fraud. Further, it would undermine the very purpose of FoodShare (Wisconsin's name for SNAP, or the Supplemental Nutrition Assistance Program) by making it more difficult for people to get the help they need to feed their families.

According to the fiscal estimate for AB 222, implementation of this proposal would cost \$7.4 million, nearly one million dollars more than the Wisconsin Department of Health Services says was overpaid to FoodShare recipients in 2014. Half of the implementation costs would be paid from Wisconsin General Purpose Revenue, while FoodShare payments themselves are from federal dollars. Ongoing costs would be \$2 million per year, again split between Wisconsin and the federal government. Even if this proposal reduced overpayments, it would not save the state money.

However, requiring photo ID's are likely to impact only one-fifth of one percent of a state's SNAP costs, according to the Council of State Governments (based on a USDA report on SNAP trafficking). The hope that this bill could save any public money by reducing fraud therefore appears to be merely a mirage. However concerned we may be about fraud, we need to base our proposals for reducing it on realistic assessments of what those proposals can accomplish.

*We pray and work together for the unity and renewal
of the church and the healing and reconciliation of the world*

Further, while this proposal would do little or nothing to deter those who would abuse FoodShare benefits, it is likely to increase hunger in Wisconsin by placing more barriers in the path of those who really need help.

Disability, lack of transportation, work schedules, or childcare responsibilities would make it difficult for many people to travel to their local Income Maintenance office to be photographed. They may be prevented or discouraged from even applying for the benefits that would help them meet their food needs.

FoodShare recipients with disabilities or other circumstances that prevent them from getting to the grocery store themselves need to be able to have a family member or someone else to shop for them. Federal rules require that FoodShare households have that option available. A card that could only be used by the head of a household would make that impossible. Alternatives such as issuing multiple cards for a household or putting multiple photos on a single card would only add more cost and complexity.

The Wisconsin Council of Churches shares the goals of reducing fraud, exercising wise stewardship of our state's financial resources, and reducing hunger so that all people have the opportunity for a healthy, productive, fulfilling and dignified life.

However, because Assembly Bill 222 furthers none of these goals – and in fact would waste public money while making it harder for hungry people to get the food they need – we cannot support it.

Thank you for the opportunity to express our concerns about this bill.



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The **Wisconsin Aging Advocacy Network** is a collaborative group of individuals and associations working with and for Wisconsin's older adults to shape public policy to improve their quality of life.

Core member organizations:

Aging and Disability Professionals Association of Wisconsin (*ADPAW*)

Alzheimer's Association SE Wisconsin Chapter

Wisconsin Adult Day Services Association (*WADSA*)

Wisconsin Association of Area Agencies on Aging (*W4A*)

Wisconsin Association of Benefit Specialists (*WABS*)

Wisconsin Association of Nutrition Directors (*WAND*)

Wisconsin Association of Senior Centers (*WASC*)

Wisconsin Institute for Healthy Aging (*WIHA*)

Representative Mark Born, Chair
Wisconsin Assembly Committee on Public Benefit Reform
Room 312 North
State Capitol
P.O. Box 895
Madison, WI 53708

Regarding: AB 222 Relating to: photo identification cards for FoodShare recipients.

Dear Representative Born:

On August 8 of this year the Green Bay Press Gazette reported that "in 2013 almost 578,000 family caregivers in Wisconsin provided more than \$7 billion in unpaid care to adults who needed help with daily activities such as bathing, meal preparation, and transportation." In addition, it has been estimated that 80% of long-term care is provided by family, friends, and neighbors. These two statistics point to the growing recognition of family caregiving, which we expect will only grow in volume.

It is not uncommon for caregivers to pay for their loved ones' expenses out of their own pockets. For some caregivers, it is just easier to do it that way. However, for others it is simply not affordable.

Shopping for food is one of the tasks that caregivers can, and do take on, but we are concerned that the requirement for photo IDs will interfere with that important activity. It is not always possible for frail older persons or other adults with disabilities to go with their caregiver on grocery shopping trips, and if they are FoodShare recipients a photo ID will prevent them from accessing the benefit.

We ask that FoodShare recipients, such as those described above who need caregiver assistance to shop, be taken into consideration in AB 222.

On behalf of WAAN

Sincerely,

A handwritten signature in black ink that reads "Robert Kellerman".

Robert Kellerman
Executive Director

Contact WAAN 1414
MacArthur Rd., Suite A
Madison, WI 53714
(608) 243-5690



WISCONSIN BOARD FOR PEOPLE
WITH DEVELOPMENTAL DISABILITIES

August 18, 2015

Assembly Public Benefits Reform Committee
Representative Mark Born, Chair
State Capitol, Room 312 North
Madison, WI 53708

Dear Representative Born and members of the committee:

Thank you for the opportunity to provide comment on AB 222. The Wisconsin Board for People with Developmental Disabilities (BPDD) analysis of this bill concludes that people with disabilities would be disproportionately harmed. We oppose AB 222.

The BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities. Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Many people with disabilities in Medicaid programs are also FoodShare recipients¹.

Transportation and medical barriers may inhibit recipients from being able to shop for themselves. Many people with disabilities rely on others to assist them with purchasing food. Many people with disabilities do not drive because of their disability or poverty, and mobility limitations may affect their ability to leave their home. As a result of these factors, many people with disabilities have staff, family members, neighbors, or others in their support network that purchase food for them. The proposed legislation does not address these needs.

Access to stores with FoodShare eligible items is disproportionately challenging for people with disabilities. Many residential areas do not have a grocery store that can be accessed without use of a vehicle². Even in areas where grocery stores are in close proximity, mobility limitations and accessibility issues can pose insurmountable barriers to getting to places that sell FoodShare eligible items.

¹ People with physical, intellectual/developmental, and mental health disabilities often are participants in Wisconsin's Elderly Blind and Disabled Medicaid health insurance (BadgerCare, SeniorCare) or long term care (Family Care, Family Care Partnership, and IRIS) programs. Income at or below 100% of the Federal Poverty Level (\$11,770 annual income for an individual) and an asset limit of \$2000 is threshold for eligibility for Medicaid these programs; 100% FPL is also the income threshold to qualify for FoodShare.

² Transportation is consistently identified as the number one challenge impacting independent living by people with disabilities. Many people with disabilities do not drive or have access to a reliable and accessible public transportation source.

The ability to access stores where food is sold may be dependent on family or caregiver schedules or the availability of Medicaid or state/county ride programs that can accommodate accessibility needs. Limits on the number of rides and requirements to schedule rides well in advance—at least 24 hours—further restrict transportation options and flexibility.

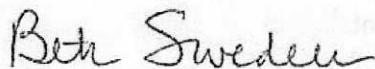
In a recent BPDD survey, 75% of people with disabilities said limited access to transportation impacted their ability to shop at local businesses. 64% said transportation is limited on evenings and weekends. 34% said rides are often canceled or don't come on time. These factors further complicate an individual's ability to reliably access stores where FoodShare cards may be used.

These kinds of access issues often result in a member of the household or non-household friend, relative, or staff person using a FoodShare card on behalf of the recipient. Adding a Photo ID requirement for recipients of FoodShare cards will result in confusion and perhaps denial of sales to people who are legally purchasing food on behalf of FoodShare recipients with disabilities.

Federal law requires that a FoodShare household has the right to designate a trusted relative, friend or social agency to food shop for them. All members of household are legally able to use a FoodShare card, whether or not their ID is on the card, and non-household members authorized³ by the card holder to use the card may do so on their behalf.

This bill does not include any exemptions to the Photo ID requirement or provisions to include additional photos or other verification that the person using the FoodShare card has been authorized by the recipient to do so.

Thank you for your consideration,



Beth Swedeen, Executive Director
Wisconsin Board for People with Developmental Disabilities

³ Permission from the card holder is considered authorization.



AB 222 Photo Identification on FoodShare Cards

Testimony of Senator Steve Nass

Assembly Committee on Public Benefit Reform

August 18, 2015 • 225 Northwest, State Capitol

Thank you Chairman Born for holding a public hearing and allowing me to provide written testimony on Assembly Bill 222. This legislation will help reduce fraudulent use of FoodShare benefits in Wisconsin by requiring photo identification to appear on FoodShare EBT cards, or the QUEST card as it is called in Wisconsin.

The QUEST card currently contains only the name of the head of household to which the card is issued and requires a unique PIN to access benefits on the card. The only built-in safeguard against fraudulent use of the card is knowing the card's PIN. This bill adds an additional level of fraud deterrence by adding the head of household's photo to the card.

According to Wisconsin Department of Health Services (DHS) data, fraudulent FoodShare overpayments have been on the rise since the Department began tracking them in 2012. DHS reports more than \$15.79 million in fraudulent FoodShare overpayments since 2012, including: \$3.6 million in 2012, \$5.59 million in 2013, and \$6.6 million in 2014.

This bill requires DHS to submit a plan and waiver request to the U.S. Department of Agriculture (USDA) to allow Wisconsin to require FoodShare recipients to show a QUEST card with a photo ID on it in order to make a FoodShare purchase. The plan must also be approved by the Joint Finance Committee to ensure implementation in a cost effective manner.

The FoodShare program is a beneficial program that assists lower-income residents in need with the purchase of food, however there is also a significant amount of abuse of this program that needs to be addressed. AB 222 will continue to ensure we help those truly in need in our communities, while at the same time reduce the abuse and fraud in this program.

Thank you again for the opportunity to provide testimony in support of AB 222. If any committee members have further questions, please do not hesitate to contact me.

"In God We Trust"

11th Senate District

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August 18, 2015

Assembly Committee on Public Benefits Reform
AB 222 Requiring Photo ID on SNAP cards
Contact: Rabbi Bonnie Margulis
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WISCONSIN FAITH VOICES FOR JUSTICE OPPOSES PHOTO ID FOR SNAP CARDS

Good morning! I am Rabbi Bonnie Margulis, President of Wisconsin Faith Voices for Justice. I am testifying this morning in opposition to AB 222. This legislation will do nothing to prevent fraud in the SNAP program, but will erect unjust barriers for low-income families to receive this vital assistance.

Religious and secular organizations throughout Wisconsin provide assistance to those in need through food pantries and meal sites. But these programs alone cannot fill the never-ending need. Programs such as SNAP are indispensable for our poor and low-income families. In Wisconsin today, over 800,000 people are currently living on food stamps, 41% of them children. This assistance is a great help in addressing the nutritional needs of people living in poverty. As households throughout Wisconsin continue to face economic struggles, SNAP serves as a critical resource.

Requiring a photo ID to be placed on every EBT card will serve only to create hardships for SNAP recipients. Today, applications for SNAP can be filled out on-line and the card is received in the mail. Requiring photos to be placed on the card will necessitate a visit to a welfare office to get photos taken and affixed. For working families, for the elderly, for the disabled, this creates an often insurmountable barrier.

Forcing grocers to check SNAP recipients' ID photos at the check-out line not only violates federal law, it makes for potentially embarrassing and humiliating situations for the customer and stigmatizes them – another barrier to applying for SNAP benefits.

The costs of implementing this new requirement are considerable. At a time when safety net programs such as SNAP are being cut to the bone, these funds would be put to much better use increasing the allocations for recipients' monthly benefits.

Hunger and poverty have been with us since Biblical times, and since Biblical times, we have been enjoined to help all who are in need. Next month, Jews around the world will observe the

holy day of Yom Kippur, a day of fasting and repentance. And while we are engaged in our voluntary, one-day fast, we will be reminded by Scripture of our duty to those who's fast is enforced by circumstance and has no known end. We will read the words of the prophet Isaiah, who tells us God does not accept our fast of repentance if it is only an empty gesture. Isaiah, speaking for God, says:

“Is not this the kind of fasting I have chosen: to loose the chains of injustice and untie the cords of the yoke, to set the oppressed free and break every yoke? Is it not to share your food with the hungry and to provide the poor wanderer with shelter; when you see the naked, to clothe them, and not to turn away from your own flesh and blood?” (Isaiah 58:5-7)

Wisconsin Faith Voices for Justice urges you to heed the call of the prophet to provide for the hungry, and to vote against this bill.



MEMORANDUM

August 18, 2015

TO: Members of the Assembly Committee on Public Benefit Reform

FROM: Brandon Scholz & Michelle Kussow

RE: Assembly Bill 222 Re: Photo ID cards for FoodShare Recipients

The Wisconsin Grocers Association would like to commend the authors of Assembly Bill 222 in their attempts to reduce FoodShare fraud by requiring photo identification on EBT cards. However, we wish to highlight several areas of concern with the legislation that would not result in addressing FoodShare fraud, and would only place additional requirements on Wisconsin retailers.

As a federally regulated program, FoodShare is administered by states on behalf of the federal government, which also grants state-requested changes to the program through approved waivers. In order to accept EBT for FoodShare purchases, retailers must meet all federal requirements and be authorized by the USDA. If Wisconsin received a waiver and implemented photo ID requirements, there are two specific federal regulations that would result in increased regulations on retailers and would negate the impetus:

Equal Treatment and Showing ID with SNAP Cards

The Code of Federal Regulations at 7 C.F.R. 278.2(b) states that “No retail store may single out [EBT SNAP card] users for special treatment in any way.” This means that SNAP recipients must be treated the same as any other customer in transactions.

In 2014, Maine implemented a photo ID requirement, and in response USDA wrote, “Retailers (must) understand that if photos are checked on EBT cards, they must also check cards of credit and debit customers in order to avoid unequal treatment violations.”

Credit card users are not required by MasterCard and Visa to show ID when a properly signed card is presented. In fact, VISA’s merchant contract states “Although Visa rules do not preclude merchants from asking for cardholder ID except in the specific circumstances discussed in this guide, merchants cannot make an ID a condition of acceptance. Therefore, merchants cannot as part of their regular card acceptance procedures refuse to complete a purchase transaction because a cardholder refuses to provide ID.”

As referenced above, this could be in direct violation of state law and also with agreements between merchants and banks, with respect to credit card rules.

Ensuring Recipient is Pictured on Card

A SNAP card can be issued to an individual, or to an entire family for use. A SNAP card may also be used by another; for example, an approved caregiver for an elderly person; authorized representatives for those in medical treatment facilities or for those recipients in group living arrangements.

In response to ensuring benefits are used by SNAP recipients as depicted in photo ID, USDA wrote that "Household members and authorized representatives who are not pictured on the card can continue to access SNAP benefits." Therefore, regardless of whether the individual presenting the card is pictured on the card, the cashier cannot deny the transaction.

Responsibility of Cashiers

The purpose of requiring photo identification on FoodShare cards is to ultimately prevent individuals from using cards not issued to them and in which they are not pictured, however, the enforcement would be the responsibility of the cashier.

In addition to the additional training that would be required, expecting a cashier to deny an individual the ability to purchase food using an EBT card could subject young and inexperienced cashiers to potentially volatile situations. In addition, as with other identifications requirements, we are concerned that cashiers and/or retailers could be subject to fines and penalties.

Finally, USDA FNS authorizes SNAP retailers for participation in the SNAP program. States cannot compel retailers to check photo ID's as it is outside of their scope of authority.

We are asking for the committee to take into consideration the concerns of retailers that are on the front lines of delivering these benefits. In addition, we believe it is helpful to review past experiences from states that have either implemented similar requirements and subsequently repealed the photo ID provision as well as states that have completed feasibility studies on requiring photo ID and determined that the cost and practical implications of implementing the measure does not reduce fraud and defeats the purpose.



P.O. Box 7222, Madison, Wisconsin 53707

DATE 8/18/15

TO: Assembly Committee on Public Benefit Reform
FR: The Survival Coalition of Wisconsin Disability Organizations

RE: Assembly Bill 222, photo identification cards for FoodShare recipients.

Chairperson Born and Assembly Committee on Public Benefit Reform Members:

The Survival Coalition of Wisconsin Disability Organizations is comprised of over 30 statewide groups representing people with all disabilities and all ages, their family members, advocates and providers of disability services. We would like to bring to your attention some very important concerns regarding Assembly Bill 222 that we believe will negatively impact people with disabilities.

FoodShare is an important program for people with disabilities. According to the Department of Health Services, 22% of FoodShare recipients are either elderly, blind, or have a disability; and 40% of households receiving FoodShare benefits contain at least one individual that is either elderly, blind, or has a disability.

The proposal to include photos of individual FoodShare recipients on their Electronic Benefit Transfer (EBT) cards and for recipients to then present their cards to store clerks when purchasing food poses a significant challenge for people with disabilities. The most significant issue with this proposed legislation is that many people with disabilities rely on others to assist them with purchasing food.

One of the largest contributing factors to this trend is that most people with disabilities do not have access to reliable transportation. Many people do not drive because of their disability, poverty, or lack of accessible transportation services in their community. The 2013 Transportation Survey for People with Disabilities in Wisconsin found that 75% of respondents said that transportation services impact their ability to shop and support local businesses, and 26% of respondents reported that there is no accessible transportation in their community. Others have very limited mobility and ability to leave their home.

As a result of these factors, many people with disabilities have staff, family members, neighbors, or others in their support network purchase food for them. In fact, federal law requires that a FoodShare household has the right to designate a trusted relative, friend or social agency to grocery shop for them.

The proposed legislation does not address these unique needs, and people with disabilities would be disproportionately harmed if they lose the ability to have a designated support person purchase food for them using an EBT card. We ask that as the Department of Health Services creates an implementation plan to create this policy, they consult with stakeholders to ensure that the needs of people with disabilities are addressed.

Additionally, we are concerned by the large fiscal effect of AB 222. FoodShare benefits are paid entirely with federal dollars, and the cost of administering the program is split between the state and federal government. Therefore, any savings that would result from this new policy would be entirely realized by the federal government; and the state would incur increased administrative costs for running the program. The cost of implementing AB 222 is \$7.4 million, and an additional \$2 million will be spent annually to maintain the program. We have concerns about spending additional state dollars on program administration when it will not result in savings to the state.

Thank you.

Sincerely,

Survival Co-Chairs:

Maureen Ryan, moryan@charter.net; (608) 444-3842;
Beth Swedeen, beth.swedeen@wisconsin.gov; (608) 266-1166;
Kristin M. Kerschensteiner, kitk@drwi.org; (608) 267-0214

Date: August 17, 2015

Re: Assembly Bill 222, photo identification cards for FoodShare recipients.

To: Chairperson Born and Assembly Committee on Public Benefit Reform Members

From: Barbara Beckert, Director Milwaukee Office

Disability Rights Wisconsin is the federally mandated protection and advocacy agency for Wisconsinites with disabilities, including people with mental illness, designated by the Governor to protect the rights of people with disabilities. Part of our charge is to make sure that people with disabilities are able to live and work in the least restrictive, most integrated settings possible and be free from abuse and neglect. Access to Food Share benefits is an important issue for people with disabilities, both in terms of preventing neglect and promoting integrated, community living.

We ask for your consideration of some major concerns regarding Assembly Bill 222 that will negatively impact people with disabilities.

Adults with disabilities make up a disproportionate share of those living in poverty. In 2010, adults with disabilities made up 19 percent of those in poverty, while making up only 11.7 percent of the population as a whole. Women with disabilities represented 19.5 percent of women living in poverty, but only 12.2 percent of women as a whole. Given the high percentage of people with disabilities who are very poor, there is heavy reliance on the FoodShare program to help provide access to nutrition for people with disabilities. According to the Department of Health Services, 22% of FoodShare recipients are either elderly, blind, or have a disability; and 40% of households receiving FoodShare benefits contain at least one individual that is either elderly, blind, or has a disability.

The proposal to require photos of individual FoodShare recipients on their Electronic Benefit Transfer (EBT) cards, and for recipients to then present their cards to store clerks when purchasing food, will create significant barriers for people with disabilities. The most significant issue with this proposed legislation is that many people with disabilities rely on others to assist them with purchasing food.

One of the largest contributing factors to this practice is that many people with disabilities have limited access to reliable transportation. Many people do not drive because of their disability, poverty, or lack of accessible transportation services in their community. The 2013 Transportation Survey for People with Disabilities in Wisconsin found that 75% of respondents said that transportation services impact their ability to shop and support local businesses, and 26% of

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respondents reported that there is no accessible transportation in their community. Others have very limited mobility and ability to leave their home, due to the nature of their disability.

As a result of these factors, many people with disabilities rely on family members, neighbors, paid caregivers, or others in their support network to purchase food for them. Federal rules require that a FoodShare household has the right to designate a family member or nonmember [7 CFR §273.2(kn)(3)] to use its ID card and benefits to purchase food or meals for the household. In addition, federal rules also state that a FoodShare household has the right to designate a trusted relative, friend or social agency to food shop for them [7 CFR §273.2(n)(1)]. The name of the authorized representative must be recorded in the household's case record and on the food stamp identification (ID) card. A photo ID on the EBT card of the head of household must not prohibit an authorized representative from using the Quest card.

The proposed legislation does not address these unique needs, and people with disabilities would be disproportionately harmed if they lose the ability to have a designated support person purchase food for them using an EBT card.

In addition, this initiative would require additional visits to the county income maintenance office to obtain the photo ID. This may be difficult for persons with disabilities, older adults, and others with limited access to transportation, and may cause some of the most needy to drop off the program entirely.

We also ask you to consider that implementing AB 222 will be very costly. The fiscal estimate for AB222, states the implementation would cost \$7.4M (\$3.7M GPR and \$3.7M FED) and ongoing costs are estimated at \$2M annually. This is a major cost, and it may be low as it is based on an estimate of for 368,100 of the 794,869 FoodShare recipients. There are currently 402,882 FoodShare Households in Wisconsin.

In summary, if enacted, AB 222 would make it more difficult for people with disabilities to access their FoodShare benefits because it will limit the ability to have family members, neighbors, paid caregivers, or other authorized representatives to purchase food for them using an EBT card. We believe that placing photos on EBT cards would be a hardship for many people with disabilities and is likely to increase hunger.

We ask that you oppose AB 222.