



The Missouri Association for Social Welfare
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Senate Bill 474: Photo ID Requirements Would Be Costly for Missouri

What Senate Bill 474 would do: It would require the Missouri Department of Social Services (DSS) to seek a waiver from the federal government that would allow Missouri to limit use of the food stamps EBT (electronic benefits transfer) card to the cardholder whose photo would appear on the card and/or other eligible members of the household whose photos, presumably, would also appear on the card. The bill is intended to prevent Food Stamps from being “trafficked”, i.e., sold for cash. When recently consulted on similar legislation in Illinois, the U.S. Department of Agriculture (USDA) wrote to the Illinois Department of Human Services and stated that they “do not believe that photos on EBT cards are a cost effective solution to [program] integrity concerns.”¹

Reasons to oppose Senate Bill 474:

1. **The legislation is unnecessary and would not achieve its stated purpose.** According to a March 2011 USDA report, the electronic delivery of food stamp benefits has made trafficking much easier to trace, prevent and prosecute. The food stamp trafficking rate has declined from 3.5% to 1% during the past 10 years.² Moreover, Food Stamp trafficking generally occurs between the cardholder and the small, privately owned retailers, which this legislation would not affect.³
2. **Implementing the waiver would waste millions of taxpayer dollars.** If the waiver request was granted and implemented, several million taxpayer dollars would be wasted as DSS would have to install photographic equipment in its local offices, quickly replace the EBT cards for approximately 444,191 households and process approximately 40,000 cards per month,⁴ hire additional staff, and pay the private vendor to issue new EBT photo ID cards. As Missouri currently mails out EBT cards, this would also result in additional financial costs to Missouri from overhauling business practices regarding issuing photo ID cards.⁵ At a time when Missouri is currently struggling with an estimated \$500 million shortfall in the state budget,⁶ it does not make sense to *add* substantial expenditures to implement a procedure that would not significantly impact Food Stamp trafficking or save any money for the State.
3. **The legislation would produce zero savings to the State, impose a serious and unnecessary stigma upon families that receive Food Stamps, and impose significant costs upon local retailers who process these Food Stamp transactions.** Food stamps are 100% federally funded, so implementing Senate Bill 474’s waiver would produce no cost savings for the state while imposing significant and unnecessary embarrassment for Food Stamp households by singling them out at the point of purchase. By singling out Food Stamp beneficiaries, the legislation would violate 7 C.F.R. § 278.2(b)(prohibiting states and retailers from requiring identification solely from Food Stamp beneficiaries). The state, by passing this legislation, will inadvertently force retailers to comply with federal regulations by implementing costly – and time-consuming – procedures that would require all customers to provide photo identification at the point of sale.

ENDNOTES

¹ Letter from Ollice C. Holden, Food and Nutrition Service Regional Administrator, Midwest Region, to Michelle Saddler, Secretary, Illinois Department of Human Services, dated April 6, 2011.

² Richard Mantovani and Hoke Wilson, *The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2006-2008, Final Report*, at Exhibit 7, United States Department of Agriculture, March 2011 (available online at: <http://www.fns.usda.gov/ora/MENU/Published/SNAP/FILES/ProgramIntegrity/Trafficking2006.pdf>).

³ Id. at 8.

⁴ As of November 2011, 444,191 households were receiving Food Stamp benefits. Additionally, the number of new applications approved for Food Stamp benefits ranged from 38,835 to 53,138 applications per month in the last year. Family Support Division and MO HealthNet Division, Missouri Department of Social Services, *Monthly Management Report*, November 2011, at Table 25.

⁵ See Holden Letter, supra, at 1 (noting these extra costs that would result if Illinois implemented photo ID requirements).

⁶ Jason Hancock, *Missouri Session Begins With Money Woes*, Kansas City Star, January 5, 2012 (available online at: <http://www.kansascity.com/2012/01/04/3352837/missouri-session-begins-with-money.html>).