

BILL SUMMARY
1st Session of the 53rd Legislature

Bill No.:	HB 1443
Version:	Introduced
Request Number:	5657
Author:	Rep. Faught
Date:	2/8/2011
Impact:	\$1,100,000

Research Analysis

Pending

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Prepared By: "Click and type"

Fiscal Analysis

HB 1443, as introduced, according to the Oklahoma Department of Human Services (OKDHS) would reinstate paper check benefits for Temporary Assistance for Needy Family (TANF) recipients at an approximate cost of \$3.00 per check. The active case count for November 2010 was 9,675. Each case gets a monthly check. The total annual cost is \$3.00 times 9,675 times 12 equals \$348,300. Also, the vendor would recoup a higher per card fee on the remaining EBT cards of approximately \$0.05 per card per month for an annual cost of \$50,000. The cost of programming and converting to the paper warrant would be about \$800,000. The total cost would be \$1,198,300.

The alternative is issuance of a separate debit card for TANF recipients. The cost of conversion to a stand-alone card is \$800,000. Monthly cost for maintenance and processing payments is approximately \$25,000 for an annual cost of \$300,000. The total cost is \$1,100,000.

The TANF block grant is fully budgeted for Fiscal Year (FY)-11 with no federal funds available for additional programs. The lower cost alternative of issuing a separate debit card for TANF recipients is provided in the summary above.

Prepared By: David Ligon

Other Considerations

According to OKDHS debit cards are intended to be flexible and secure for the cash benefit programs and can be used wherever a credit/debit card is accepted. OKDHS position is that the flexibility of debit cards is no greater than that previously provided by paper warrants. OKDHS says the debit card transaction process has saved substantial state and federal monies in transaction, printing and mailing fees and provided better security to OKDHS and to the client than mailing a paper warrant.

