

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1994</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>5567</b>
<b>Author:</b>	<b>Rep. Nollan</b>
<b>Date:</b>	<b>2/26/2019</b>
<b>Impact:</b>	<b>DHS: \$3.5M+</b>

**Research Analysis**

HB 1994 requires, effective November 1, 2019, all new and replacement electronic benefit transfer cards issued by DHS to include a photograph of the recipient for identification purposes.

Prepared By: Marcia Johnson

**Fiscal Analysis**

Fiscal analysis provided by the Department of Human Services:

DHS has two independent systems that issue EBT cards; one for SNAP and one for Child Care Subsidy and a third separate system for debit cards. All three systems are maintained by Conduent. The two EBT systems communicate with each other in order to place SNAP and Child Care Subsidy benefits on the same Access Oklahoma card. In order to comply with HB1994, the expected cost to DHS would depend on who is responsible for the requirements and functions, DHS or Conduent, the contracted provider. Expected costs include the following:

- modifications to the EPPIC system to allow for photo capture through both the DHS data interface and the local DHS office via digital camera;
- re-design of all EBT and debit cards to allow for photo printing and the cost for any bulk cards to support a mass reissuance. Costs would be reduced if cards were replaced in stages such as when the client's next renewal or recertification is due.
- replacement of all printers in the local DHS offices to support photo printing on cards;
- digital cameras for all DHS offices and the cost for integration into EPPIC and card printing; and
- staff time to complete the new step in the process of issuing EBT cards and a new process to capture photographs so the contractor can issue debit cards with a photograph.

Conduent uses the same EPPIC system in several states to issue SNAP food benefits. Only two of these states currently place photographs on their benefit cards. To make this system modification to accommodate photographs would require Oklahoma to pay additional costs. Currently Oklahoma's cost per case month (CPCM) is one of the lowest in the nation. Modifying the system would increase Oklahoma's up-front and monthly costs. Conduent projects a preliminary \$3,000 to \$4,000 contract change order and an approximate eight cent increase in our cost per case month. Oklahoma averaged 268,586 open SNAP cases per month for the last three months. An eight cent per case increase would cost an additional \$21,486.88 per month.

DHS estimates the cost would be in the range of \$3.5M per system with ongoing costs of up to \$100,000 per month. Costs would be doubled because Oklahoma uses the same benefit card for

SNAP and the Child Care Subsidy Program, but different products with different development costs that cannot be used across each platform.

Prepared By: Stacy Johnson

**Other Considerations**

None.

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