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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 288**  
**134<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 288's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. Koehler

**Local Impact Statement Procedure Required:** Yes

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### **Highlights**

- The bill requires the debit cards used to provide Supplemental Nutrition Assistance Program (SNAP) benefits to include a color photograph of at least one member of the household under certain circumstances. The Ohio Department of Job and Family Services (ODJFS) may experience one-time costs of up to \$15.1 million to implement the provisions of the bill and ongoing costs of \$930,000 annually.
- County departments of job and family services (CDJFSs) may experience additional costs in order to accommodate recipients in need of a photograph in some circumstances.
- The federal government reimburses approximately 50% of the costs of administering SNAP, including any additional costs resulting from the bill.

### **Detailed Analysis**

#### **Ohio Direction cards and photographs**

The bill requires, with certain exceptions, that the debit cards used by Ohioans to access Supplemental Nutrition Assistance Program (SNAP) benefits include a color photograph of at least one adult member of the household for which the card is issued. SNAP debit cards issued in Ohio are called Ohio Direction cards. As of February 2021, approximately 3.9 million Ohio Direction cards are active. The bill exempts from the photograph requirement households that do not have any adult members and households that include adult members 60 years of age or older, blind, disabled, or a victim of domestic violence, or has a religious objection to being photographed.<sup>1</sup> Based on these exemptions, the Ohio Department of Job and Family Services

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<sup>1</sup> Exempted households may opt to have a photograph placed on their cards.

(ODJFS) estimates no less than 500,000 will need to include a photograph. The bill also requires the back of every card to have a telephone number and website that can be used to report suspected fraud. The bill requires ODJFS to develop a strategy in consultation with the Bureau of Motor Vehicles (BMV) and the United States Department of Agriculture/Food and Nutrition Service (USDA/FNS) for issuing the debit cards within one year of the bill's effective date. The bill allows six months from the date that ODJFS develops the strategy before new cards would need to include a photograph and the fraud information. A card issued before that date must be replaced with a debit card that complies with the requirements not later than 12 months after the date the strategy is developed if the household continues to participate in SNAP. The bill allows ODJFS to adopt rules related to the requirements.

### **Fiscal effect**

SNAP benefits are fully funded by the federal government and state and local administrative costs are reimbursed by the federal government at a rate of about 50%. ODJFS has a contract with Conduent to support the distribution and tracking of SNAP benefits. The vendor issues and replaces cards, loads benefits to participant accounts, authorizes and tracks purchases, reimburses retailers for purchases with the card, and provides other operational activities. The contract costs about \$7.0 million per year, of which about 50% is reimbursed by the federal government. Ohio will experience one-time costs and ongoing annual costs in order to implement the bill. ODJFS will need to negotiate a new contract with Conduent or another vendor to incorporate the photographs on the cards; this could result in higher annual costs.

ODJFS states that costs might be about \$15.1 million for implementation and about \$930,000 for ongoing costs. Of the \$15.1 million in implementation costs, \$13.1 million of these costs will be for information technology. The remaining \$2.0 million will be primarily used for the issuance of new cards. The bill allows a registrar or employee of the BMV to share photographs with ODJFS for the purpose of printing them on SNAP cards, which may offset both the one-time and ongoing costs for taking required photographs. However, creating a system that allows the sharing of photographs may pose an administrative cost to both ODJFS and the Department of Public Safety. ODJFS does not have an estimate of the cost of creating and implementing the necessary system changes in order to access photographs from the BMV. However, county departments of job and family services (CDJFSs) would need to accommodate SNAP recipients who need to have a photograph taken when no BMV photograph was available, which could result in ongoing costs, as well potential costs to procure camera equipment if not currently available. It is possible that ODJFS may incur some one-time costs to provide equipment, such as cameras and computer hardware and software, to CDJFSs to allow them to take the photographs. Currently, most applications for SNAP are done online, with interviews conducted by telephone. If, instead, many applicants are required to go to a local office to have a photograph taken, it is possible that some CDJFSs may need to hire additional staff.

### **Considerations of authority under federal law**

The federal government allows states to require SNAP debit cards to include photographs. However, a state choosing to institute such a requirement must establish procedures to ensure that everyone entitled to use the card is able to use it, whether or not the person's photograph is on the card. The state will be required to conduct a post-implementation assessment and evaluation that includes two surveys conducted by independent evaluators – one for clients and one for merchants. The surveys are to demonstrate that clients and at least 80% of merchants

understand the state and federal governments' policies governing the cards. ODJFS's administrative costs may increase from the requirement to communicate policies to clients and merchants and to perform the required post-implementation assessment and evaluation. Presumably, these costs will be primarily one-time costs, although ODJFS will be responsible for cooperating with ongoing monitoring and evaluation of the photograph requirement by USDA/FNS.