

HOUSE BILL REPORT

2SHB 2877

As Amended by the Senate

Title: An act relating to the distribution of supplemental nutrition assistance program benefits.

Brief Description: Expanding distribution dates for supplemental nutrition assistance program benefits.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Hickel, Zeiger, Riccelli, Sawyer, Wilcox, Kochmar, Stanford, Gregerson and Ormsby).

Brief History:

Committee Activity:

Early Learning & Human Services: 2/2/16, 2/3/16 [DPS];

Appropriations: 2/8/16 [DP2S(w/o sub ELHS)].

Floor Activity:

Passed House: 2/17/16, 98-0.

Senate Amended.

Passed Senate: 3/2/16, 48-0.

Brief Summary of Second Substitute Bill

- Expands the date range that Supplemental Nutrition Assistance Program benefits are distributed from the first through the tenth of every month, to the first through the twentieth.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Kagi, Chair; Senn, Vice Chair; Walsh, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Hawkins, Kilduff, McCaslin, Ortiz-Self, Sawyer, Scott and Walkinshaw.

Staff: Ashley Paintner (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Early Learning & Human Services. Signed by 33 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Cody, Condotta, Dent, Fitzgibbon, Haler, Hansen, Harris, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Manweller, Pettigrew, Robinson, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Taylor, Tharinger, Van Werven and Walkinshaw.

Staff: Melissa Palmer (786-7388).

Background:

The Supplemental Nutrition Assistance Program (SNAP), called "Basic Food" in Washington, provides nutritional support benefits to low-income individuals and families. Congress authorizes funding and establishes requirements for the SNAP through the Food and Nutrition Act, commonly referred to as the Farm Bill. The SNAP benefits are distributed to recipients each month via their Electronic Benefits Transfer (EBT) card, which operates like a debit card. The Economic Services Administration, of the Department of Social and Health Services (DSHS), distributes the SNAP benefits from the first to the tenth of every month, based on the last digit of the client's case number.

Summary of Second Substitute Bill:

Beginning February 1, 2017, the DSHS must expand the date range that the SNAP benefits are distributed from the first through the tenth of every month, to the first through the twentieth of every month.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment eliminates the requirement to extend the date range that SNAP benefits are distributed. The Senate amendment requires the DSHS to submit a report to the Legislature by October 1, 2016 recommending a preferred distribution date option that minimizes the costs to implement the changes, minimizes the disruption for families receiving SNAP benefits, and extends the dates of distribution as close to the first twenty days of the month as feasible. Additionally, the Senate amendment authorizes the DSHS to implement the recommended distribution date option if it can do so within current appropriations.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 3, 2016.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Early Learning & Human Services):

(In support) The SNAP is intended to support families with the lowest economic means. In 2000, 18 percent of the families residing in the thirtieth legislative district received free and reduced lunch. Now that number has risen to 60 percent of families receiving free and reduced lunch. The bill allows SNAP customers to have access to a wider range of food products. It is difficult for grocers and suppliers to keep food stocked at certain locations between the first and tenth of every month. Therefore, by expanding the date range, grocers will be able to have a wider selection of food on the shelves.

South Carolina phased in extended dates for benefit distribution and implemented the program within seven to nine months with very little disruption. Currently, there are 15 states that have the extended distribution dates in effect. For the most part, the states that have implemented similar policies have been able to do so within existing funds. The timing makes sense, as the DSHS is currently planning on changing EBT vendors. The bill expands the date range to better provide nutritional foods to food insecure households.

The implementation date is a relatively quick turnaround from a systems perspective for the agency to carry out the bill. Additionally, the DSHS is converting to a new vendor for EBT card services, and the DSHS believes they need to have stability in the new system before making changes. Therefore, the DSHS would prefer an effective date of February 1, 2017, to make sure that the almost 600,000 cases are not detrimentally impacted by this shift. The 25-day monthly distribution period is problematic for technical reasons, and it would be easier for the DSHS to distribute the benefits in a 20-day period. Finally, the DSHS would like the requirement removed that new clients must be added into the new expanded date range so they have more flexibility in implementation.

The staggering of snap benefits would benefit grocers, individuals working at grocery stores, and SNAP customers. Many grocery stores experience significant fluctuation from the beginning of the month to the end of the month in the number of goods sold. This bill would help address that fluctuation by expanding the date range that the SNAP benefits are distributed. Furthermore, the bill would allow for better customer service and an increased variety of goods left on store shelves.

(Opposed) None.

(Other) Currently, food banks experience a lot of stress at the end of the month because benefits have run out. If all the clients in the state didn't run out of benefits at the same time, the systems involved with providing nutritional services would experience less stress.

Notification to clients is important and shifting to the expanded date range may take more time than the current effective date. In looking at how other states implement the SNAP, some states use one day of distribution, which is extremely problematic, no other states have a 25-day distribution range, but several states do use a 20-day date range. Therefore, it is recommended that the bill be revised to a 20-day date range, and it would also be beneficial to push back the implementation date to ensure proper notification to recipients.

Staff Summary of Public Testimony (Appropriations):

(In support) This is a great policy and makes fiscal sense. Our grocery stores try to make sure all customers have a wealth of inventory to choose from and are able to purchase healthy foods. This change would allow SNAP recipients to shop without feeling herded through stores during the first 10 days of the month. The United States Department of Agriculture encourages states to expand the dates of SNAP benefit distribution dates and the federal government will pay for one-half the costs to implement the change. The least expensive way to implement this change is to bring new recipients on the eleventh day through the twentieth day, rather than change current recipients' distribution dates. While DSHS supports the legislation, DSHS would like more flexibility in selecting the method for implementing the change and the ability to determine the best and most reasonable approach.

(Opposed) None.

Persons Testifying (Early Learning & Human Services): (In support) Representative Hickel, prime sponsor; David Stillman, Department of Social and Health Services; Kyle Saar, Sara's Marketplace; and Jan Gee, Washington Food Industry Association.

(Other) Clair Lane, Anti-hunger & Nutrition Coalition.

Persons Testifying (Appropriations): Jan Gee, Washington Food Industry Association; and Babette Roberts, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying (Early Learning & Human Services): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.