

Senate General Government & Agency Review Committee

TESTIMONY OF LISA HAMLER FUGITT
EXECUTIVE DIRECTOR, OHIO ASSOCIATION OF FOODBANKS
Senate Bill 165
October 9, 2019

Good afternoon Chairman Schuring, Vice-Chair Rulli, Ranking Member O'Brien, and members of the Senate General Government & Agency Review Committee. Thank you for allowing me to testify today regarding S.B. 165. My name is Lisa Hamler-Fugitt, and I am executive director of the Ohio Association of Foodbanks, which is Ohio's largest charitable response to hunger. Our network is made up of 12 Feeding America foodbanks and 3,601 member food pantries, soup kitchens, shelters, and supplemental feeding programs, serving all of Ohio's 88 counties. Together, our network distributed 229,546,132 pounds of food, or about 191.3 million meals, in 2019. Let me begin by thanking you for your strong and steadfast support for our members and our core food programs, the Ohio Food Program and Agricultural Clearance Program, that directly provided about 25 percent of all the food we distributed last year. This wholesome food includes everything from fresh fruits and vegetables, dairy items, and meats and protein to breads, dry goods, and shelf-stable foods. Those nearly 230 million pounds of food served Ohio families 3,438,315 times. Some of those households came to a food pantry just once for help in an emergency. Others came a handful of times when paychecks came up short. Still others rely on our network regularly for help because their limited fixed incomes and SNAP/food stamp benefits aren't enough to meet their basic needs for food. We strive to be there when our hungry friends and neighbors need us.

In 2019, our foodbanks served 9,458,206 individuals, including 2,871,974 children (30.4%), 4,689,228 adults (49.6%), and 1,897,004 seniors (20.0%). (*duplicated counts*)

In addition to direct food assistance programs, we provide education and outreach for the Supplemental Nutrition Assistance Program, or SNAP (formerly known as the federal food stamp program) and we also operate the state's largest SNAP work experience program for work-mandated recipients. SNAP is the first line of defense against hunger in our state and nation, not foodbanks. SNAP provides 12 meals to every 1 meal my network provides.

Eligibility to receive SNAP benefits is rigorous and only the poorest of the poor can even qualify. Household income cannot exceed 130 percent of the Federal Poverty Level (\$27,729 annually for a family of three, before taxes). SNAP benefits are 100% federally-funded and provide very modest benefits, averaging just \$126.00 per person, per month in July 2019, or just \$1.35 per meal. SNAP benefits can only be used to purchase food and cannot be used to purchase prepared foods (like a rotisserie chicken) or personal care, personal hygiene, or household cleaning items.

We agree with the sponsor of S.B. 165 that the SNAP program is an "important safety net" as it provides critical nutrition assistance, a nutritional lifeline to 1,332,354 Ohioans, including 574,383 children.¹

- 66% of Ohio SNAP participants are families with children
- 36% are families with members who are elderly or disabled

Protecting the integrity of the SNAP program by safeguarding it against any fraudulent activity is essential. The Ohio Association of Foodbanks knows firsthand how the loss of SNAP benefits, in any manner, is damaging to hungry Ohioans who need this critical support to feed themselves and their families.

As members of the Senate General Government & Agency Review Committee, I want to note that SNAP participation is also linked to reduced health care costs. On average, low-income adults participating in SNAP incur about \$1,400, or nearly 25 percent, less in medical care costs in a year than low-income adults who don't participate in SNAP.

SNAP is one of the most impactful of all federal nutrition programs. The USDA Economic Research Service found that every \$1 billion in new SNAP spending induces further new spending in the economy that collectively increases GDP by \$1.54 billion, supports 13,560 jobs, and creates \$32 million in farm income.²

Due to sweeping policy changes in 2014, which imposed time limits of 3 months of eligibility in every 36-month period on unemployed and underemployed adults between the ages of 18 to 49 without dependents in the home, Ohio has lost over \$2.4 billion in 100 percent

¹ Caseload Summary Statistics Report July 2019, <http://jfs.ohio.gov/ocomm/index.stm>

² https://www.ers.usda.gov/webdocs/publications/93529/err265_summary.pdf?v=8010.7

federally-funded SNAP benefits. This policy change hindered access to this critical food assistance program for 369,221 Ohioans, forcing them to turn to our emergency food network in order to eat. For this reason alone, hungry Ohioans and our state's economy cannot afford to lose any more SNAP benefits.

I commend Senator Shaffer for taking an interest in this important issue and for his effort to present a possible solution to a complex problem. Unfortunately, we need a solution that is not only administratively feasible, but also conducted in a manner that does not cause a loss of benefits to Ohioans who are most in need.

We must do all we can to combat fraud of any type. However, as an advocate for Ohio's most vulnerable populations, I believe that S.B. 165 has room for improvement. Not only does it lack evidence of its effectiveness, it also lacks transparency in relation to the actual cost our state and county agencies will have to shoulder with its implementation.

S.B. 165 exempts households that do not include any adult members; adults who are 60 years of age or older; blind citizens; disabled citizens; victims of domestic violence; or those who have a religious objection to being photographed.

USDA federal regulation (7 CFR 274.8(f)(4)) requires that exemptions include all children under 18 years of age, but S.B. 165 only includes households without an adult member. And further review of ODJFS SNAP participation found that Ohio does not track victims of domestic violence. Additionally, S.B. 165 omits two federal regulation provisions (7 CFR 274.8(f)(4)) that are mandated by USDA FNS:

- "Victims of domestic violence shall be able to self-attest and cannot be required to submit documentation to prove domestic violence. The ability to self-attest must be applied equally regardless of if the victim is a female or male."
- Homeless households are exempt.

Another significant omission in S.B. 165 that is required by federal regulatory requirement is that it provides no accommodation for those who will face an undue hardship as a result of the EBT photo requirement, such as those with an illness, transportation difficulties, caretakers of a household member, hardships due to residency in a rural area, prolonged severe weather, or those who work or train during times that prevent the household from

being available during the hours that photos are taken in-office, as mandated by USDA federal regulation (7 CFR 274.8(f)(5)). The point I hope you take away from this is that the EBT photograph requirement is more nuanced than has been previously articulated, and the bill as drafted fails to adhere to federal regulatory requirements.

Lack of Empirical Evidence and the Ineffectiveness of other States' Experiences

While there is little debate and most of us agree that every effort should be made to crack down on fraud, I believe the cost of doing so via an EBT photo mandate outweighs any potential benefits. In addition, the underlying premise and stated purpose for the bill is misguided and not based on any empirical evidence.

Between 2001 and 2019, 17 other states have considered and abandoned SNAP EBT legislation and programs, citing the strategy as both ineffective at reducing fraud and a waste of state funds and taxpayer dollars. Of the 5 states that did implement Photo EBT programs:

- Missouri abandoned their program in 2001 stating the program was useless at addressing fraud and too costly.
- In 2013, Georgia and New York passed legislation and never implemented the program.
- Maine and Massachusetts were the only 2 states to implement the EBT photo mandate.
 - In April of this year, the Maine Department of Health and Human Services announced “it has discontinued the use of photos on Electronic Benefit Transfer (EBT) cards for the supplemental food assistance program, putting an end to an ineffective policy that threatens eligible Mainers' access to assistance.”
 - Massachusetts is the only state that that currently requires a Photo EBT and the program has been plagued with significant logistical problems, especially retailer, recipient, and legal concerns. Today, currently 359,160 Massachusetts SNAP households were exempt from the photo EBT requirement—or about 75% of the state’s SNAP caseload.

Cost Prohibitive and Ineffective

According to the LSC fiscal note, the cost of implementing this policy is estimated at \$15.1 million in the first year, with an annual cost of about \$1 million per year. Research from The Urban Institute found that Massachusetts spent \$8.4 million in startup costs that did not even include the printing of ID cards or the digital storage required to securely maintain the data.³

A 2012 Fiscal Note from our neighboring state of Pennsylvania found that each EBT photo card would cost \$8 per card, compared to a cost of just \$0.23 to produce an EBT card without a photograph.

Consider this: Massachusetts is roughly half of the size of Ohio in population, in SNAP participation, and in the issuance of SNAP dollars. Should we not estimate, then, that their expenses would be half of what Ohio might expect to spend? In other words, Ohio would presumably pay double that of Massachusetts to implement this onerous policy. If that is the case, Ohio could expect to pay far more than the LSC estimates. Additionally, government offices such as CDJFS, ODJFS, and the *Ohio Bureau of Motor Vehicles* would incur additional, incalculable costs related to such issues as card design, cameras, printing equipment, secure electronic data storage, software, and hardware, as well as post-implementation assessment and evaluation, additional staffing to meet both programmatic and regulatory compliance, and any other unforeseeable administrative costs.

There are also lessons to be learned from some well-documented pitfalls that Massachusetts faced when implementing a similar policy.⁴ For instance, insufficient information was given to SNAP participants about the photo ID requirement, and they were not informed of their rights to the same treatment as non-SNAP grocery customers. This information would need to be dispersed immediately and through various communication conduits. An additional recommendation to consider in light of the experiences of Massachusetts is the need to notify each recipient who is exempt from the photo EBT card requirement. Also, this policy would not only require a sufficiently-staffed hotline for

³ <https://www.urban.org/research/publication/assessing-merits-photo-ebt-cards-supplemental-nutrition-assistance-program>

⁴ <https://www.mass.gov/files/documents/2016/07/nr/photo-ebt-report-mar16.pdf>

recipients to call with issues when cards are deactivated, or with any other issues caused by this policy, but would also necessitate a hotline for reporting improper behavior on the part of retailers, such as discrimination or refusal to accept the card to purchase food. To that point, a robust training program for retail employees would need to be implemented to mitigate the risk of unlawful behavior and civil rights violations on the part of the retailer. Who will bear the cost of this training?

Previous testimony has focused on the presumption that adding a photo to EBT cards would reduce the incidence of fraudulent activity, and ultimately deter criminals from abusing the system. It has also been stated that retailers may not deny a recipient their benefit, but may only contact a hotline if there is suspicion of fraud.

There are several flaws in these statements. First, cashiers are often not aware of the type of cards being used due to self-use credit card scanners and self-check outs and adding a photo to EBT cards will not change this. Second, federal regulations deem it impermissible for a cashier to ask to see an EBT card to verify the cardholder if verification is not the practice of the retailer for debit or credit cards, and this will not change if a photo is added to EBT cards. Frankly, this is why photos on credit cards have fallen to the wayside. Our world is becoming automated and the self-check kiosk does not do a face recognition against the photo on the card, thus it becomes a wasteful and fruitless effort. I do realize that the federal regulations on this may change in the future, but we must build policy contingent upon what we know to be factual at this moment and the well-documented research we have available to us.

Other facts that must be considered include:

- Issuing multiple EBT photos cards to household members affiliated with the primary beneficiary will add additional cost to an already costly policy in which there is an uncertain return on investment.
- Not all non-exempt SNAP participants have a state ID on file with the BMV.
- Those who do have a state ID will face EBT deactivation if their address on file is not current and the new EBT cards are undeliverable due to unreported address change.

Massachusetts used this cost-cutting method and consequently, 12,000 undeliverable EBT cards were deactivated for this reason.⁵ While we may be fortunate enough to sit in judgment and consider not reporting an address change as an irresponsible act, the fact of the matter is that 43 percent of SNAP participants in Ohio are hardworking people who may not be able to contact ODJFS during normal business hours, some have transportation issues, some are not well enough to handle these administrative requirements, and many more legitimate reasons that prevent change of address reporting. Further, the homeless population would be negatively affected by this cost-cutting measure AND this policy, as they will not be able to receive communication via any method about the EBT photo requirement because there is no address to send the new card if the photo is transferred from the BMV. The homeless population already faces enough hardship without adding increased hunger to the list.

Proponents of requiring photos on SNAP EBT cards claim it would reduce the selling or stealing of cards, known as trafficking, because retail clerks would catch individuals using a stolen card at the check-out line. However, a recent report from the Urban Institute found that “photo EBT cards are not a cost-effective approach to combat trafficking.” Photo EBT is a state option that fails to deter fraud, but has been proven to deter participation of eligible households due to increased stigma.

Other supporters of S.B. 165 claim SNAP EBT cards will be an effective tool for local law enforcement, yet nothing in current law prohibits law enforcement now from reporting suspected fraud to ODJFS and local JFS fraud investigative units, to the USDA office of the Inspector General, the Ohio Department of Public Safety, and the local prosecutors’ offices to investigate charges for fraud.

In Ohio, the Ohio Department of Public Safety (DSP) Ohio Investigative Unit has primary areas of enforcement for investigating: (1) illegal sale of alcohol beverages, (2) illegal sale and/or trading of food stamp benefits, (3) sale of tobacco to underage persons where a liquor permit premises is involved, and (4) gambling law and narcotics trafficking related to liquor permit premises. DSP Food Stamp Trafficking Enforcement unit receives an

⁵ <https://www.urban.org/research/publication/assessing-merits-photo-ebt-cards-supplemental-nutrition-assistance-program>

appropriation of \$1.4 million per year from the Ohio Department of Job and Family Services' Federal Fund 3840, line item 600610, Food Stamps and State Administration, which is used to pay the state and local costs of administering food stamp trafficking enforcement operations. The cash transferred is used to cover a portion of the Investigative Unit's operating expenses related to investigating and controlling the illegal sale of food stamp benefits.

In the 2019 Legislative Budget Office, Redbook Analysis of Executive Budget Proposal for the Ohio Department of Public Safety, March 2019, page 23, table 5 reported the results of the Unit's 2018 Food Stamp Fraud enforcement activities: it conducted 113 investigations, made 34 food stamp related arrests, issued 121 administrative citations, and seized a total of \$4,437 in SNAP/food stamp fraud investigations. These efforts cost \$338 in taxpayer monies for every \$1 recovered in food stamp fraud.

Facts and figures Investigative Unit Table 5 below provides a summary of the Investigative Unit's activity in 2018.⁶

Table 5. Ohio Investigative Unit Statistics by Category, CY 2018	
Food Stamp Fraud	
Investigations conducted	113
Food stamp-related arrests	34
Administrative citations issued	121
Total seized in food stamp fraud investigations	\$4,437
Gambling	
Investigations completed	109
Gambling-related arrests	61
Administrative citations issued	113
Total seized in gambling investigations	\$50,227
Alcohol	
Underage drinking arrests	1,074
Arrests for selling alcohol to minors	323

⁶ <https://www.lsc.ohio.gov/documents/budget/133/MainOperating/redbook/DPS.PDF>

Administrative citations issued	951
Illegal sales investigations completed	26
Illegal sales violation arrests	25
Total seized in illegal sales investigations	\$3,779
Tobacco	
Minors arrested for tobacco violations	8
Arrests for selling tobacco to minors	360

Photos on SNAP EBT cards are costly and unnecessary. There is no evidence that requiring photos would be responsive to the issue of stolen cards; EBT cards use a personal identification number (PIN), just like an ATM card, making it difficult for someone to steal the card and use it without permission. Moreover:

- Trafficking is at a record low in the program and often involves an unscrupulous retailer who is unlikely to be deterred by a photo on the EBT card.
- States have more effective options to improve program integrity, including procedures for excessive replacement EBT cards, and EBT transaction monitoring.
- A photo EBT requirement would be costly to administer. Photo equipment must be readily accessible for all participants and EBT vendor contracts must be revised. Several states considering this policy abandoned it after comparing the costs and benefits.

S.B. 165 supporters have cited the findings, including anomalies and assumptions contained in performance reviews of the SNAP program conducted by then Auditor Dave Yost in 2011 and 2015, as the reason that Ohio needs an EBT photo mandate, including excessive card balances, unusual activity, out of state spending, and now, SNAP Quality Control Error rates. I will address each of these briefly.

- Excessive card balances do not in any way denote fraud, but likely a life situation that has resulted in recipients being incapacitated while being hospitalized, in rehab

centers, or assisted living facilities during a recuperation period. High balances may also result when a recipient is unable to manage their personal affairs as a result of mental and/or physical impairment or incapacitation.

- Unusual activity and transactions could result from any number of reasons, including a recipient using a combination of SNAP benefits and cash to make purchases. Such as a grocery bill of \$29.15, which the SNAP recipient redeems \$20 in benefits from the SNAP EBT card and pays the remaining a \$9.15 in cash. But if these even dollar transaction and consecutive transactions with in a one-hour period is of concern, these transactions and cases should be referred to the Ohio Department of Public Safety for further investigation and resolution.
- Out-of-state SNAP redemption could result when SNAP recipients who live in one of Ohio's 27 border counties cross the state line to do their grocery shopping, which is a very common practice in rural counties and communities that lack full-service grocery stores. Other out-of-state transactions may occur when disabled or elderly Ohio SNAP recipients go to live with other out-of-state relatives and caregivers. The amount of \$28.7 million being spent in out-of-state transactions, represents just 1.42% of the annual SNAP issuance of over \$2 billion in 2018.

Quality Control Error Rates Are Not Fraud

Information about Quality Control Error rates are often misunderstood and vastly misrepresented. USDA evaluates each State's management of SNAP Payment Error Rate to measure how accurately states determine eligibility and benefit amounts – it is not a Fraud Rate. The vast majority of improper payments are due to unintentional errors.

An improper payment in SNAP can occur for any of the following reasons:

- Incorrect amounts paid to an eligible client
- Payments made to a client incorrectly determined as eligible
- Payments for which insufficient or no documentation was found

What Causes Improper Payments in SNAP?

Sixty percent of improper payments are a result of State/County Agency Errors and are caused by administrative or process errors such as failure to verify or act upon data matches. *It is highly likely that Ohio's excessively high error rate is due to the implementation of the state's new Ohio Benefits system that has been extremely problematic (see attached Cleveland Plain Dealer article).*

Around 40 percent of errors are caused by client error such as failure to provide accurate and/or timely information. In FFY 2018, the national error rate was 6.8 percent, representing 5.59 percent over issuance and 1.22 percent in under payments:

- Ohio's error rate was a combined rate of 7.46 percent – 6.03 percent over issuance and 1.43 percent under payments.
- Massachusetts' error rate was a combined 4.46 percent, 3.2 percent over issuance and 1.26 percent under payments
- Maine's error rate was a combine 12.3 percent, 9.84 percent over issuance and 2.46 percent under payments, nearly twice as high as the national average.

In the July 2019 USDA release of SNAP Payment Error rates for 2018, department officials emphasized that the SNAP payment error rates announced are not a measure of fraud, but a representation of how accurately states are determining participants eligible for the program and issuing the correct amount of benefits. Under federal law, each state agency is responsible for monitoring its administration of SNAP, including payment accuracy.

USDA's Food and Nutrition Service then independently reviews a sampling of each state's data to ensure accuracy and target corrective action and sanctions for poor performance, as provided under the law. **This year, FNS will issue over \$26 million in sanctions to high-error states to ensure they are working diligently to improve accuracy.** States must either pay the full amount immediately to the U.S. Treasury, or promptly reinvest half of these funds in FNS approved actions to reduce errors and pay the remainder if accuracy does not improve.

The Possible Impact of SNAP Photo EBT on Retailers

A photo EBT card requirement is extremely confusing for the retailer community, putting them at risk of violating program rules they do not understand.

- Federal rules prohibit treating SNAP participants differently from other customers at the point of purchase, so any identification check required for SNAP would have to apply to all users of electronic payment cards. Retailers are extremely reluctant to do this, as it inconveniences all customers and conflicts with credit card policies discouraging photo identifications. As stores increasingly move to self-service checkout, this becomes an unworkable burden. Failure to correctly comply with federal rules puts retailers at risk of SNAP sanctions.
- Photo EBT proposals do not always require photos of all members, leaving retailers with no way of knowing who is authorized to use the card. Retailers are not required to know all eligible users of a card. Retailers may be exposed to potential liability for failure to check the photo identification or failure to properly determine whether an individual is entitled to purchase food with the card.
- Unlike participants, retailers are not authorized by the state. Retailer participation in SNAP is authorized and managed by USDA, so retailers have not been subject to state-imposed SNAP requirements and may have no idea what their responsibilities are regarding photo EBT.

Some participants may find it difficult to comply with the photo requirement. Some individuals may find it extremely difficult to make the trip to the local office, or other location, to have their photo taken. Low-wage workers (who make up 42 percent of our state's adult SNAP population) may be extremely reluctant to miss work and possibly sacrifice their job in order to make a trip just to have a photo taken to meet the requirement.

States considering a photo EBT requirement can learn from Missouri's experience.⁷ After reviewing the state's requirement to place a photo on EBT cards, the state auditor found the photographs useless for fraud or identification and the state wisely discontinued the policy.

States seeking to require photos on EBT cards face extensive requirements and new responsibilities. Due, in part, to the challenges in implementing a photo EBT requirement, the USDA Food and Nutrition Service issued new regulations (7 CFR 274.8(f)) in December

⁷ <https://fas.org/sgp/crs/misc/R45147.pdf>

2016⁸ that impose clear and comprehensive requirements on states seeking to require photos on EBT cards. Implementation of the new requirement will involve added responsibilities for staff at state agencies and extensive oversight by FNS. For example, state agencies will be required to inform and train all retailers about the implementation of the new requirement. In addition, if a photo EBT is required, the state agency will need to ensure that children, people with disabilities, seniors, homeless households, and victims of domestic violence are all exempted from the new requirement. State legislatures should be aware of all the new requirements under the new regulations.

In closing, while this bill is purported to “deter and detect crime,” in all actuality, Senate Bill 165 will not be a deterrent for fraudulent activity when those who are willing to engage in trafficking are in collusion, and thus complicit, in this crime. What it will do is deter hungry low-income families from applying for, or from retaining, the benefits they are eligible to receive.

To that end, my question to you is, how will the State of Ohio safeguard SNAP participants from selective scrutiny and/or discrimination? From loss of benefits through deactivation? From stigma and embarrassment? From health issues brought about by hunger? And are Ohio courts prepared for an onslaught of civil rights litigation?

In conclusion, I ask that you reject Senate Bill 165 and recommend to this committee that you instead invest the tens of millions of dollars over the biennium which Senate Bill 165 is projected to cost to implement the following investments:

- Develop a statewide database that can aggregate data across agencies to improve collaboration among local, state, and federal public safety officials and public agencies to streamline reporting and data collection systems.
- Evaluate and provide additional support, if required, to the Ohio Investigative Unit to support additional staff who can spend time focusing on small retailers where the fraudulent activity is likely occurring.

⁸ <https://usafacts.org/reports/snap-food-stamps-assistance>

- Increase funding for critically needed food assistance provided by the Ohio Association of Foodbanks and over 3,600 charities.

I want to leave you with this thought: The SNAP program is not our biggest source of fraud. In fact, SNAP has the lowest documented fraud of all publicly funded programs. If you want to plug the hole in the sieve that is leaking our state's public funds due to fraud, you should follow the money trail to where the big leaks are – that is not the SNAP program.

Thank you, and I'll be glad to take any questions you may have.

Respectively submitted,
Lisa Hamler-Fugitt,
100 East Broad Street, Suite 501
Columbus, Ohio 43215
614/221-4336 ext. 222
614/271-4803 cell
Lisa@ohiofoodbanks.org



SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM : PAYMENT ERROR RATES
Fiscal Year 2018¹

State/Territory	Over Payments	Under Payments	Payment Error Rates ²
ALABAMA	3.93	0.66	4.59
ALASKA	4.66	1.71	6.37
ARIZONA	4.95	1.04	5.99
ARKANSAS	4.77	0.83	5.60
CALIFORNIA	5.96	1.30	7.25
COLORADO	4.04	1.39	5.43
CONNECTICUT	6.72	2.05	8.77
DELAWARE	11.95	1.29	13.24
DIST. OF COL.	13.69	2.65	16.33
FLORIDA	3.90	0.49	4.39
GEORGIA	7.39	1.72	9.11
GUAM	6.82	2.28	9.09
HAWAII	3.67	0.81	4.48
IDAHO	1.83	0.30	2.13
ILLINOIS	7.89	1.72	9.61
INDIANA	6.24	0.94	7.18
IOWA	8.91	1.11	10.02
KANSAS	4.83	1.03	5.86
KENTUCKY	6.42	0.76	7.17
LOUISIANA	2.17	0.53	2.70
MAINE	9.84	2.46	12.30
MARYLAND	6.22	1.10	7.32
MASSACHUSETTS	3.20	1.26	4.46
MICHIGAN	8.91	2.62	11.53
MINNESOTA	6.76	2.36	9.13
MISSISSIPPI	2.43	0.49	2.92
MISSOURI	7.75	1.32	9.07
MONTANA	7.97	1.70	9.68
NEBRASKA	4.05	0.74	4.79
NEVADA	5.22	0.66	5.88
NEW HAMPSHIRE	4.44	1.18	5.61
NEW JERSEY	4.23	1.93	6.16
NEW MEXICO	6.86	1.87	8.72
NEW YORK	6.80	0.92	7.72
NORTH CAROLINA	3.74	1.23	4.97
NORTH DAKOTA	3.33	1.18	4.52
OHIO	6.03	1.43	7.46
OKLAHOMA	5.86	1.12	6.98
OREGON	8.15	0.71	8.86
PENNSYLVANIA	5.26	1.24	6.51
RHODE ISLAND	12.31	1.50	13.81
SOUTH CAROLINA	4.70	0.57	5.27
SOUTH DAKOTA	0.90	0.13	1.04
TENNESSEE	3.58	0.61	4.19
TEXAS	3.37	1.48	4.84
UTAH	5.21	0.76	5.97
VERMONT	3.35	0.21	3.56
VIRGIN ISLANDS	5.85	1.02	6.87
VIRGINIA	7.89	1.73	9.62
WASHINGTON	5.86	0.73	6.59
WEST VIRGINIA	5.60	1.15	6.75
WISCONSIN	6.65	1.28	7.94
WYOMING	3.15	1.06	4.21
TOTAL	5.59	1.22	6.80

¹ Pursuant to changes in Section 4019 of the Agricultural Act of 2014 (the Act), the Department set the QC tolerance threshold at \$37 for fiscal year (FY) 2014 and adjusts the threshold each year following Section 3(u)(4) of the Food and Nutrition Act of 2008, as amended. For FY 2018, the tolerance threshold is \$37.

² Due to rounding, the payment error rate may not always equal the sum of the overpayment and underpayment error rate.

USDA SNAP Error Rates Fiscal Years 2003 - 2017

State or Territory	FY18 Payment Error Rate	FY17 Payment Error Rate	FY14 Payment Error Rate	FY13 Payment Error Rate	FY12 Payment Error Rate	FY11 Payment Error Rate	FY10 Payment Error Rate	FY09 Payment Error Rate	FY08 Payment Error Rate	FY07 Payment Error Rate	FY06 Payment Error Rate	FY05 Payment Error Rate	FY04 Payment Error Rate	FY03 Payment Error Rate
Alabama	4.59	4.19	2.03	1.70	1.85	5.10	3.75	3.57	4.23	4.78	3.80	3.68	8.00	8.02
Alaska	6.37	7.27	0.89	1.27	1.07	0.76	2.15	3.81	7.48	4.04	5.81	6.51	6.96	13.88
Arizona	5.99	9.08	5.18	5.48	5.60	6.34	6.69	5.99	4.68	4.87	8.26	7.61	6.54	5.83
Arkansas	5.60	6.85	5.58	4.34	4.76	5.79	5.64	4.74	6.10	7.01	7.15	5.43	5.34	4.02
California	7.25	7.93	5.13	3.63	3.98	4.58	4.81	4.36	5.77	5.31	6.98	6.38	6.32	7.96
Colorado	5.43	6.22	4.26	5.59	4.55	4.45	3.18	2.72	3.32	7.05	6.68	7.42	2.93	7.40
Connecticut	8.77	5.58	5.84	7.13	5.99	6.46	7.66	5.15	8.16	6.51	5.46	6.61	4.94	8.77
Delaware	13.24	13.95	2.78	3.53	3.41	2.53	1.52	1.15	5.52	9.36	7.92	6.46	6.24	5.38
District of Columbia	16.33	10.70	7.38	6.87	3.91	3.03	4.47	3.92	6.26	8.34	9.62	9.89	5.65	8.97
Florida	4.39	6.42	0.42	0.81	0.77	0.87	0.78	0.70	0.85	4.15	8.59	7.19	6.16	7.93
Georgia	9.11	6.53	6.49	5.11	3.18	2.71	1.99	2.10	2.50	8.13	7.16	4.89	6.21	5.15
Guam	9.09	7.56	7.08	6.65	7.33	6.25	5.42	4.24	9.36	6.55	6.45	6.20	6.61	7.04
Hawaii	4.48	5.84	4.13	4.39	4.84	3.37	3.04	3.48	3.45	3.20	3.40	5.63	4.35	4.78
Idaho	2.13	2.38	2.74	1.86	2.49	2.52	3.32	2.69	3.59	4.44	4.64	8.34	9.05	11.31
Illinois	9.61	5.73	5.27	4.27	1.74	3.15	1.70	6.17	4.30	5.15	6.09	5.75	5.61	4.87
Indiana	7.18	9.89	4.76	3.72	3.02	3.29	2.60	7.13	7.51	6.94	6.64	6.58	5.84	10.00
Iowa	10.02	9.61	4.60	4.12	3.43	3.97	3.36	6.49	8.01	6.85	6.40	6.03	6.19	5.23
Kansas	5.86	3.85	0.75	3.99	5.45	5.00	4.79	4.37	4.01	3.70	6.39	4.37	5.11	10.45
Kentucky	7.17	6.32	6.00	5.78	4.93	4.50	4.09	4.70	6.36	4.93	5.95	4.56	5.63	6.32
Louisiana	2.70	6.56	1.55	1.44	1.45	3.97	5.03	4.81	6.71	6.94	8.00	5.83	4.81	5.79
Maine	12.30	11.04	2.52	2.48	2.16	3.28	3.49	2.51	8.36	10.54	9.55	7.59	10.97	13.29
Maryland	7.32	6.44	3.41	2.12	3.40	6.06	7.68	7.11	6.94	7.20	6.04	5.49	5.83	7.23
Massachusetts	4.46	4.04	5.09	2.87	4.03	4.40	5.90	4.39	4.53	4.38	3.55	3.88	4.76	4.99
Michigan	11.53	11.13	2.99	2.70	3.55	3.12	3.31	6.75	5.88	8.50	7.53	7.34	7.19	11.10
Minnesota	9.13	7.14	6.87	4.08	5.07	5.02	4.76	3.95	6.16	6.53	7.56	7.60	6.94	7.96
Mississippi	2.92	3.29	1.16	1.48	2.10	2.83	1.92	2.77	2.64	2.66	2.61	3.00	5.89	4.07
Missouri	9.07	8.32	1.50	1.62	7.18	5.88	5.65	5.29	6.03	2.31	2.59	5.10	7.42	6.75
Montana	9.68	8.54	7.25	6.00	2.71	3.10	4.12	3.77	3.74	6.81	6.82	4.05	4.60	5.78
Nebraska	4.79	4.06	2.98	2.87	3.19	4.50	3.52	1.54	2.75	1.73	3.44	4.45	5.60	7.24
Nevada	5.88	5.76	7.61	5.51	6.01	6.29	6.57	4.28	4.73	4.84	3.87	2.86	7.51	8.25
New Hampshire	5.61	4.64	4.81	3.82	5.09	4.82	5.31	3.01	4.15	6.16	6.16	5.91	7.10	7.52

USDA SNAP Error Rates Fiscal Years 2003 - 2017

State or Territory	FY18 Payment Error Rate	FY17 Payment Error Rate	FY14 Payment Error Rate	FY13 Payment Error Rate	FY12 Payment Error Rate	FY11 Payment Error Rate	FY10 Payment Error Rate	FY09 Payment Error Rate	FY08 Payment Error Rate	FY07 Payment Error Rate	FY06 Payment Error Rate	FY05 Payment Error Rate	FY04 Payment Error Rate	FY03 Payment Error Rate
New Jersey	6.16	5.41	1.43	1.32	3.49	4.33	4.62	3.64	5.23	6.26	4.15	4.79	3.01	2.43
New Mexico	8.72	6.90	6.22	4.55	3.73	4.35	4.50	4.79	6.34	7.42	6.78	5.99	5.59	6.16
New York	7.72	5.53	5.23	4.79	5.09	4.32	5.51	5.39	4.50	5.51	4.56	7.23	5.74	5.88
North Carolina	4.97	5.25	4.98	4.75	2.32	2.65	2.70	2.53	2.65	2.23	2.83	2.97	3.17	4.94
North Dakota	4.52	4.93	1.73	2.30	2.94	4.34	4.38	3.42	5.68	3.29	3.67	3.59	4.15	4.85
Ohio	7.46	5.51	4.67	4.12	3.39	3.40	3.31	2.30	4.29	9.17	7.10	8.65	8.43	6.61
Oklahoma	6.98	5.53	5.58	3.99	4.94	3.94	4.22	3.78	5.72	6.11	7.17	7.42	5.90	8.98
Oregon	8.86	6.15	5.11	4.17	4.66	3.99	4.88	3.54	5.30	5.41	5.28	5.71	7.86	13.00
Pennsylvania	6.51	5.08	4.27	3.56	3.08	3.30	3.93	4.43	3.37	2.71	3.64	4.51	4.00	8.21
Rhode Island	13.81	11.24	5.97	8.25	7.36	7.89	5.98	3.67	3.97	5.35	4.02	9.84	13.30	8.94
South Carolina	5.27	4.21	1.09	1.75	1.59	3.14	5.14	4.56	6.27	5.41	6.21	5.44	6.25	4.94
South Dakota	1.04	1.21	1.26	0.99	1.37	1.59	1.31	0.94	1.00	1.28	1.83	1.19	1.97	1.16
Tennessee	4.19	4.48	1.08	1.32	3.25	5.46	4.39	3.28	4.89	5.13	5.57	6.01	6.69	7.20
Texas	4.84	4.13	0.63	1.44	3.63	3.48	2.13	6.90	7.11	6.38	6.46	5.03	4.12	3.29
Utah	5.97	5.59	2.79	2.11	2.39	4.19	4.33	3.80	4.02	3.80	4.22	4.41	3.76	5.00
Vermont	3.56	7.68	2.76	9.66	6.96	8.53	6.59	5.42	5.52	6.24	5.25	5.64	5.13	8.52
Virgin Islands	6.87	3.34	3.18	3.58	4.20	4.77	3.10	2.83	3.22	3.03	1.93	2.11	4.78	6.88
Virginia	9.62	9.70	4.73	0.44	1.76	3.41	5.87	5.74	5.75	6.47	6.96	5.79	6.59	5.46
Washington	6.59	5.42	0.77	1.71	2.49	3.81	3.30	1.81	3.86	2.93	2.59	2.72	7.62	6.28
West Virginia	6.75	9.58	4.90	5.24	7.06	6.31	7.14	5.42	7.40	9.59	7.34	5.94	6.58	6.21
Wisconsin	7.94	7.17	2.55	2.40	2.07	2.02	1.97	1.11	7.38	5.90	6.17	5.61	6.65	9.32
Wyoming	4.21	3.35	5.19	4.99	7.18	9.63	4.76	3.23	2.69	6.42	5.39	7.03	4.69	4.23



In 2014, USDA identified concerns with the quality of the data and suspended error rates reporting for fiscal years 2015 and 2016 to complete a review of quality control systems in all 50 states, D.C., Virgin Islands and Guam. Data integrity issues requiring corrective action were found in 42 states. USDA developed new controls to prevent recurrence of statistical bias in the QC system including a management evaluation process to regularly review state quality control procedures. States were also required to take corrective actions to address the cause of the improper payment issues. The FY17 payment error rate is higher than the previous error rate in FY15 but is the result of the more accurate, improved reporting process. Data Source: <https://www.fns.usda.gov/snap/QC/error-rates>

The Supplemental Nutrition Assistance Program (SNAP) is the nation’s most important anti-hunger program.

Whom Does SNAP Reach?

In Fiscal Year 2017, it reached:

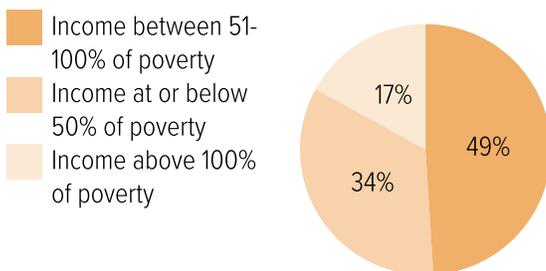
- **1,502,000** Ohio residents, or **13%** of the state population (**1 in 8**)
- **42,000,000** participants in the United States, or **13%** of the total population (**1 in 8**)

OHIO	more than 67% of SNAP participants are in families with children	almost 37% are in families with members who are elderly or have disabilities	more than 45% are in working families
NATIONALLY	more than 68% of SNAP participants are in families with children	almost 33% are in families with members who are elderly or have disabilities	more than 44% are in working families

Source: CBPP analysis of data from USDA Food and Nutrition Service, FY 2017

Most SNAP Participants in Ohio Are Poor

Share of participants by household income, FY 2017



Source: CBPP analysis of FY 2017 USDA SNAP Household Characteristics data

Many Ohio households struggle to put food on the table. The most recent data show:

- **13.7%** of households were “food insecure,” or struggled to afford a nutritionally adequate diet.
- Median income was **2.2% below** the 2007 level, after adjusting for inflation.
- **14%** of the population lived below the poverty line.
- **20.1%** of children lived below the poverty line.
- **7.7%** of elderly lived below the poverty line.

SNAP reaches needy populations: **87%** of eligible individuals participated in SNAP in **Ohio** in 2015, and **77%** of eligible workers participated.

SNAP kept **419,000** people out of poverty in **Ohio**, including **187,000** children, per year between 2009 and 2012, on average. (These figures adjust for households’ underreporting of benefits.)

What Benefits Do SNAP Recipients Receive?

SNAP targets benefits according to need. Very poor households receive more SNAP benefits than households closer to the poverty line since they need more help affording an adequate diet. SNAP recipients in Ohio received \$2.23 billion in benefits in 2017.



Fiscal Year 2017

Average monthly SNAP benefit for each household member:

\$123

Average SNAP benefit per person per meal:

\$1.35

Average Monthly SNAP Benefit By Demographic Group, FY 2017, Ohio

All Households

\$244

Households with children

\$415

Working households

\$323

Households with seniors

\$110

Households with non-elderly disabled individuals

\$179

Source: U.S. Department of Agriculture, Office of Research and Analysis, "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017"

How Does SNAP Benefit the Economy?

Moody's Analytics estimates that in a weak economy, \$1 in SNAP benefits generates \$1.70 in economic activity. Households receive SNAP benefits on electronic benefit transfer (EBT) cards, which can be used only to purchase food at one of the 263,100 authorized retail locations around the country, including some 9,800 in Ohio.



For more information on SNAP, including Ohio-specific information, please see:

Center on Budget and Policy Priorities Chart Book: <https://www.cbpp.org/research/food-assistance/chart-book-snap-helps-struggling-families-put-food-on-the-table>

USDA SNAP data: <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>

Ohio SNAP program: <http://jfs.ohio.gov/ofam/foodstamps.stm>

Supplemental Nutrition Assistance Program (SNAP)

WHAT IS AN IMPROPER PAYMENT?

SNAP's measure of improper payments is not a measure of fraud. In fact, the vast majority of improper payments are due to unintentional errors. An **improper payment** in SNAP can occur for any of the following reasons:



Incorrect amounts paid to an eligible client



Payments made to a client incorrectly determined as eligible



Payments for which insufficient or no documentation was found



IMPROPER PAYMENTS INCLUDE BOTH OVERPAYMENTS AND UNDERPAYMENTS

Not all improper payments represent a loss to the government.



Due to rounding, the payment error rate may not always equal the sum of the overpayment and underpayment error rate.

WHAT CAUSES IMPROPER PAYMENTS IN SNAP?



ADMINISTRATIVE OR PROCESS ERRORS

An eligible client could receive a payment that is too high or low due to an error in data entry or processing the application.



FAILURE TO VERIFY OR ACT UPON DATA MATCHES

States are required to do certain matches for citizenship, work status, and other eligibility criteria.



FAILURE TO PROVIDE ACCURATE AND TIMELY INFORMATION

A client can be required to report information such as earnings, expenses, or assets.

ACTIONS TO REDUCE IMPROPER PAYMENTS IN SNAP

The Food and Nutrition Service (FNS) requires State agencies with high rates of improper payments to develop a corrective action plan to address the root cause(s) of the improper payments. FNS has also taken actions to improve the integrity of the SNAP improper payment measurement system. Examples of some successful actions by States and FNS include:

FNS ACTIONS



Utilizing new data sources to enhance verification of reported information.



Updating guidance and manuals; working with States to update their procedures.



Conducting training for State policy and eligibility staff on certification policies and procedures.



Implementing an annual in depth management evaluation review of State operations.

STATE ACTIONS



Training case workers to ensure policy is understood and correctly applied.



Improving or expanding data matching capabilities to verify reported income, deductions, or assets.



Improving customer service to make it easier for recipients to report changes.



Using data analytics to identify root causes for errors in order to develop corrective action plans.

But our commitment, and our actions, won't end there. FNS will continue to work closely with States to implement high-impact strategies tailored to their specific challenges, as well as to share best practices that can reduce errors across the country.

SNAP: Four Steps to Quality Control

“All those involved in nutrition assistance programs — at the federal, state and local level — are responsible for good stewardship of tax dollars.”

STATE REVIEW

1



- ▶ State agencies randomly select a sample of households participating in SNAP in their state each month—a total of about **50,000** cases nationwide each year.
- ▶ State agency staff interview participants and conduct a detailed examination of their household circumstances.
- ▶ This information is used to measure how accurately states determined the selected households' eligibility and benefit amounts.
- ▶ States calculate the number of errors – both overpayments and underpayments.

CORRECTIONS

2



- ▶ Errors are corrected. Overpayments must be paid back and underpayments are corrected, so each household gets exactly what it was eligible for.

FEDERAL REVIEW

3



- ▶ USDA double checks the accuracy of approximately **25,000** of the cases reviewed by the states.
- ▶ USDA validates the states' review process to ensure it is properly and in line with federal requirements.
- ▶ If the review is accurate, USDA certifies the state's findings so it is correct or sends the state back to the state for further review. The goal is to get an error rate below 1%.

ANALYSIS

4



- ▶ USDA analyzes the data, taking into consideration the size of a state's caseload and other variables.
- ▶ Based on that analysis, USDA establishes national and state payment error rates.

Payment error rates are announced EVERY JUNE



THE SNAP PAYMENT ERROR RATE IS NOT A FRAUD RATE

The SNAP Payment Error Rate is a measure of how accurately states determine eligibility and benefit amounts.

Common reasons why errors occur include:



Incorrect amounts paid to an eligible client



Payments made to a client incorrectly determined as eligible



Payments for which insufficient or no documentation was found

Eliminating waste, fraud and abuse is a top USDA priority. For more information on SNAP fraud, visit www.fns.usda.gov/snap/fraud.



Automated food-stamp benefits system in Ohio needs a rethink - and immediate fixes: editorial

Updated Feb 22, 2019; Posted Feb 22, 2019

<https://www.cleveland.com/opinion/2019/02/ohios-automated-food-stamp-ben.html>



In this 2012 file photo, Greater Cleveland Food Bank employee Zahir Fared pulls boxes of food to be distributed at the Cleveland food bank. A new automated benefits system in Ohio is making it harder for hungry Ohioans to access the food stamps for which they qualify, food banks are warning. (Joshua Gunter, cleveland.com, File, 2012)

Comment

48
shares

By **Editorial Board**

Trying to automate how an Ohioan can apply for and receive human-services benefits is enormously complex. That helps explain, but does not excuse, the [serious problems hungry Ohioans are experiencing in applying for food stamps under a new automated system](#) Ohio recently implemented. The system appears to be wrongly excluding needy

Ohioans while handicapping Ohio's network of food banks in their attempts to intercede for poor and elderly food-stamp recipients.

The situation is unacceptable and needs to be fixed immediately.

It appears that many Ohioans who need food stamps are being denied them through no fault of their own. And by [eliminating software portals](#) for food bank workers who used to assist low-income and elderly Ohioans in getting food stamp (SNAP) benefits to which they're entitled, the system has also eliminated an important fail-safe.

Gov. Mike DeWine's administration didn't create this mess. But the new governor needs to step in and press the reset button to make sure needy Ohioans aren't shut out of the food aid they urgently require.

The new set-up is called the Ohio Benefits System. It started in 2014 for Medicaid applications and, when fully phased in, is predicted to cost Ohio and the federal government \$539 million. It supplants an earlier system, CRIS-E (the Client Registry Information System-Enhanced), whose own lengthy implementation was not without headaches.

Reporter Andrew J. Tobias of [cleveland.com](#) found that the Benefits System is not just making it harder for eligible Ohioans to obtain and continue to receive, food assistance, but also, based on a [cleveland.com](#) analysis, appears to be having a disproportionate impact, based on year-over-year declines, in some rural and urban counties.

Some of the problems are technical glitches that can be fixed, but others appear to require a rethinking of how the system operates when it comes to low-income, elderly or rural Ohioans who lack easy access to electronic filing.

Among other glitches identified by Tobias: Misaddressed notices have resulted in the denial of food-stamp benefits to applicants eligible to receive them. Relying on an automated system also makes it tougher for poor Ohioans, older Ohioans, or people living in regions with scanty broadband coverage to apply or reapply - as they must, every six months.

Used to be, clients reapplied with a caseworker. No more. Now it's a "system" task.

Rejections have climbed -- but because the system is so flawed, it is not clear if that is because incomes rose - or because eligible clients were wrongly cut off.

Ohio's Department of Job and Family Services acknowledges the system's problems, but suggests -- without providing data to back that up -- that missteps by county Job and Family Services caseworkers spawned the biggest problems. For an automated system, however, the reporting is surprisingly deficient, so, as Tobias noted in his story, it's unclear what is really causing the declines.

Whatever the reasons, Ohioans are going hungry through no fault of their own, and right now it's impossible to figure out if or to what extent the new Benefits System is the cause.

That is something Gov. Mike DeWine's administration needs to fix - now.

About our editorials: Editorials express the view of the [editorial board](#) of [cleveland.com](#) and *The Plain Dealer* -- the senior leadership and editorial-writing staff. As is traditional, editorials are unsigned and intended to be seen as the voice of the news organization.

Have something to say about this topic?

* [Send a letter to the editor](#), which will be considered for print publication.

* Email general questions about our editorial board or comments on this editorial to Elizabeth Sullivan, director of opinion, at esullivan@cleveland.com.