

NOTICE OF INTENT

Department of Social Services Office of Family Support

Electronic Benefits Transfer for AFDC and Food Stamps (LAC 67:III.401)

The Department of Social Services, Office of Family Support, proposes to amend the Louisiana Administrative Code, Title 67, Part III, Subpart 1, General Administrative Procedures.

In accordance with the standards of approval detailed by the United States Departments of Agriculture and Health and Human Services, and pursuant to R.S. 46:450.1 which authorizes the agency to devise and pilot an electronic benefits transfer issuance system as an alternative to issuing both food stamps and certain cash benefits provided by public entitlement programs, the Office of Family Support has begun the process of implementation.

This rule authorizes the agency to conduct or test a model program before statewide expansion. The agency plans to begin a pilot of the system as early as December 1996. Once piloted and approved, EBT can only begin full implementation with authorization of concurrent resolution of the legislature, by appropriation or by legislative act. EBT will be the method for delivery of benefits replacing checks and food stamp authorization cards.

Title 67

SOCIAL SERVICES

Part III. Office of Family Support

Subpart 1. General Administrative Procedures

Chapter 4. Electronics Benefits Issuance System

§401. Electronic Benefits Transfer (EBT)

A. The Office of Family Support intends to implement an electronic benefits system which will provide AFDC cash grants and/or Food Stamp Program benefits to eligible individuals and households. OFS will pilot the system in Natchitoches Parish prior to statewide implementation. EBT will be the method of delivery of AFDC and Food Stamp benefits in the pilot area and in each subsequent parish into which the system expands, subject only to such exceptions as shall be necessary for the effective functioning of the programs.

B. The EBT system will expand beyond the pilot parish in the following manner:

1. Phase 1 consists of the parishes of Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Sabine, Winn, East and West Baton Rouge, East and West Feliciana, Livingston, St. Helena, and Tangipahoa.

2. Phase 2 includes Orleans (five district offices), West and East Jefferson, Plaquemines, St. Bernard, St. Tammany, Washington, Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln, Red River, and Webster parishes.

3. Phase 3 consists of Ascension, Assumption, Iberville, Lafourche, St. Charles, St. James, St. John, St. Mary, Terrebonne, Evangeline, Iberia, Lafayette, Pointe Coupee, St. Landry, St. Martin, Vermilion, Acadia, Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, Vernon, Caldwell, East and West Carroll, Franklin, Jackson, Madison, Morehouse, Ouachita, Richland, Tensas, and Union parishes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 46:450.1, 7 CFR 274.12 and 45 CFR 95(F).

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 22:

Interested persons may submit written comments within 30 days to the following address: Vera W. Blakes, Assistant Secretary, Office of Family Support, Box 94065, Baton Rouge, LA 70804-9065. She is responsible for responding to inquiries regarding this proposed rule.

A public hearing on the proposed rule will be held on July 30, 1996 in the second floor auditorium at 755 Third Street, Baton Rouge, LA beginning at 9 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call area code (504)342-4120 (Voice and TDD).

Madlyn B. Bagneris
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Electronic Benefits Transfer for AFDC and Food Stamps

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

State costs for the pilot and subsequent statewide implementation are: \$32,267 in FY 96/97; \$1,344,611 in 97/98 and \$1,106,094 in 98/99. Statewide implementation requires additional appropriations. Costs are subject to 50 percent reimbursement from the federal government. Since food stamp issuing offices will be phased out, there are estimated savings to local governmental units of \$5,207,890 in 97/98, the first year of full implementation, and \$7,635,032 in FY 98/99. These savings also include 50 percent in federal funds obtained by the state agency for local governments.

These costs are based on implementation of the pilot beginning December 1996. Should the pilot be implemented later in the fiscal year, the costs for each year prior to statewide implementation would be reduced accordingly.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Since costs will be reduced, there will be reductions in federal reimbursement for both state and local governments. FY 96/97 will yield an increased federal reimbursement of \$16,134 for the state but the reduced costs after EBT is fully implemented will result in a loss of reimbursements estimated to be \$629,667 in 97/98 and \$1,355,711 in 98/99. The reduction in collection of federal funds at the local government level will be \$2,603,945 in the first year and \$3,817,516 thereafter.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This program will be implemented at no cost to recipients.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

EBT contract procurement will be done through competitive bidding. Since the actual issuance of paper food stamps will end, an estimated 300 employees of local governmental units involved in that task will be displaced or reassigned.

Vera W. Blakes
Assistant Secretary
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John R. Rombach
Legislative Fiscal Officer