

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 23 Public Assistance

SPONSOR(S): Children, Families & Seniors Subcommittee, Eagle and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Children, Families & Seniors Subcommittee	12 Y, 2 N, As CS	Langston	Brazzell
2) Health Care Appropriations Subcommittee			
3) Health & Human Services Committee			

SUMMARY ANALYSIS

Florida's Temporary Cash Assistance (TCA) Program provides cash assistance to needy families with children that meet eligibility requirements. To be eligible for full-family TCA, applicants must participate in work activities unless they qualify for an exemption. The regional workforce boards support and monitor applicants' compliance with work activity requirements. The Department of Children and Families (DCF) may sanction TCA recipients who fail to meet work activity requirements through the withholding of cash assistance for a specified minimum time or until the participant complies, whichever is later. The sanctions are either full-family (where no members of the noncompliant recipient's family may receive TCA) or allow for child-only TCA (where any children under 16 may continue to receive TCA). In Florida, TCA and other social welfare benefits are placed on Electronic Benefits Transfer (EBT) cards. Currently, there is no fee charged in Florida for replacement EBT cards, although federal regulations allow the imposition of such fees under certain conditions.

HB 23 increases the penalties for the first three instances of noncompliance with the TCA work requirements to align with the food assistance program's sanctions and creates a fourth sanction. The bill:

- Increases the first sanction from 10 days to one month; this sanction remains full-family.
- Increases the second sanction from one month or until compliance, whichever is later, to three months or until compliance, whichever is later; and limits child-only TCA to the first three months of the sanction period.
- Increases the third sanction from three months or until compliance, whichever is later, to six months or until compliance, whichever is later; and limits child-only TCA to the first six months of the sanction period.
- Creates a fourth sanction of twelve months or until compliance, whichever is later, and that the individual must reapply to the program; and limits child-only TCA to the first twelve months of the sanction period.

The Department of Children and Families (DCF) must refer sanctioned participants to appropriate free and low-cost community services, including food banks. Additionally, the Department of Economic Opportunity, with DCF and CareerSource Florida, must work with the participant to develop strategies on how to overcome barriers to compliance with the TCA work requirements that the recipient faces. They must also inform the participant, in plain language, and have the participant agree to, in writing, what is expected of the applicant to continue to receive benefits, under what circumstances the applicant would be sanctioned, and potential penalties for noncompliance with work requirements, including how long benefits would not be available.

The bill also amends the Relative Caregiver program to prohibit payment of TCA to a noncustodial parent who lives with the relative who is caring for the noncustodial parent's child and receiving Relative Caregiver funding.

The bill requires EBT cardholders to pay a fee for the fifth and every subsequent EBT card requested within a 12-month span. The bill allows DCF to deduct the fee from the cardholder's benefits and provides for a waiver of the fee upon a showing of good cause, such as that the card malfunctioned or the fee would cause extreme financial hardship.

Additionally, the bill prohibits the use of EBT cards at medical marijuana treatment centers or dispensing organizations; cigar stores and stands, pipe stores, smoke shops and tobacco shops; and business establishments primarily engaged in the practice of body piercing, branding or tattooing.

The bill has a significant negative nonrecurring fiscal impact to DCF of \$952,360 to implement the changes made by the bill to the TCA program and the EBT card system. The bill will have a recurring significant positive fiscal impact of \$325,000 in fees recouped from EBT card replacements and \$2,758,265 in savings from the reduction in TCA benefits during sanction.

The bill contains a placeholder appropriation.

The bill provides an effective date of July 1, 2017.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0023a.CFS

DATE: 2/13/2017

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Temporary Assistance for Needy Families (TANF)

Under the federal welfare reform legislation of 1996, the Temporary Assistance for Needy Families (TANF) program replaced the welfare programs known as Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program. The law ended federal entitlement to assistance and instead created TANF as a block grant that provides states, territories, and tribes federal funds each year. These funds cover benefits, administrative expenses, and services targeted to needy families. TANF became effective July 1, 1997, and was reauthorized in 2006 by the Deficit Reduction Act of 2005. States receive block grants to operate their individual programs and to accomplish the goals of the TANF program.

Florida's Temporary Cash Assistance Program

The Temporary Cash Assistance (TCA) Program provides cash assistance to families with children under the age of 18 or under age 19¹ if full time secondary school students, that meet the technical, income, and asset requirements. The purpose of the TCA Program is to help families become self-supporting while allowing children to remain in their own homes. In November 2016, 12,517 adults and 65,855 children received TCA.²

Full-Family vs. Child-Only TCA

Florida law specifies two categories of families who are eligible for TCA: those families that are work-eligible and may receive TCA for the full-family, and those families who are eligible to receive child-only TCA. Within the full-family cases, the parent or parents are required to comply with work requirements to receive TCA for the parent(s) and child(ren). Additionally, there are two types of child-only TCA:

- Where the child has not been adjudicated dependent, but is living with a relative,³ or still resides with his or her custodial parent, but that parent is not eligible to receive TCA;⁴ and
- The Relative Caregiver Program, where the child has been adjudicated dependent and has been placed with relatives by the court. These relatives are eligible for a payment that is higher than the typical child-only TCA.

The majority of cash assistance benefits are provided to child-only cases, through the Relative Caregiver Program or to work-eligible cases where the adult is ineligible due to sanction for failure to meet TCA work requirements. In November 2016, 35,350 of the 47,204 families receiving TCA were child-only cases.⁵ In November 2016, there were 11,854 families receiving TCA through full-family

¹ Parents, children and minor siblings who live together must apply together. Additionally, pregnant women may also receive TCA, either in the third trimester of pregnancy if unable to work, or in the 9th month of pregnancy.

² Department of Children and Families, Monthly Flash Report Caseload Data: November 2016, <http://eww.dcf.state.fl.us/ess/reports/docs/flash2005.xls> (last visited January 30, 2017).

³ Grandparents or other relatives receiving child-only payments are not subject to the TANF work requirement or the TANF time limit.

⁴ Child-only families also include situations where a parent is receiving federal Supplemental Security Income (SSI) payments, situations where the parent is not a U.S. citizen and is ineligible TCA due to their immigration status, and situations where the parent has been sanctioned for noncompliance with work requirements.

⁵ *Supra*, note 2.

cases containing an adult, 520 of which were two-parent families; these are the families who are subject to work requirements.⁶

Administration

Various state agencies and entities work together through a series of contracts or memorandums of understanding to administer the TCA Program.

- The Department of Children and Families (DCF) is the recipient of the federal TANF block grant. DCF monitors eligibility and disperses benefits.
- CareerSource Florida, Inc. is the state's workforce policy and investment board. CareerSource Florida has planning and oversight responsibilities for all workforce-related programs.
- The Department of Economic Opportunity (DEO) implements the policy created by CareerSource.⁷ DEO submits financial and performance reports ensuring compliance with federal and state measures and provides training and technical assistance to Regional Workforce Boards.
- Regional Workforce Boards (RWBs) provide a coordinated and comprehensive delivery of local workforce services. The RWBs focus on strategic planning, policy development and oversight of the local workforce investment system within their respective areas, and contracting with one-stop career centers. The contracts with the RWBs are performance- and incentive- based.

Eligibility Determination

An applicant must meet all eligibility requirements to receive TCA benefits. The initial application for TANF is processed by DCF. The application may be submitted in person, online or through the mail.

DCF determines an applicant's eligibility. Additionally, to be eligible for full-family TCA, applicants must participate in work activities unless they qualify for an exemption. Exemptions from the work requirement are available for:

- An individual who receives benefits under the Supplemental Security Income program or the Social Security Disability Insurance program.
- An adult who is not defined as a work-eligible individual under federal law.
- A single parent of a child less than 3 months of age, except that the parent may be required to attend parenting classes or other activities to better prepare for raising a child.
- An individual who is exempt from the time period pursuant to s. 414.105, F.S.

If no exemptions from work requirements apply, DCF refers the applicant to DEO.⁸ Upon referral, the participant must complete an in-take application and undergo assessment by RWB staff which includes:

- Identifying barriers to employment.
- Identifying the participant's skills that will translate into employment and training opportunities.
- Reviewing the participant's work history
- Identifying whether a participant needs alternative requirements due to domestic violence, substance abuse, medical problems, mental health issues, hidden disabilities, learning disabilities or other problems which prevent the participant from engaging in full-time employment or activities.

⁶ Id.

⁷ S. 445.007(13), F.S.

⁸ This is an electronic referral through a system interface between DCF's computer system and DEO's computer system. Once the referral has been entered into the DEO system the information may be accessed by any of the RWBs or One-Stop Career Centers.

Once the assessment is complete, the staff member and participant create the Individual Responsibility Plan (IRP). The IRP includes:

- The participant's employment goal;
- The participant's assigned activities;
- Services provided through program partners, community agencies and the workforce system;
- The weekly number of hours the participant is expected to complete; and
- Completion dates and deadlines for particular activities.

DCF does not disperse any benefits to the participant until DEO or the RWB confirms that the participant has registered and attended orientation.

Work Requirement

Individuals receiving TCA who are not otherwise exempt from work activity requirements must participate in work activities for the maximum number of hours allowable under federal law.⁹ The number of required work or activities hours is determined by calculating the value of the cash benefits and then dividing that number by the hourly minimum wage amount.

Federal law requires individuals to participate in work activities for at least:

- 20 hours per week, or attend a secondary school or the equivalent or participate in education directly related to employment if under the age of 20 and married or single head-of-household.
- 20 hours per week for single parents with a child under the age of six.
- 30 hours per week for all other single parents.
- 35 hours per week, combined, for two-parent families not receiving subsidized child care.
- 55 hours per week, combined, for two-parent families receiving subsidized child care.

Pursuant to federal rule¹⁰ and state law,¹¹ the following activities may be used individually or in combination to satisfy the work requirements for a participant in the TCA program:

- Unsubsidized employment.
- Subsidized private sector employment.
- Subsidized public sector employment.
- On-the-job training.
- Community service programs.
- Work experience.
- Job search and job readiness assistance.
- Vocational educational training.
- Job skills training directly related to employment.
- Education directly related to employment.
- Attendance at school or course of study for graduate equivalency diploma.
- Providing child care services.¹²

RWBs currently have discretion to assign an applicant to a work activity, including job search, before receiving TCA. Some RWBs already require applicants to complete an initial job search as part of the application process.¹³ Currently, Florida's TANF Work Verification Plan¹⁴ requires participants to record

⁹ S. 445.024(2), F.S.

¹⁰ 45 C.F.R. § 261.30

¹¹ S. 445.024, F.S.

¹² S. 445.024(1)(a)-(l), F.S.

¹³ Department of Children and Families, Agency Analysis of 2016 House Bill 563 (Nov. 20, 2015)(on file with Children, Families, and Seniors Subcommittee staff).

each on-site job contact and a representative of the employer or RWB provider staff to certify the validity of the log by signing each entry. If the applicant conducts a job search by phone or internet, the activity must be recorded on a job search report form and include detailed, specific information to allow follow-up and verification by the RWB provider staff.¹⁵

Sanctions for Noncompliance

RWBs can sanction TANF recipients who fail to comply with the work requirements by withholding cash assistance for a specified time, which lengthens with repeated lack of compliance. The participant's noncompliance can result in sanctions, as follows:

- First noncompliance - cash assistance is terminated for the full-family for a minimum of 10 days or until the individual complies.
- Second noncompliance - cash assistance is terminated for the full-family for one month or until the individual complies, whichever is later.
- Third noncompliance - cash assistance is terminated for the full-family for three months or until the individual complies, whichever is later.

In State Fiscal Year (SFY) 2015-16, the number of TCA families sanctioned for noncompliance with the work requirements breaks down as follows:

- 16,800 families were sanctioned for a first instance of non-compliance; 6,835, or 40.7 percent, of those families complied with work requirements to be reinstated in the program.¹⁶
- 4,455 families were sanctioned for a second instance of non-compliance; 2,087, or 46.8 percent, of those families complied with the work requirements to be reinstated in the program.¹⁷
- 2,409 families were sanctioned for a third instance of non-compliance; 1,007, or 41.8 percent, of those families complied with the work requirements to be reinstated in the program.¹⁸

For the second and subsequent instances of noncompliance, the TCA for the child or children in a family who are under age 16 may be continued (i.e. the case becomes a child-only case). Any such payments must be made through a protective payee and under no circumstances may temporary cash assistance or food assistance be paid to an individual who has not complied with program requirements. Of those families receiving second and third level sanctions, 1,836, or 26.7 percent, of those who regain eligibility after sanction do so via a child-only case.¹⁹

However, if a participant who was previously sanctioned fully complies with work activity requirements for at least six months, the participant must be reinstated as being in full compliance with program requirements for purpose of sanctions imposed under this section.²⁰ Once the participant has been reinstated, a subsequent instance of noncompliance would be treated as the first violation.

TCA Sanctions Compared to Supplemental Nutrition Assistance Program Sanctions

The Food Assistance Program, Supplemental Nutrition Assistance Program (SNAP), formerly called food stamps, also contains similar sanctions for failure to comply with its Employment and Training Program when receiving benefits. However, the SNAP sanctions are a longer duration. For the first

¹⁴ DEPARTMENT OF CHILDREN AND FAMILIES ECONOMIC SELF-SUFFICIENCY PROGRAM OFFICE, *Temporary Assistance for Needy Families State Plan Renewal October 1, 2014 – September 30, 2017*, Nov. 14, 2014, available at www.dcf.state.fl.us/programs/access/docs/TANF-Plan.pdf (last visited January 30, 2017).

¹⁵ *Supra*, note 13 at 2.

¹⁶ Email from Lindsey Zander, Legislative Specialist, Department of Children and Families, RE: HB 23 (Feb. 3, 2017) (On file with Children, Families, and Seniors Subcommittee staff).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ S. 414.065(1), F.S.

instance of noncompliance, food assistance benefits are terminated for one month or until compliance, whichever is later; for the second instance, food assistance benefits are terminated for three months or until compliance, whichever is later; and for the third instance, food assistance benefits are terminated for six months or until compliance, whichever is longer.²¹

Relative Caregiver Program

The Relative Caregiver Program provides TCA to individuals who meet eligibility rules and have custody of a relative child under age 18 who has been court-ordered dependent by a Florida court and placed in their home by a DCF Child Welfare/Community Based Care contracted provider.²² The intent of the Relative Caregiver Program is to provide relative caregivers who could not otherwise afford to take the child into their homes a means to avoid exposing the child to the trauma of shelter or foster care.

The Relative Caregiver Program provides one type of child-only TCA. Payments are based on the child's age and any countable income.²³ DCF ceases to provide child-only Relative Caregiver Program benefits when the parent or step-parent resides in the home with the relative caregiver and the child. DCF terminates the benefits in this situation based on the requirement in s. 414.095(2)(a)5., F.S., that parents who live with their minor children to be included in the eligibility determination and households containing a parent are considered work-eligible households. Through rule 65C-28.008(2)(d), F.A.C., DCF terminates payments through the Relative Caregiver Program if the parent is in the home for 30 consecutive days.²⁴ However, at least one court has ruled that caregivers may continue to receive the Relative Caregiver Program benefits while the parent resides in the home, because the prohibition against the parent residing in the home is not in statute and DCF rules cannot be used to establish an eligibility guideline not included in the statute. Court orders in such cases result in DCF being required to make disallowed TANF expenditures.

Electronic Benefits Transfer (EBT) Card Program

Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government benefits, including from the SNAP and TCA programs, to a retailer account to pay for products received.²⁵ The EBT card program is administered on the federal level by the Food and Nutrition Service (FNS) within the United States Department of Agriculture and at the state level by DCF.

In Florida, benefits are deposited into a TCA or SNAP account each month; the benefits in the TCA or SNAP account are accessed using the Florida EBT Automated Community Connection to Economic Self Sufficiency (ACCESS) card.²⁶ Even though the EBT card is issued in the name of an applicant, any eligible member of the household is allowed to use the EBT card.²⁷ Additionally, recipients may designate an authorized representative as a secondary cardholder who can receive an EBT card and access the food assistance account. Authorized representatives are often someone responsible for caring for the recipient. The ACCESS Florida system allows recipients to designate one authorized representative per household.

²¹ Rule 65A-1.605(3), F.A.C.

²² S. 39.5085(2), F.S.

²³ Rule 65C-28.008(2)(g), F.A.C.

²⁴ However, a relative may receive the Relative Caregiver Program payment for a minor parent who is in his or her care, as well as for that minor parent's child, if both children have been adjudicated dependent and meet all other eligibility requirements.

²⁵ U.S. DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICES, *EBT: General Electronic Benefit Transfer (EBT) Information*, <http://www.fns.usda.gov/ebt/general-electronic-benefit-transfer-ebt-information> (last visited January 31, 2017).

²⁶ DEPARTMENT OF CHILDREN AND FAMILIES, *Welcome to EBT*, <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/welcome-ebt> (last visited January 31, 2017).

²⁷ 7 C.F.R. § 273.2(n)(3).

Prohibited Usage

The Middle Class Tax Relief and Job Creation Act of 2012 required states receiving TANF to create policies and practices as necessary to prevent assistance provided under the program from being used in any EBT transaction in the following establishments:

- Any liquor store;
- Any casino, gambling casino, or gaming establishment; or
- Any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.²⁸

In 2013, Florida enacted legislation²⁹ that prohibits EBT cards from being accepted at the following locations or for the following activities:

- The purchase of an alcoholic beverage as defined in s. 561.01, F.S., and sold pursuant to the Florida Beverage Law.
- An adult entertainment establishment, as defined in s. 847.001, F.S.;
- A pari-mutuel facility, as defined in s. 550.02, F.S.;
- A slot machine facility, as defined in s. 551.102, F.S.;
- A commercial bingo facility that operates outside the provisions of s. 849.0931, F.S.; and
- A casino, gaming facility, or Internet café, including gaming activities authorized under part II of chapter 285.³⁰

Replacement of EBT Cards

When a recipient loses his or her EBT card, he or she must call the EBT vendor's customer service telephone number to request a replacement EBT card.³¹ The vendor then deactivates the card, and sends the household a new card.³² Federal regulations allow recipients to request an unlimited number of replacement EBT cards.³³ While states cannot limit the number of replacement cards, frequent requests for replacement cards can be an indicator of EBT card fraud, such as trafficking, which occurs when an EBT card containing benefits is exchanged for cash. FNS and DCF consider multiple replacement cards a preliminary indicator of trafficking.

FNS aims to preserve food assistance access for vulnerable populations (e.g., mentally ill and homeless people) who are at risk of losing their cards but who are not committing fraud,³⁴ while preventing others from trafficking and replacing their EBT cards. In the interest of preventing fraud, FNS regulations require states to monitor all client requests for EBT card replacements and send a notice, upon the fourth request in a 12-month period, alerting the household that their account is being monitored for potential suspicious activity.³⁵

In Fiscal Year 2014-15, DCF sent 13,967 letters to households that had requested four or more cards.³⁶ The letter informs the recipient that the card does not need to be replaced each month and that it is

²⁸ P.L. 112-96. Section 4004.

²⁹ S. 1, chapter 2013-88, Laws of Florida.

³⁰ S. 402.82(4), F.S.

³¹ The Florida Legislature's Office of Program Policy Analysis & Government Accountability, *Supplemental Nutrition Assistance Program: DCF Has Mechanisms in Place to Facilitate Eligibility, Verify Participant Identity, and Monitor Benefit Use*, Dec. 3, 2015, p. 8 (research memorandum on file with Children, Families, and Seniors Subcommittee staff).

³² *Id.*

³³ 7 C.F.R. § 276.4

³⁴ 7 C.F.R. § 274.6(b)(5)(iii).

³⁵ 7 C.F.R. § 274.6(b)(6); in Florida, after the EBT vendor provides a fourth replacement card to a household within a 12-month span, DCF sends a letter to the household.

³⁶ *Supra*, note 31.

important to keep track of the card.³⁷ The letter also informs the recipient that this number of replacement requests is not normal and that the household's EBT behavior is being monitored.³⁸ Additionally, in Fiscal Year 2014-15, less than one-third of the households who requested four cards (4,653 households) requested yet another replacement card after receiving the letter, and the DCF Office of Public Benefits Integrity referred these cases to the Department of Financial Services Division of Public Assistance Fraud (DPAF) for potential fraud investigation.³⁹

Federal regulations allow states to charge recipients for the cost to replace an excessive⁴⁰ number of cards. FNS allows states to charge for the cost of the EBT card after four replaced cards. Under DCF's EBT contract, the vendor reports that replacements costs \$3.50 per card.⁴¹ A number of other states that charge for replacement cards. Those states charge between \$2.00 to \$5.00⁴² per replacement card with some exceptions for good cause or financial hardship.

Effect of the Bill

Temporary Cash Assistance

Sanctions for Noncompliance

HB 23 increases the sanctions for TCA recipients who are subjected to the work requirements for the first three instances of noncompliance and creates a sanction for the fourth instance of noncompliance. The bill amends s. 414.065(1) and (2), F.S., to:

- Increase the first sanction from 10 days to one month; this sanction remains full-family.
- Increase the second sanction from one month or until compliance, whichever is later, to three months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first three months of the sanction period even if participant takes longer to comply.
- Increase the third sanction from three months or until compliance, whichever is later, to six months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first six months of the sanction period even if participant takes longer to comply.
- Create a fourth sanction of twelve months or until compliance, whichever is later, and that the individual must reapply to the program to resume receiving benefits; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first twelve months of the sanction period even if participant takes longer to comply.

The bill aligns the sanctions for the first through third occurrences of noncompliance with TCA work requirements with the sanctions for noncompliance with the SNAP program's Employment and Training Program. When a participant is sanctioned, DCF must refer him or her to appropriate free and low-cost community services, including food banks. Additionally, the bill clarifies that participants may comply with the work activity requirements before the end of the minimum penalty period.

³⁷ Id.

³⁸ Id.

³⁹ Id.

⁴⁰ Defined by federal regulation as in excess of four cards within a 12-month span.

⁴¹ *Supra*, note 31.

⁴² By way of example, Louisiana and Maryland charge \$2.00, New Mexico charges \$2.50, and Massachusetts charges \$5.00.

Work Plan

The bill requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must inform the participant, in plain language, and have the participant agree to, in writing:

- What is expected of the applicant to continue to receive benefits;
- Under what circumstances the applicant would be sanctioned; and
- Potential penalties for noncompliance with work requirements, including how long benefits would not be available to the applicant.

The bill also requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must work with the participant to develop strategies on how to overcome barriers to compliance with the TCA work requirements that the recipient faces.

Relative Caregiver Program

The bill amends s. 39.5085, F.S., to clarify that a caregiver may not receive payment through the Relative Caregiver Program if the parent or step-parent resides in the home with his or her child. Section 414.095(2)(a)5., F.S., requires parents and step-parents who live with their minor children to be included for eligibility determination and TCA regulations that define households containing a parent as a “work eligible” household. This strengthens DCF’s policy position and protects the state from potential federal disallowance in the TANF program.⁴³

EBT Cards

Prohibited Usage

The bill expands the locations where EBT cards may not be used to include:

- Medical marijuana treatment centers or dispensing organizations;
- Cigar stores and stands, pipe stores, smoke shops and tobacco shops; and
- Business establishments primarily engaged in the practice of body piercing, branding or tattooing.

Replacement Fee

The bill requires EBT cardholders to pay a fee for the fifth and all subsequent EBT replacement cards requested within a 12-month span. DCF currently sends a letter with the fourth replacement card informing the cardholder that his or her case is being monitored for potential trafficking activity. By charging the fee beginning with the fifth card, DCF may inform the cardholder in the letter that it sends with the fourth replacement card about replacement fees for subsequent new cards.

The bill allows DCF to deduct the fee from the cardholder’s benefits and provides for a waiver of the fee upon a showing of good cause, such as that the card malfunctioned or the fee would cause extreme financial hardship.

B. SECTION DIRECTORY:

Section 1: Amends s. 414.069, F.S., relating to noncompliance with work requirements.

Section 2: Amends s. 445.024, F.S., relating to work requirements.

⁴³ Department of Children and Families, Agency Bill Analysis for 2017 House Bill 0023, p. 4 (Nov. 30, 2016) (On file with Children, Families, and Seniors Subcommittee Staff).

Section 3: Amends s. 402.82, F.S., relating to electronic benefits transfer program.

Section 4: Amends s. 39.5085, F.S., relating to the Relative Caregiver Program.

Section 5: Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None. See fiscal comments.

2. Expenditures:

The bill reduces annual expenditures for DCF through increased TCA work penalty periods; the total estimated annual savings from all work penalty period increases is \$2,758,265.⁴⁴

DCF estimates that information technology system changes will be needed in the FIS and FLORIDA (Florida Online Recipient Integrated Data Access) systems to collect payment for replacement cards through the participant's benefits.⁴⁵ DCF's EBT vendor, FIS, estimates a cost of \$105,280 to complete necessary system programming to implement the EBT replacement card provisions in the bill.⁴⁶ DCF estimates a cost of \$847,080 to create a new fourth level TCA work sanction and implement new EBT card replacement provisions.⁴⁷

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

DCF may charge the costs of replacement cards against an EBT cardholder's benefits. The cardholder's benefits will be reduced by the cost to replace his or her EBT card. Assuming a replacement cost of \$5.00 per card, the estimated card replacement fees recouped could approach \$325,000 based replacing 65,000 cards.⁴⁸ Fee collections could diminish as the new process affects customer behaviors.⁴⁹

D. FISCAL COMMENTS:

The bill contains a placeholder appropriation.

⁴⁴ Id. at p. 5.

⁴⁵ Id.

⁴⁶ Id. at p. 7.

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ Id.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 9, 2017, the Children, Families, and Seniors Subcommittee adopted an amendment that prohibits the use of EBT cards at:

- Medical marijuana treatment centers or dispensing organizations;
- Cigar stores and stands, pipe stores, smoke shops and tobacco shops; and
- Business establishments primarily engaged in the practice of body piercing, branding or tattooing.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute.