

ACT 24

S.B. NO. 1-S

A Bill for an Act Relating to Public Assistance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The department of human services administers the food stamp program and aid to families with dependent children (AFDC) program. These programs in thirty-five other states are being implemented by an electronic benefit transfer (EBT) system. The EBT system's objectives are to:

- (1) Reduce fraud;
- (2) Improve services to clients; and
- (3) Improve overall efficiency of programs administered.

The success of EBT programs in other states indicates that a federal mandate to require the EBT system of administration may be imminent. The legislature finds that it is prudent for the State to anticipate federal mandates.

The transition from the current system to implementing the EBT system will require careful planning. The department of human services will have to contract with consultants to conduct a feasibility study to determine the costs and potential cost savings. If an EBT system is determined to be feasible, the next steps are the development of a request for proposals (RFP), and an advanced planning document. The federal government will match all funds appropriated that relate to planning efforts. Further steps include the issuance of the RFP, the selection of a provider, and the implementation of the EBT system.

The purpose of this Act is to authorize the department of human services to plan for and to implement an EBT system. This Act also appropriates funds for these purposes.

SECTION 2. The department of human services is authorized to plan and implement an EBT system for the food stamp program and the AFDC program.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$60,000, or so much thereof as may be necessary for fiscal year 1995-1996, to:

- (1) Conduct a study of the feasibility of implementing in Hawaii an electronic benefit transfer system for the payment of certain public assistance benefits. This study shall include the development of a request for proposals and an advanced planning document; and
- (2) Implement the electronic benefit transfer system,

to be matched by the federal government.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 1995.

(Approved June 29, 1995.)