

OFFICE OF FISCAL ANALYSIS

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sSB-480

AN ACT CONCERNING PREVENTING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND EXPRESSLY EXTENDING FRAUD AND CORRUPTION PENALTIES TO PUBLIC SERVANTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Social Services, Dept.	GF - Cost	Approximately 4.6 million	Approximately 620,000
Resources of the General Fund	GF - Revenue Gain	Approximately 1.5 million	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Department of Social Services (DSS) of approximately \$4.6 million in FY 27 and \$620,000 in FY 28 to upgrade Supplemental Nutrition Assistance Program (SNAP) and other state-administered electronic benefit transfer (EBT) cards with security chip technology.

FY 27 state costs include: 1) \$1 million in one-time expenditures to issue new EBT cards to all current cardholders; 2) \$3 million for DSS system modifications (with a corresponding federal grants revenue gain of \$1.5 million); 3) \$470,000 for the ongoing replacement of lost or stolen cards; 4) and \$150,000 for summer EBT issuance.

FY 28 costs include the ongoing \$470,000 for the replacement of lost or stolen cards and \$150,000 for summer EBT card issuance.

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For reference, DSS has approximately 204,000 active EBT cardholders. In FY 25, the department issued 156,000 replacement cards due to loss or damage and provided an additional 30,000 cards for the summer EBT program.

The bill also requires DSS to report on the implementation and fraud-prevention impact of new security chip technology by January 1, 2027 and includes various technical and clarifying changes, both of which have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and card issuances.