

PROHIBIT CERTAIN BEVERAGE PURCHASES WITH BRIDGE CARD

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House Bill 4278 as introduced
Sponsor: Rep. Beau LaFave
Committee: Families, Children, and Seniors
Complete to 11-1-17

SUMMARY:

House Bill 4278 would amend the Social Welfare Act to prohibit a recipient from using the cash assistance benefit on the Electronic Benefit Transfer (EBT) Card (also commonly known as the Michigan Bridge Card) to purchase soft drinks or soda.

The bill would also require the Department of Health and Human Services to apply to the United States Department of Agriculture, Food and Nutrition Service for a waiver to allow the state to prohibit a recipient from using the food assistance benefit on the EBT Card/Michigan Bridge Card to purchase soft drinks or soda. If the required federal waiver is granted, a recipient would also be prohibited from using the food assistance benefit on the EBT Card/Michigan Bridge Card to purchase soft drinks or soda.

The bill would take effect 90 days after being enacted into law.

Proposed MCL 400.57aa

FISCAL IMPACT:

House Bill 4278 would increase costs to the state by an indeterminate amount and would have no fiscal impact on local units of government. The bill would prohibit the use of cash assistance funding on the Michigan Bridge Card to purchase soft drinks or soda and, if a federal waiver were granted, would prohibit the use of the food assistance funding on the Bridge Card to purchase these items as well. Michigan contracts with an outside vendor, Conduent State & Local Solutions, Inc., to develop, process, and maintain the electronic benefit transfer card program for the Michigan Bridge Card. Any actual increase in state costs would depend on the amount of additional costs required to modify the state contract with the vendor for necessary modifications to the Bridge Card software and/or point-of-sale systems to implement the requirements of the bill.

The Department of Health and Human Services delivers a number of public assistance programs' benefits to recipients through the Michigan Bridge Card. In FY 2015-16, an estimated 1.0 million households received food assistance benefits on a Bridge Card at some time during the year. Those benefits totaled \$2.15 billion in FY 2015-16 and were funded almost entirely by federal funding. In that same year, there were 42,626 Family Independence Program cases that received cash benefits on a Bridge Card; these benefits totaled \$100.8 million. In addition, there were 10,115 State Disability Assistance (SDA)

cases during that year that received an aggregate total of \$12.1 million of SDA cash benefits through the Bridge Card.

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