



Electronic Funds Transfer Association
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July 1, 2015

Ms. Phyllis Gilmore
Secretary, Kansas Department for Children and Families
555 S. Kansas Avenue
Topeka, Kansas 66603

Dear Secretary Gilmore,

On behalf of the Board of Directors of the Electronic Funds Transfer Association (EFTA) and its eGovernment Payments Council (eGPC) I am writing to encourage you to remove all dollar limitations on ATM withdrawals for recipients of Temporary Assistance to Needy Families (TANF) per the authority provided to you by House Bill 2281. EFTA does not support ATM withdrawal limits on TANF transactions for a number of reasons which include our belief that such limits do not result in material reductions in fraud, waste or abuse in the TANF program.

EFTA is a non-profit professional association that has for nearly 40 years used education, outreach and advocacy to promote the adoption of electronic payments and commerce. EFTA was an early and strong proponent of using electronic benefits technology (EBT) for the delivery of public benefits. We are a group consisting of payments processors, equipment and card manufacturers, banks and financial networks. Working in partnership with state and federal agencies we successfully brought EBT to the public service arena; first with the Supplemental Nutrition Assistance Program (SNAP) and cash programs such as TANF 28 years ago and now with other programs.

The long, successful history of electronic payments in these programs is due in part, to the fact that the technology provides increased accountability for the funds distributed which benefits both the government and the recipients of benefits. Misuse of benefits not only victimizes programs (and hence, the taxpayers) that provide the benefits but the recipients as well. Someone who misuses the funds is victimizing those who do not get the benefits they were intended – and these are usually children.

We are heartened to see that the Kansas legislature made changes to its recently-enacted measure that would have otherwise capped ATM withdrawals for TANF benefits at \$25. According to the latest data available, we note that the maximum benefit that a mother and two children could receive in Kansas was \$429 a month (for fiscal year 2012). If such a withdrawal restriction had been in effect in 2012, the mother receiving the maximum benefit would be forced to make numerous previously unnecessary withdrawals to fully access her benefits. And she could have paid 10% or more of the families monthly benefit in fees associated with the withdrawals, significantly reducing the actual monthly benefit.

As you know, TANF benefits are made available to people to enable them to pay essential bills including: rent, utilities, food, and clothing. Stretching out the access to benefits across a significant part of each month would negatively impact the ability of the recipient to pay these bills, which undercuts the purpose of the benefits and also has downstream impacts such as penalizing landlords and other businesses that provide services to low income people.

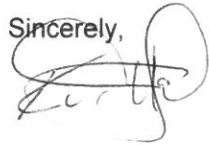
EFTA takes seriously the issues of fraud, waste and abuse in the programs that use EBT. We have worked with our partners in government to use the power of electronic payment technology to help ensure

that benefits are used for the purposes intended and to identify misuse so action can be taken against those preying on the programs and the programs' recipients. For example, EFTA worked with the Food and Nutrition Service at the United States Department of Agriculture to use the information from EBT to identify where trafficking in SNAP benefits might be occurring. Since the implementation of EBT, the rate of trafficking in SNAP has been reduced to about 1%. In addition, when Congress passed Public Law 112-96 in February 2012 requiring states to prevent TANF benefits from being used in casinos and other gambling establishments, liquor stores, and adult entertainment establishments, EFTA advised the Department of Health and Human Services on the development and implementation of the rules to implement the aforementioned law.

EFTA supports efforts that actually reduce fraud and enhance program integrity, while not placing an undue burden on needy families. To that end, we would again urge you to not impose any ATM withdrawal limits on recipients of TANF in your state. If you feel that a limit is unavoidable, EFTA would respectfully request that a limit be developed that is no less than half of the monthly benefit. This more reasonable threshold would ensure that TANF recipients "have adequate access to their cash assistance funds with minimal fees or charges" and will allow them to more easily pay their monthly bills.

Thank you for your time and consideration in this matter. EFTA would be happy to work with you to continue to develop effective strategies to ensure program integrity. If you have any questions or wish to discuss this matter further, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Helwig", written over a circular stamp or seal.

Kurt Helwig
President & CEO