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## **SB 33 (Skinner) Floor Alert** **Vote AYE** *Online EBT Purchases*

**Summary:** Senate Bill 33 (Skinner) has had unanimous support and no opposition. It will require California to take steps in response to recent changes in federal law relating to the Electronic Benefit Transfer (EBT) system and forthcoming regulations that are expected to be issued by the United States Department of Agriculture (USDA) following completion of EBT online purchase pilots.

**Background:** CalFresh, referred to nationally as the Supplemental Nutrition Assistance Program (SNAP), benefits are required by federal law to be distributed only through EBT. Pursuant to state law, CalWORKs benefits must also be distributed using the EBT system except for when a recipient has elected to receive their monthly grant through a direct deposit to their banking account. Most counties chose to also distribute General Assistance payments using the EBT system. In addition to these benefits, the state issued Work Incentive Nutrition Supplement (WINS) benefit and a once-annual utility assistance benefit are also issued using EBT.

On February 7, 2014, President Barack Obama signed the House Resolution 2642 Conference Report (P.L. 113-79) known as the Agricultural Act of 2014, enacting several provisions of law impacting the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California. This bill included a mandate that the United States Department of Agriculture (USDA) conduct a pilot to test the feasibility and implications of allowing retail stores to accept SNAP benefits through online transactions. The goal of the pilot is to ensure that the foundational infrastructure necessary for running SNAP transactions online operates in a safe and secure manner. The Act required the USDA to report back to Congress following the pilot. On September 15, 2016, FNS released a request for retailer volunteers (RFV) to solicit applications for a two-year SNAP Online Purchasing Pilot (Pilot). The pilot was awarded in January of 2017.

On December 20, 2018, President Donald J. Trump signed House Resolution 2 (P.L. 115-334), the Agriculture Improvement Act of 2018. Section 4001 of the Act It requires nationwide implementation of the online acceptance of SNAP benefits after the pilots required in the 2014 Farm Bill are implemented and would no longer require a report to Congress on the matter. (Section 4001). This provision also amended the definition of a retail food store to include online entities. This means that the Trump Administration could implement a nationwide approval for online SNAP EBT without any way for Congress or California to know if the pilot overlooks important consumer issues.

**Problem:** An implementing memo published by the USDA states that it, “intends to incorporate information from the pilots through rulemaking.” It does not say which information will be incorporated and it doesn’t reference any stakeholder review or harm reduction strategies. There are no consumer advocates participating in the pilot process and California’s state and county administrators are not privy to the details of the pilot. There is a possibility that the Trump Administration could issue guidance that has harmful, even if unintended, consequences that will negatively impact low-income consumers who rely on EBT to prevent basic needs deprivation.

**This bill would:** SB 33 will establish consumer protections for consumers using the EBT system when for the purchase of foods online by ensuring that all grocery retailers and require the Department to issue guidance for EBT Cash Aid online purchases and require retailers to abide by these requirements.

### **For More Information:**

Jessica Bartholow  
916.282.5119 | [jbartholow@wclp.org](mailto:jbartholow@wclp.org)

Kevin Aslanian  
916-712-0071 | [kevin.aslanian@ccwro.org](mailto:kevin.aslanian@ccwro.org)