

Frequently Asked Questions

Integrating Broadband Payments into EBT Infrastructure

This document should be used by the New York City Mayor's Office of the Chief Technology Officer (MOCTO) to provide existing broadband providers and others with an overview of the current EBT system and the proposed changes in order to address potential questions and concerns that may arise.

EBT BASICS

What is an EBT card?

- Electronic benefit transfer (EBT) is a system that functions much like a debit card to disperse public benefits. It allows recipients of public benefits programs such as food stamp programs to pay retailers directly for purchases using an EBT card. State governments will provide monthly benefits directly onto the card.
- EBT cards are most commonly associated with the [Supplemental Nutrition Assistance Program](#) (SNAP, commonly known as food stamps), though some states use it to provide assistance for other programs as well.

How are EBT cards used in the State of New York?

- EBT cards are used to pay for several different government-subsidized programs, including New York's SNAP program, via the same electronic financial [system](#) already used for credit and debit cards.
- In New York, EBT cards can also be used to access various [cash assistance](#) programs, such as the [Heating and Cooling Assistance](#) (HEAP) program that helps recipients pay for utilities.

Who is eligible for an EBT card?

- Individuals or families apply for one of the associated programs administered via EBT including [SNAP](#) and [HEAP](#). They are issued an EBT card if they qualify.
- Eligibility for an EBT card is based on income, relative to location and family size. New York State residents can determine their eligibility at www.mybenefits.ny.gov/screening/UsingThisWebsite.nysmybw.

How are EBT-related services currently administered?

- The Quest network, sponsored by the Electronic Benefits and Services council of [NACHA](#) (formerly EBT Council), runs the EBT service in most states.
- EBT-enabled programs are administered and funded by the relevant federal, state, or local agency. SNAP is administered by the US Department of Agriculture and locally by the New York State [Office of Temporary and Disability Assistance](#) (OTDA) and the New York City [Human Resources Association](#) (HRA). HEAP is administered by ODTA.

How do you pay for goods or services with an EBT card?

- Individuals can use EBT cards both at physical stores using point-of-sale devices (POS), such as standard credit card readers. In many states, they can be used electronically with designated online retailers.
- If using an EBT card at a physical POS, the individual swipes the EBT card on a device, like a credit card, and enters a 4-digit PIN number. This can be either a dedicated device for EBT transactions or a POS device for both EBT and debit cards.
- When using SNAP benefits, clerks enter the amount of the food purchased onto the POS and it is then deducted from the purchaser's household EBT SNAP account. Within two days, the retailer will be credited the exact amount.
- In the case of SNAP payments, EBT cards may be used to purchase only SNAP-eligible foods, which are not subject to relevant sales tax.
- USDA administers the program and electronically processes and records all transactions, giving them access to the date, time, and dollar amount.

How do I qualify to take EBT cards in the State of New York?

- Retailers must fill in a brief eligibility form. This form requests information about the business and requires the vendor to affirm that they will not discriminate against individuals receiving benefits via government-subsidized mechanisms.
- Applications are available for HEAP vendors at www.otda.ny.gov/programs/snap/, and SNAP vendors at www.fns.usda.gov/snap/apply-to-accept.

OUR PROPOSAL

What changes are you proposing to the current EBT system?

- New York City may eventually require that broadband providers in the city accept EBT payments and create a program to put broadband-specific funds on EBT cards.
- Broadband providers should install physical EBT-enabled devices at the relevant POS (e.g., a Verizon store) and enable the use of electronic EBT as a payment type via the standard online payment portals.

Is this an allowable use of EBT cards?

- Likely yes, as current New York regulations allow for the use of EBT payments for 'other assistance.'
- For the sake of clarity, MOCTO may consider recommending additional legislative changes at the State-level that would specifically name broadband services as an allowable use category for EBT payments.

Why should a broadband company take part in the program?

- **Increased subscriber base:** EBT is a common payment method used by digitally underserved households. Enabling EBT will allow more low-income and digitally underserved populations to subscribe to broadband services.
- **Reputation:** Participating in this program will help enable positive reputational gains amongst target market and policymakers.
- **Eligibility for future programs:** The City is considering requiring broadband providers to accept EBT cards in order for providers to participate in future MOCTO or similar Internet Master Plan programs.
 - The NYC CTO and the Mayor's Office have been periodically [opening Requests for Proposals for private companies](#) to tender to provide broadband services to low-income individuals.
 - Participating in the EBT-enabled scheme may be a precondition to participating in future RFP processes.
 - The City is considering a minimum threshold for a percentage of EBT-enabled transactions completed as part of a vendor's bid to reapply to future RFPs.

How would your proposal benefit low-income and marginalized populations?

- **Ease of use:** Relevant populations are already using EBT-enabled services and are accustomed to this service. Using the existing EBT system will reduce user friction and time.

- **Cost effective:** The City is continuing the precedent from the SNAP program by removing relevant local taxes (including telecommunications/[USF fees](#)) from the 'cost-to-consumer', providing savings for marginalized populations.
 - This change would provide an incentive for EBT holders to use their [cash benefits for broadband costs](#), even if no other couponing or specific broadband support is available at this time.

How does this differ from the Emergency Broadband Benefit (EBB)?

- The Federal Communications Commission's [EBB](#) program is complementary to this effort. The EBB provides broadband access and connected device subsidies on a temporary basis for [a broad range of Americans](#), including households:
 - with incomes less than 135% of the federal poverty line;
 - that have experienced a substantial loss of income due to the pandemic; or
 - who qualify for relevant service (as above) to apply to receive subsidized broadband access and funds towards the purchase of an internet-enabled device.
- This proposal provides for an ongoing mechanism through which individuals could pay for any broadband services via their EBT card in excess of, or in addition to, any benefits received from the EBB fund.
- Unlike the EBB, which is temporary in nature, this proposal provides a permanent mechanism for future federal, state, or local programs to distribute targeted broadband benefits.

How does this differ from New York State's recently-enacted [\\$15 broadband offering required in New York under the state's Comprehensive Broadband Connectivity Act](#)?

- This proposal is entirely complementary to this and other efforts that the State is undertaking to control the costs of broadband.

EBT is federally funded and administered by the State. How can the City of New York get involved to make this proposal a reality?

- The EBT system was created by the federal government, but can and is used by other providers including states and cities. For ease of use, the City is currently planning to make payments via the New York State Office of the State Comptroller.
- The City already has connectivity to programs that utilize EBT via the [Access HRA platform and mobile app](#).