

Using the EBT System to Support Broadband Subsidies

The New York City Mayor's Office of the Chief Technology Officer (MOCTO) should consider directly integrating broadband subsidies into Electronic Benefits Transfer (EBT) cards for New Yorkers. This would directly make broadband more affordable for low-income New Yorkers, even if the means of accessing the internet changes.

In order to roll out this EBT broadband plan, MOC-TO should implement the following six steps:

- *Phase 1:* Establish a task force with relevant city and state agencies to support adoption of the remaining phases.
- *Phase 2:* Consult with affected communities and target end-users to confirm the benefits of the EBT broadband program for affected residents.
- *Phase 3:* Identify funding sources for an EBT broadband program.
- *Phase 4:* Perform a discovery of system requirements to determine what additional information needs to be collected from vendors and recipients, and what other back-end systems need to be updated to make this program a reality.
- *Phase 5:* Update relevant legislation, policies and programs to allow the EBT system to cover broadband payments.
- *Phase 6:* Fully roll out the EBT program with vendors and recipients.

BACKGROUND ON EBT PROGRAM:

Currently, one million New York City households have EBT cards,¹ constituting 91% of eligible recipients.² This population tends to be digitally underserved: 18% of people below the poverty line do not have internet access.³ For people over 65, 41% do not have internet access.⁴

EBT cards are used for a range of purposes, including:

1. subsidized payment for groceries from the Supplemental Nutrition Assistance Program (SNAP);
2. utility payments through Temporary Assistance for Needy Families (TANF);
3. subsidized programs like Home Energy Assistance Programs (HEAP); and
4. cash assistance.

Services made accessible through EBT are widely regarded to be effective due to the ease of use of the EBT system.⁵ For the recipient, EBT looks and functions much like a debit card.

Phase 1 – Establish a task force

Action	Purpose
Establish an implementation task force	<p>The implementation task force should be created by MOCTO and chaired by New York City’s Deputy Chief Technology Officer for Inclusive Innovation. This task force will take the lead in scoping and implementing the project on behalf of MOCTO. The task force will be responsible for leading the remaining phases of the project.</p> <p>The task force should include representatives from the:</p> <ul style="list-style-type: none"> • New York State Governor’s Office; • New York City Human Resources Administration; • New York State Comptroller’s Office; • New York State Office of Temporary and Disability Assistance; • ConnectEBT.com, the online platform used to manage EBT payments; • Internet service providers in New York City; and • Community associations representing EBT-eligible New Yorkers.

Phase 2 – Conduct end-user research

Action	Purpose
Conduct target end-user re-search	<p>The task force should work with New Yorkers who are currently receiving EBT and other affected community members to confirm that the program would be beneficial for them. This research could be accomplished using surveys, interviews, or other methods from human-centered design.</p>

Phase 3 – Identify funding sources

Action	Purpose
Research potential sources of funding	<p>The preferred path for implementation is to source new program funding in order to place earmarked funds for broadband access purchases directly on the end-users’ EBT card.</p> <p>The task force could consider repurposing funds from:</p>

	<ul style="list-style-type: none"> • Other connectivity programs currently targeting central locations such as ConnectED NY, which has been used in New York state to connect schools to internet hot spots, and the Emergency Connectivity Fund, which the federal government uses to reimburse schools and libraries for broadband costs. • “Last mile” broadband connectivity programs, such as the New NY Broad-band Program which provides the State of New York with grant funding to support projects that deliver high-speed internet. • The recent \$157 million investment that New York City is dispersing to close the digital divide. • Unallocated funds in the city budget.
Pursue tax and fee waivers	<p>Even without additional or earmarked funding, broadband paid for via cash assistance programs on EBT could provide financial assistance to participants if they were accompanied by tax or fee waivers on that broadband. Other programs, such as HEAP in the state of New York, that use EBT cards as a method of payment also waive taxes and fees for participants.⁶</p>

Phase 4 - Perform discovery of system requirements	
Action	Purpose
Scope the technical and operational changes needed to implement the program	<p>While our research indicates that relatively few changes are needed to the existing EBT system infrastructure in order to support this program, this phase will identify and scope the technical operational modifications that are necessary at the city, state, and federal levels. The task force should consult with the New York State Office of the Comptroller and internet service providers to determine what, if any, back-end systems would need to be modified to support point of sale payments and provider reimbursements.</p> <p>Even if the existing EBT infrastructure is used to run this program, both vendors and recipients would need to complete separate application forms to participate in the program, as is already the case with the SNAP and HEAP programs. See here for a sample vendor application form and sample recipient application form.</p>

Phase 5 - Identify & pursue legislative and programmatic modifications

Action	Purpose
Pursue legislative changes to NY State Social Services Law § 159(1)(b)(ii)	<p>This program appears to be permissible under current state law because New York Social Services Law permits the use of EBT for “Other Assistance.”⁷ Nevertheless, clarity will make it easier to recruit partners.</p> <p>To ensure that New York State regulations permit transfer of broadband benefits to end user EBT cards, the task force may desire to advocate for changes in state legislation that would explicitly add broadband as a covered category of utilities for EBT cards.</p>
Verify whether MOCTO can condition Internet Master Plan (IMP) participation on EBT usage	The task force may wish to condition IMP participation on either supporting EBT payments or having a certain share of their use come from EBT-eligible participants. That is, MOCTO should investigate whether vendors who receive investments via the IMP and associated \$157 million request for proposals should be required to support EBT if they are to receive those funds.

Phase 6 - Full Operational Roll-Out

Action	Partner	Purpose
Set up benefit payments	New York State Office of the State Comptroller	The New York State Comptroller currently administers the HEAP program and issues payments directly to vendors providing utility payments. The task force should determine whether it is possible to route payments through this group.
Enroll eligible participants	New York City Human Resources Agency (HRA), New York State Office of Temporary and Disability Assistance (OTDA)	<p>The New York City Human Resources Agency and Office of Temporary and Disability Assistance handle enrollment for the Supplemental Nutrition Assistance Program (SNAP) in the State of New York.</p> <p>If the task force decides the broadband EBT program should have similar eligibility requirements, enrollment for the program could be facilitated through these groups. More specifically, the task force could work with HRA to include our proposed broadband subsidy application to the City's Access HRA site and mobile app.</p>

Onboard broadband providers	National Automated Clearing House Association (NACHA)	The Quest network , which is sponsored by the Electronic Benefits and Services Council of NACHA, runs the EBT service. Individual broadband sellers will have to register with Quest to handle EBT payments.
Collect and report data	Mayor's Office of Data Analytics (MODA), Department of Information Technology and Telecommunications (DoITT)	If EBT adoption rates are being used to gauge vendor participation in future Internet Master Plan proposals, the EBT adoption data should be collected and reported by the City of New York. The task force might consider working with the Mayor's Office of Data Analytics (MODA) and the New York City Department of Information Technology and Telecommunications (DoITT), who currently form the Open Data team for NYC, to make this happen.



Endnotes

- 1 “SNAP (Food Stamps) – Recipient; Number; 2020,” *Citizens’ Committee for Children of New York*, accessed August 2021, data.cccnewyork.org/data/table/142/snap-food-stamps#142/226/99/a/a.
- 2 “Snap Program Access Index (PAI),” *City of New York Open Data*, June 23, 2021, data.cityofnewyork.us/Social-Services/SNAP-Program-Access-Index-PAI-/4c8i-cnte.
- 3 Kendall Swenson and Robin Ghertner, “People in Low-Income Households Have Less Access to Internet Services,” *Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health & Human Services*, April 2020, www.aspe.hhs.gov/sites/default/files/private/pdf/263601/Internet_Access_Among_Low_Income.pdf.
- 4 *Id.*
- 5 “Policy Basics: The Supplemental Nutrition Assistance Program (SNAP),” *Center on Budget and Policy Priorities*, June 25, 2019, www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-snap.
- 6 “MyBenefits,” *New York State Office of Temporary and Disability Assistance*, accessed August 2021, mybenefits.ny.gov/mybenefits/begin.
- 7 *Social Services Law Safety Net Assistance*, New York City Code, SOS § 159, codes.findlaw.com/ny/social-services-law/sos-sect-159.html.