

## OREGON LAW CENTER

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**TESTIMONY ON HB 4133**  
**Before the House Business and Labor Committee**  
**February 8<sup>th</sup>, 2011**  
**Submitted by: Sybil Hebb**

Co-Chairs Garrett and Kennemer, and members of the Committee:

On behalf of the Oregon Law Center, I submit this testimony in support of HB 4133, which will provide individuals and agencies with important information about fees and costs to help them make better use of scarce and valuable government benefit resources for vulnerable Oregonians.

The Oregon Law Center (OLC) is a non-profit law firm whose mission is to achieve access to justice for low-income Oregonians by providing a full range of the highest quality civil legal services. In ordinary times, our clients struggle to make ends meet. During this recent economic crisis, Oregonians are having an even harder time providing for themselves and their families. Recent studies show that the number of people living in poverty and facing homelessness as a result has increased by as much as 20%.

The safety net of government benefits such as unemployment insurance, worker's compensation, food stamps, and TANF benefits is often the only way an Oregon family can manage to put dinner on the table or pay the rent. Benefit amounts are calculated carefully, taking into consideration a large number of factors carefully considered and applied, including the availability of resources and the size of the need. It is unfortunately often the case that benefit amounts, no matter how carefully budgeted, are still not enough to provide. For example, the State Nutrition Assistance Program monthly benefit (or SNAP, formerly food stamps) is approximately \$250 a month per household. The TANF monthly maximum benefit for a family of 3 is \$506 a month. And the average unemployment weekly benefit for a minimum wage worker is approximately \$227 a week. These are not large amounts of money, and recipients must track every dollar carefully in order to make best use of the benefits for their intended purpose.

Benefits are now largely paid to recipients via debit cards. The use of cards to issue payments is beneficial to institutions, agencies, and individuals. Individuals without bank accounts can more easily and conveniently access their benefits. Cards also offer security over carrying cash, and the ability to make electronic purchases. Agencies benefit from the use of cards because they do not have to issue and mail paper checks, which can be expensive. And institutions benefit from the contracts they carry to serve a customer base they may not otherwise have access to. Yet, debit cards often carry fees and costs charged to recipients that bear examining, and if not fully disclosed, can undermine the public purpose of the benefits.

Typical fees and costs can include ATM fees and surcharges, balance inquiry fees, denied transaction fees, inactivity fees, fees for calls to customer service menus, and the like. It is important that individuals and agencies understand up front what fees and costs will apply to their use of benefits. While most of these individual fees are small, in the aggregate they can have a significant impact on how a family can meet needs. HB 4133 will enable vulnerable Oregonians to make more informed decisions about how to maximize scarce resources to support their families in difficult times, and will help ensure that the public purpose behind the benefit programs is achieved.

In addition, the bill will provide agencies with the information they need to negotiate contracts with institutions to best meet the needs of Oregonians. We are grateful for the recent renegotiation of the contract with US Bank to deliver unemployment and child support payments, and hope that this bill will provide background information so that other contracts can be well-examined.

For these reasons, I urge your support of HB 4133. Importantly, it would be beneficial to expand the types of benefits to which the bill applies, so that debit cards for child support payments had disclosure requirements consistent with other benefits. It is in the interests of children, and of each of their parents, that child support payments can be maximized to achieve their purpose, and not spent on unnecessary or unknown fees and costs.

Thank you very much for the opportunity to comment.

Respectfully submitted,

Sybil Hebb  
Oregon Law Center