

March 19, 2025

Minnesota State Senate
Minnesota State House of Representatives

Subject: Letter of support to extend the contract term limit for state EBT procurement (HF1918)

Dear Legislators,

The Department of Administration's (Admin) Office of State Procurement has been working with the Economic Assistance and Employment Supports Division at the Department of Children, Youth, and Families (DCYF) on a solution to mitigate challenges in the procurement for the issuance of cash and food benefits via an Electronic Benefits Transfer (EBT) System.

EBT is a mission-critical automated system for the State. The EBT system serves as the mechanism through which more than 225,000 Minnesota households access temporary cash and food assistance benefits each month. The United States Department of Agriculture's Food and Nutrition Services (USDA/FNS) mandates states to provide Supplemental Nutrition Assistance Program (SNAP) benefits through EBT. (7 C.F.R. 274.1(b)).

The procurement process for this contract is complex and time-consuming. The USDA/FNS recommends states begin the procurement process for EBT approximately three years prior to the end date of the contract which includes one year of system transition if a new EBT processor is selected. State procurement law requires the initial term of a professional or technical (P/T) contract not to exceed two years. It also prevents a contract from being extended beyond a maximum of five years.

Given the five-year limit on P/T contracts this leaves DCYF in a perpetual state of procurement. Admin and DCYF have agreed upon adding language to statute to allow an extended term for their contract for EBT.

Admin supports this change to bring greater efficiency and stability to the EBT contract. This also maintains a competitive and transparent process for the public.

Sincerely,

Tamar Gronvall
Commissioner