



County of Santa Cruz

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HUMAN RESOURCES AGENCY

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April 12, 2002

Agenda Date: May 7, 2002

BOARD OF SUPERVISORS

county of santa Cruz
701 Ocean Street
Santa Cruz, CA. 95060

UPDATE ON THE IMPLEMENTATION OF THE ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM

Dear Members of the Board:

As you are aware, the California Department of Social Services (CDSS) and the Health and Human Services Data Center (HHSDC) are partnering with California counties to implement an Electronic Benefit Transfer (EBT) system as mandated by Federal legislation. On September 25, 2001, your Board received a brief introduction to this automated system for the delivery, redemption, and reconciliation of Food Stamp Program (FSP) and cash program benefits. The purpose of this letter is to provide your Board with an update on the planning for implementation of the EBT system in Santa Cruz county.

EBT SYSTEM DESCRIPTION

The EBT system will replace the current paper-based food coupons and warrant benefit issuance methods used in the State of California for the distribution of CDSS program benefits. EBT will not alter the benefit application process or the current way that eligibility is determined. Once eligibility and the level of benefits have been determined and authorized by the County, the system sends electronic information to the State establishing an account in the client's name. An EBT card encoded with the appropriate level of benefits, including Food Stamps, CalWORKs, General Assistance and Refuge Cash Assistance, will then be issued to the client. In order to access the account, a personal identification number (PIN) is assigned or chosen by the client.

Clients will be able to use their cards at ATMs, banks, grocery stores and other places where checks are commonly cashed. To access their benefits, clients will swipe the EBT card, enter their PIN, select the account type and enter the amount of the transaction. Provided that the correct PIN is entered and the account contains an adequate balance, the amount of the transaction will be subtracted from the

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client's account and the client will receive goods or cash from the retailer or ATM. There are many advantages to the user of the EBT system including greater security, convenience and flexibility. Clients will not have to carry large amounts of cash because the entire benefit does not need to be accessed at one time. EBT also reduces the stigma of using food coupons and integrates public assistance recipients into mainstream financial systems.

PLANNING PROCESS

The implementation of EBT, planned for November 2002, is the responsibility of the State, several County departments and the State EBT contractor. Citicorp Electronic Financial Services (CEFS) has been selected **as** the State's EBT contractor. The Human Resources Agency (HRA) and the Auditor-Controller's office are also responsible for specific planning and implementation tasks.

The EBT system represents a significant change for clients **as** well **as** retailers in our community. In order for this change to be successful it will be critical to conduct a comprehensive outreach campaign that will educate clients, actively recruit the participation of financial institutions and retailers, and inform other key partners and community groups. A client survey is underway to capture information on how benefits are currently accessed. CEFS will assume primary responsibility for outreach to local retailers and other locations such **as** farmers markets where benefits will be accessed. In addition, HRA will conduct outreach to financial institutions and other key partners. This outreach effort will begin in May and June.

As a result of input from this extensive outreach effort, a cash access plan for Santa Cruz County will be developed. The purpose of the cash access plan is to insure that clients will have reasonable, convenient and, to the maximum extent feasible, surcharge-free access to their benefits. This plan will describe the current check cashing and food stamp redemption practices, the geographic distribution of where clients live, and existing cash and food stamp access locations. The plan will also identify retailers, financial institutions, check cashers and other locations that have agreed to participate in the EBT system. The Human Services Commission, Welfare Subcommittee of the Women's Commission and other community partners will have **an** opportunity to review the draft plan. The comprehensive cash access plan will be forwarded to your Board for review and acceptance prior to submittal to the State. The current timeline calls for the plan to be submitted by the end of August.

It is therefore **RECOMMENDED** that your Board:

1. Accept and file the update on the implementation of the Electronic Benefit Transfer (EBT) system;
and
2. Direct the Human Resources Agency Administrator to return with a status report on the EBT project and the cash access plan for Santa Cruz County on August 20, 2002.

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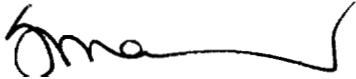
Very truly yours,

Cecilia Espinola (ED)

CECILIA ESPINOLA
Administrator

CE/SG

RECOMMENDED:



SUSANA A. MAURIELLO
County Administrative Officer

CC: County Administrative Office
Auditor-Controller